



ANNUAL REPORT 2020 年報

Contents 目錄

02	Corporate Information 公司資料	99	Corporate Governance Report 企業管治報告
04	Corporate Portfolio 公司概況	114	Independent Auditor's Report 獨立核數師報告
06	Financial Highlights 財務摘要	123	Consolidated Statement of Comprehensive Income 合併綜合收益表
09	Management's Statement 管理層報告	125	Consolidated Statement of Financial Position 合併財務狀況表
20	Biographical Details of Directors and Senior Management 董事及高級管理人員簡介	127	Consolidated Statement of Changes in Equity 合併權益變動表
28	Management's Discussion and Analysis 管理層討論和分析	129	Consolidated Cash Flow Statement 合併現金流量表
74	Report of the Directors 董事會報告	131	Notes to the Consolidated Financial Statements 合併財務報表附註



Corporate Information

公司資料

EXECUTIVE DIRECTORS

LIU Jun (*Chairman*)
 ZHANG Yonghong (*Chief Executive Officer*)
 LIU Xiaodong (*President*)

NON-EXECUTIVE DIRECTORS

GUO Fansheng
 SUN Yang
 LIN Dewei

INDEPENDENT NON-EXECUTIVE DIRECTORS

ZHANG Ke
 ZHANG Tim Tianwei
 QI Yan

COMPANY SECRETARY

KWONG Yin Ping Yvonne (*HKICS*)

AUDIT COMMITTEE

ZHANG Ke (*Chairman*)
 QI Yan
 GUO Fansheng

REMUNERATION COMMITTEE

ZHANG Ke (*Chairman*)
 LIU Jun
 ZHANG Tim Tianwei
 QI Yan
 SUN Yang

NOMINATION COMMITTEE

LIU Jun (*Chairman*)
 ZHANG Ke
 ZHANG Tim Tianwei

COMPLIANCE OFFICER

LIU Jun

AUTHORISED REPRESENTATIVES

LIU Jun
 ZHANG Yonghong

AGENT FOR ACCEPTANCE OF SERVICE OF PROCESS IN HONG KONG

KWONG Yin Ping Yvonne

執行董事

劉軍(*主席*)
 張永紅(*首席執行官*)
 劉小東(*總裁*)

非執行董事

郭凡生
 孫洋
 林德緯

獨立非執行董事

張克
 張天偉
 祁燕

公司秘書

鄺燕萍(*香港特許秘書公會會員*)

審核委員會

張克(*主席*)
 祁燕
 郭凡生

薪酬委員會

張克(*主席*)
 劉軍
 張天偉
 祁燕
 孫洋

提名委員會

劉軍(*主席*)
 張克
 張天偉

監察主任

劉軍

法定代表

劉軍
 張永紅

於香港接收法律程序文件代理人

鄺燕萍

Corporate Information 公司資料

STOCK CODE

02280

COMPANY'S WEBSITE

www.hc360.com
www.hcgroup.com

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants
Register Public Interest Entity Auditor

HONG KONG LEGAL ADVISORS

HW Lawyers

PRINCIPAL BANKER

CMB Wing Lung Bank Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

4th Floor, One Capital Place
P.O. Box 847 George Town
Grand Cayman, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7/F, Tower A1, Junhao Central Park Plaza
No. 10 Chaoyang Park South Road
Beijing 100026
The People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

股份代號

02280

公司網頁

www.hc360.com
www.hcgroup.com

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

香港法律顧問

HW Lawyers

主要往來銀行

招商永隆銀行有限公司

香港股份過戶登記分處

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
1712-1716號舖

註冊辦事處

4th Floor, One Capital Place
P.O. Box 847 George Town
Grand Cayman, Cayman Islands

總辦事處及主要營業地點

中華人民共和國
北京市
朝陽公園南路10號院
駿豪中央公園廣場A1樓7層(郵編: 100026)

香港主要營業地點

香港灣仔
皇后大道東248號
大新金融中心40樓

Corporate Portfolio 公司概況

HC Group Inc. (formerly, “HC International, Inc.”, the “Company”) and its subsidiaries (collectively referred as the “Group”) endeavour to become the leading industrial internet groups in the People’s Republic of China (the “PRC” or “China”). Since its establishment in 1992, the Company has been engaged in pragmatic and robust development, managed to be listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in 2003 with its stable performance and strength, and transferred its listing to the Main Board of the Stock Exchange on 10 October 2014. As of 31 December 2020, the Group had expanded its business to more than 100 cities nationwide, with branches established in over ten cities and a service team of around 1,658 individuals.

As one of the earliest B2B e-business platforms in China, the Group has initiated its layout towards industrial internet on 17 January 2018. The Group put forward its vision of “Striving to Becoming a Leading Industrial Internet Group in China” and its mission of “Empowering Traditional Industries with the Internet and Data”. In 2019, the Group established three business segments including platform and corporate services, technology-driven new retail as well as smart industries, which has invested and incubated several significant vertical “runways” and formulated a comprehensive industrial internet ecosystem.

Leveraging on hc360.com, the platform and corporate services segment is committed to developing industrial internet business platform instruments that can help small and medium-sized enterprises (“SMEs”) to “improve industrial efficiency” and “create value for customers”. This segment also aims at constructing industrial data chains and business layouts to empower SMEs by providing them with more value-added services such as financial services, data marketing and SaaS, promoting the transformation and upgrade of SMEs.

In July 2020, hc360.com launched the strategy of “excellent merchants and products” to comprehensively improve the content quality with higher threshold and more rigorous business opportunity audit mechanism from the two dimensions of merchant and product, and reconstruct the PC platform in an all-round way from the system base to the front-end vision and interaction with real time-smart-connected as the core.

慧聰集團有限公司(前稱「慧聰網有限公司」,「本公司」)及其附屬公司(統稱「本集團」)致力於成為中華人民共和國(「中國」)領先之產業互聯網集團。本集團於一九九二年成立,公司成立後務實穩健發展,依靠穩定的業績和實力於二零零三年在香港聯合交易所有限公司(「聯交所」)GEM上市及二零一四年十月十日成功轉入聯交所主板上市。截至二零二零年十二月三十一日,本集團之業務範圍已經拓展至全國上百城市,在十餘個城市擁有分支機構,服務團隊約1,658人。

本集團作為國內最早的B2B電商平台之一,於二零一八年一月十七日,本集團率先提出布局產業互聯網,以「致力於成為中國領先的產業互聯網集團」為願景,「用互聯網和數據賦能傳統產業」為使命。於二零一九年,本集團形成了平台與企業服務、科技新零售、智慧產業三大事業群,投資孵化多條重要垂直賽道,建立起完整的產業互聯網生態。

平台與企業服務事業群以慧聰網(hc360.com)為依託,致力於開發出能夠幫助中小企業「提升產業效率」、「為客戶創造價值」的產業互聯網生意平台與工具,構建產業數據鏈及業務場景,為中小企業賦能,為其提供金融、數據營銷、SaaS等更多增值服務,推動中小企業轉型升級。

於二零二零年七月,慧聰網啟動優商優品戰略。以更高的入駐標準、更嚴苛的商機審核機制,從商和品兩個維度,全面提升內容質量。以實時、智能、連接為核心,從系統底層到前端視覺及交互,全方位重構PC端平台。

Corporate Portfolio 公司概況

Technology-driven new retail segment is reorganised based on the Group's "zol.com.cn" ("ZOL") as the principal entity. The strategic objectives of the technology-driven new retail segment are to connect retailers (small b) through guiding C-end consumers, SaaS tools, reversed customization, and supply chain services, as well as to enhance their ability to secure customers, profitability and operational efficiency. Meanwhile, with the channel data collected from small b and data analysis, we are able to provide comprehensive "online + offline" marketing solutions to corporate customers (big B) as well as the solutions to core requirements of various parties along the 3C and home appliances industrial chain, forming a B2b2C business model.

On top of the broad development prospects of 3C and home appliance market, ZOL has now changed from a traditional technology media to a technology-driven new retail segment with wise marketing, smart retail, enterprise procurement and self-owned brands.

The smart industries segment integrates several well-developed vertical "runways" of the Group, including "PanPass" (a standard setter in the anti-counterfeit traceability industry and the largest provider of IoT solutions for digital transformation, "Union Cotton" (an integrated e-business service platform that covers the entire industrial chain of cotton, and "ibuychem.com" (a long established supply chain service platform intensively engaged in the plastics industry). "Focus" and "significant verticality" are the Group's important strategies for the smart industries segment. HC Group rapidly incubated several vertical "runways" by finding outstanding industry experts and resulted in "dimension reduction" with its resources accumulated over the past 28 years. At the end of 2020, PanPass, Zhongmo International (a company with significant importance in which the Group has equity interest) and nahuomall.com (the company originally controlled by us) have obtained the financing from leading institutions respectively and started the journey of capitalization.

科技新零售事業群為本集團以中關村在線([zol.com.cn])為主體重組而成。科技新零售事業群的戰略目標，即通過C端消費者導流、SaaS工具，反向定制、供應鏈服務等連接零售商戶(小b)，並提升其獲客能力、營收能力和運營效率。同時，依託小b收集的渠道數據，及數據分析，形成向企業級客戶(大B)提供「線上+線下」完整營銷方案的能力，為3C及家電產業鏈上各角色的核心需求提供解決方案，形成B2b2C的商業模式。

立足於3C及家電市場廣闊的發展前景，如今ZOL已從傳統的科技媒體銳變成具備智慧營銷、智慧零售、企業購及自主品牌的科技新零售事業群。

智慧產業事業群，集合了本集團發展壯大的多條垂直跑道：包括防偽溯源行業標準制定者和規模最大的數字化轉型物聯網解決方案提供商「兆信股份」、棉花全產業鏈電商綜合平台的「棉聯」、深耕化塑產業供應鏈服務平台多年的「買化塑」。「聚焦」及「重度垂直」是本集團於智慧產業事業群之重要策略。通過找到優秀的行業專家—「降維打擊」，並注入其28年累積之資源，慧聰集團迅速孵化多條垂直賽道，於二零二零年底，兆信股份、中模國際(重要參股公司)、拿貨商報(原控股公司)分別獲得了頭部機構的融資，開啟了資本化的征程。

Financial Highlights

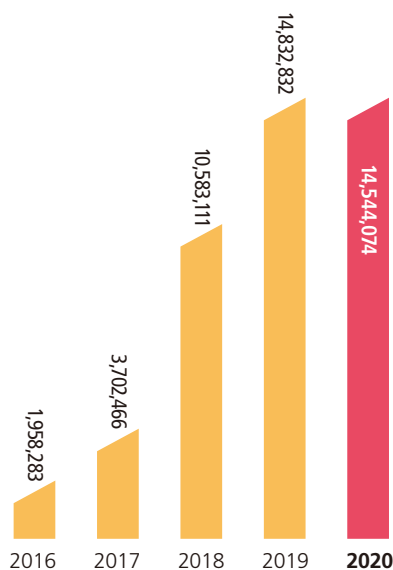
財務摘要

		2020	2019	2018	2017	2016
		二零二零年	二零一九年	二零一八年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	銷售收入	14,544,074	14,832,832	10,583,111	3,702,466	1,958,283
(Loss)/Profit attributable to equity holders of the Company	本公司權益擁有人應佔(虧損)/溢利	(745,537)	(376,490)	275,610	267,777	181,784
(Loss)/Earnings per share (RMB)	每股(虧損)/盈利(人民幣元)					
– Basic	– 基本	(0.6018)	(0.3360)	0.2462	0.2651	0.1882
– Diluted	– 攤薄	(0.6018)	(0.3360)	0.2458	0.2559	0.1852
Financial position	財務狀況					
Net current assets	流動資產淨值	649,878	716,935	1,233,990	1,578,519	41,313
Total assets	總資產	6,636,737	8,426,473	8,767,955	7,334,553	6,252,419
Total liabilities	總負債	2,610,958	3,696,761	3,546,331	2,877,424	2,984,276
Total equity	總權益	4,025,779	4,729,712	5,221,624	4,457,129	3,268,143

REVENUE

銷售收入

RMB'000
人民幣千元

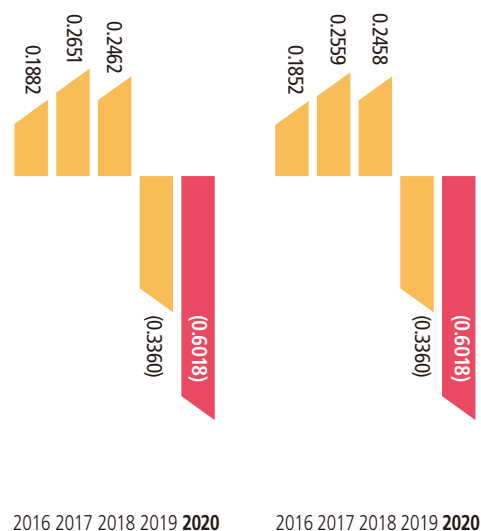


(LOSS)/EARNINGS PER SHARE (RMB)

每股(虧損)/盈利(人民幣元)

Basic
基本

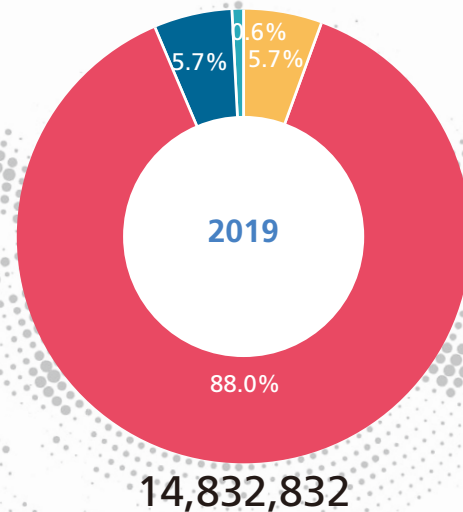
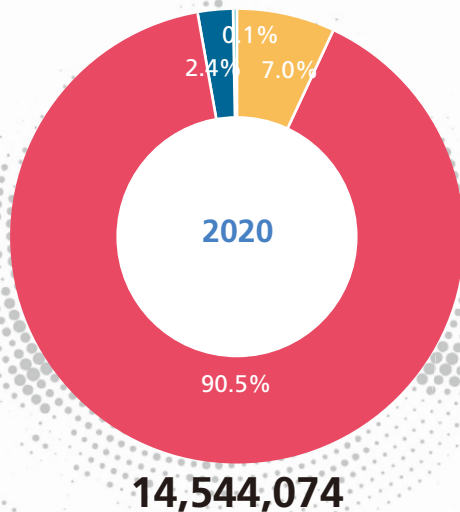
Diluted
攤薄



Financial Highlights 財務摘要

REVENUE ANALYSIS 銷售收入分析

		Technology-driven new retail segment 科技新零售事業群 RMB'000 人民幣千元	Smart industries segment 智慧產業事業群 RMB'000 人民幣千元	Platform and corporate services segment 平台與企業服務事業群 RMB'000 人民幣千元	Subtotal 小計 RMB'000 人民幣千元	Discontinued operations 已終止經營業務 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
2020	二零二零年	1,022,760	13,168,532	340,029	14,531,321	12,753	14,544,074
2019	二零一九年	844,493	13,050,827	853,095	14,748,415	84,417	14,832,832
Variance	變動	21.1%	0.9%	-60.1%	-1.5%	-84.9%	-1.9%



Technology-driven new retail segment
科技新零售事業群

Smart industries segment
智慧產業事業群

Platform and corporate services segment
平台與企業服務事業群

Discontinued operations
已終止經營業務

Financial Highlights

財務摘要

RECONCILIATION OF NON-HKFRS MEASURES TO THE NEAREST HKFRS MEASURES

To supplement our consolidated results which are prepared and presented in accordance with HKFRS, we also use adjusted EBITDA and adjusted net profit/(loss) as additional financial measures, which are not required by, or presented in accordance with HKFRS. We believe that these non-HKFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and certain impact of investment transactions. The use of these non-HKFRS measures have limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRS. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies.

The following tables set forth the reconciliations of our non-HKFRS financial measures for the years ended 31 December 2020 and 2019, to the nearest measures prepared in accordance with HKFRS.

非香港財務報告準則計量與最新香港財務報告計量對賬

為補充我們根據香港財務報告準則編製及呈列之合併業績，我們亦使用經調整EBITDA及經調整溢利／(虧損)淨額作為額外財務計量，其並非香港財務報告準則的規定，亦非按香港財務報告準則呈列。我們認為，該等非香港財務報告準則計量透過排除管理層認為不足以反映我們經營業績的項目(如若干非現金項目及若干投資交易之影響)所帶來之潛在影響，有助進行經營業績於不同年度及不同公司間之比較。採用該等非香港財務報告準則計量作為分析工具存在局限性，且不應被視為可獨立於或可替代我們根據香港財務報告準則所呈報經營業績或財務狀況之分析。此外，該等非香港財務報告準則計量所用詞彙之定義可能有別於其他公司所用類似詞彙。

下表載列我們截至二零二零年及二零一九年十二月三十一日止年度之非香港財務報告準則計量與根據香港財務報告準則編製之最新計量之對賬。

		Year ended 31 December	
		截至十二月三十一日止年度	
		2020	2019
		二零二零年	二零一九年
Loss for the year	本年度虧損	(873,268)	(459,765)
Share based payment expense	以股份支付之開支	60,496	80,685
Fair value loss/(gains) on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損／(收益)	8,779	(25,765)
Fair value (gains) on deemed disposal of Zhongmo Group	視作出售中模集團之公平值(收益)	-	(246,797)
Gain of disposal of other subsidiaries	出售其他附屬公司之收益	(12,664)	-
Gain of partial disposal of JDSJ Group	部分出售家電世界集團之收益	(65,323)	-
Impairment loss on goodwill and intangible assets	商譽及無形資產減值虧損	625,523	296,639
Net impairment losses on financial assets	金融資產減值虧損淨額	160,691	71,683
Impairment losses recognised in respect of investment in associates	就於聯營公司之投資確認減值虧損	-	2,735
Adjusted net loss	經調整虧損淨額	(95,766)	(280,585)
Adjusted for	就下列各項作出調整		
Finance cost, net	融資成本淨額	123,532	129,661
Income tax (credit)/expense	所得稅(減免)／開支	(127,542)	10,069
Depreciation and amortisation	折舊及攤銷	169,233	263,652
Adjusted EBITDA	經調整 EBITDA	69,457	122,797

Management's Statement

管理層報告

FINANCIAL REVIEW

During the year ended 31 December 2020, the Group has discontinued the operation of integrated marketing and advertising services operated by Huijia Yuantian Limited, a wholly-owned subsidiary of the Group and the operation of the O2O business exhibition centre segment. In accordance with HKFRS 5, the financial results of Huijia Yuantian Limited, the segment of O2O business exhibition centre and the relevant impairment expenses for the years ended 31 December 2020 and 2019 were classified as discontinued operations in the Group's financial statements.

During the financial year ended 31 December 2020, the Group generated a total revenue of approximately RMB14,531,321,000 (2019: RMB14,748,415,000) from continuing operations business. This represented a decrease of approximately 1.5% as compared to that in 2019. The decrease of revenue was mainly attributable to the deemed disposal of Hunan Zhongmoyun Construction Science and Technology Company Limited and its subsidiaries ("Zhongmo Group"), which contributed a revenue of approximately RMB400,030,000 to the Group in 2019 and was accounted for as investment in associates with effected from 26 December 2019.

For the Group's financial performance in different segments of continuing operations business, a total revenue of approximately RMB1,022,760,000 was achieved from the segment of technology-driven new retail in 2020, and represented an increase of approximately 21.1% from approximately RMB844,493,000 in 2019. Revenue from the smart industries segment increased from approximately RMB13,050,827,000 in 2019 to approximately RMB13,168,532,000 in 2020 which represented an increase of approximately 0.9%. Revenue derived from the segment of platform and corporate services was approximately RMB340,029,000 in 2020, which represented a decrease of approximately 60.1% from approximately RMB853,095,000 in 2019.

During the financial year ended 31 December 2020, operating expenses of continuing operations decreased from approximately RMB967,793,000 in 2019 to approximately RMB805,093,000 which was mainly due to the deemed disposal of Zhongmo Group, the decrease of staff cost and marketing expense.

財務回顧

截至二零二零年十二月三十一日止年度，本集團決定終止本集團全資附屬公司慧嘉元天有限公司經營的整合營銷及廣告服務業務以及O2O商業展覽中心事業群的營運。根據香港財務報告準則第5號，截至二零二零年及二零一九年十二月三十一日止年度，慧嘉元天有限公司的財務業績、O2O商業展覽中心事業群及相關減值開支已於本集團財務報表分類為已終止經營業務。

截至二零二零年十二月三十一日止財政年度，本集團自持續經營業務產生總銷售收入約人民幣14,531,321,000元（二零一九年：人民幣14,748,415,000元），較二零一九年減少約1.5%。銷售收入減少主要由於視作出售湖南中模雲建築科技有限公司及其附屬公司（「中模集團」），其於二零一九年為本集團帶來銷售收入約人民幣400,030,000元，並自二零一九年十二月二十六日起入賬列作於聯營公司之投資。

就本集團持續經營業務各事業群之財務表現而言，於二零二零年來自科技新零售事業群之總銷售收入約為人民幣1,022,760,000元，較二零一九年約人民幣844,493,000元增加約21.1%。智慧產業事業群之銷售收入由二零一九年約人民幣13,050,827,000元增加約0.9%至二零二零年約人民幣13,168,532,000元。於二零二零年來自平台與企業服務事業群之銷售收入約為人民幣340,029,000元，較二零一九年約人民幣853,095,000元減少約60.1%。

截至二零二零年十二月三十一日止財政年度，持續經營業務之經營開支自二零一九年約人民幣967,793,000元減少至約人民幣805,093,000元，主要由於視作出售中模集團、員工成本及市場推廣費用減少所致。

Management's Statement 管理層報告

The loss attributable to equity holders of the Company was approximately RMB745.5 million for the Year, while loss attributable to equity holders of the Company of approximately RMB376.5 million was recorded for the year ended 31 December 2019. The loss was mainly attributable to, among other things: (i) the Company has recognized impairment for the goodwill and intangible assets of the business units that could not attain the expected results, which amounted to approximately RMB578.3 million from continuing operation and 47.2 million from discontinued operations, (ii) the share of loss of associates increased, (iii) due to change of business plan, the Group decided to discontinue operating certain loss-making business which resulted in certain one-off disposal losses and (iv) in light of the adverse impact of the COVID-19 and the economic environment, the Company has made further provision for impairment for the financial assets of approximately RMB160,691,000.

Regarding the disposals and discontinued operations and impairment assessment on goodwill and intangible assets, the management would like to highlight that the Group has acquired or invested in certain companies and business for development purpose in the past decade. Due to the challenges imposed by macroeconomics and to align with the strategic development goals of the Group, the Group began its transformation include taking actions to lower its gearing ratio, integrating and optimising its resources assets, discontinuing loss-making business and disinvesting from the non-core business. The Group wish to concentrate its resources to further develop its core business with advantageous (details of which are set out in the paragraphs headed "BUSINESS REVIEW" and "Prospect" in this annual report.) Therefore, the Group provided impairment assessments on goodwill and intangible assets of relevant CGUs after considering the key assumptions (including the growth rate and discount rate of CGUs) of non-core business held.

BUSINESS REVIEW

In 2020, the Group continued to work on its vision of becoming a leading group for "Industrial Internet" in China by leveraging internet thinking, instruments and methods to ramp up industrial efficiency, empower supply chains and industrial chains, and establish a win-win ecosystem to serve customers. By focusing on and integrating advantageous resources, the Group's businesses are divided into three segments: namely the platform and corporate services segment, the technology-driven new retail segment, and the smart industries segment.

In 2020, approximately 7.0% of the Group's revenue was generated from the technology-driven new retail segment, approximately 90.5% of the Group's revenue was derived from the smart industries segment, approximately 2.4% of the Group's revenue was attributable to the platform and corporate services segment.

於本年度，本公司權益擁有人應佔虧損約為人民幣745.5百萬元，而截至二零一九年十二月三十一日止年度則錄得本公司權益擁有人應佔虧損約人民幣376.5百萬元。虧損主要由於(其中包括)：(i)本公司就未能達致預期業績之業務單位分別自持續經營業務及已終止經營業務確認商譽及無形資產減值約人民幣578.3百萬元以及人民幣47.2百萬元；(ii)分佔聯營公司虧損增加；(iii)由於業務計劃之變動，本集團決定終止經營若干虧損業務，致使出現若干一次性出售虧損以及(iv)鑒於COVID-19及經濟環境之不利影響，本公司就金融資產進一步計提約人民幣160,691,000元之減值撥備。

針對已出售及終止的業務以及商譽或無形資產進行減值評估而言，管理層希望指出，在本集團發展近10年間收購或投資了一些公司及發展新業務。受宏觀經濟影響及本集團戰略發展的需要，本集團於2020年度陸續採取措施降低負債、進行資產整合優化、終止虧損業務及剝離非核心業務，集中資源發展更有優勢的核心業務(詳細討論請見本年報中「業務回顧」和「前景」的段落)，而在考慮仍然持有的非核心業務的關鍵假設(包括現金產生單位之增長率和貼現率等)後對相關現金產生單位的商譽或無形資產進行減值評估。

業務回顧

於二零二零年，本集團繼續以成為中國領先的「產業互聯網」集團為願景，用互聯網的思維、工具和手段，來提高產業效率、賦能供應鏈及產業鏈，以求建立共贏的生態圈服務客戶。通過聚焦及整合優勢資源，本集團業務構成成為三大版塊：平台與企業服務事業群、科技新零售事業群及智慧產業事業群。

於二零二零年，本集團約7.0%之收入來自於科技新零售事業群，約90.5%之收入來自於智慧產業事業群，約2.4%之收入來自平台與企業服務事業群。

Management's Statement 管理層報告

Platform and corporate services segment

Leveraging on hc360.com, the platform and corporate services segment is committed to develop industrial internet business platform instruments that enable small and medium-sized enterprises (“SMEs”) to “improve industrial efficiency” and “create value for customers”. This segment also aims at constructing industrial data chains and business layouts to empower SMEs by providing them with more value-added services such as financial services, data marketing and SaaS, promoting the transformation and upgrade of SMEs, and facilitating the economic development of the PRC. “hc360.com”, being the core operation entity of the platform and corporate services segment, has its strategy to become the “operating service platform of SMEs”, with a core value of “managing and operating the infrastructures for multi-stores” for corporate customers. In 2020, with means such as artificial intelligence, big data etc., products of hc360.com collected and sorted out huge inquiries from buyers by means of manual labeling, machine identification, knowledge map, etc., which is known as “buyer service”, and matched high-quality suppliers of hc360.com catering for customer demand, which is known as the “seller service”. During the service process, hc360.com quickly obtained industry information and constantly optimized and upgraded our underlying system. Our fundamental logic is to establish a knowledge map of enterprise information and business opportunities, which connects online merchants with Internet traffic and excavate effective information for intelligent pairing-up, so as to improve the efficiency of marketing services.

In February 2020, taking into account the actual difficulties of SMEs affected by the pandemic, hc360.com responded quickly by taking actions to support the commercial sector. Nine major measures were introduced to facilitate the business expansion of enterprises, helping them to resume production and operation by means of online matching, manual roster, etc.

In March 2020, hc360.com launched a new product, namely “Huishengyi” (慧生意), which is a one-stop multi-contact platform, and was positioned as a “salesman in pocket” to assist customers to automatically seize the business opportunities. utilising the info page for buyers and manual matching services, users’ demands are satisfied, so as to better improve the connection between enterprises and customers, helping them to solve the operating difficulties such as seeking customers and online operation, as well as to reduce the manual communication cost of the enterprises.

As an efficient, intelligent and safe online socialised operation platform, Tencent Qidian (騰訊企點) took full use of its advantages in social platforms and carried out in-depth cooperation with hc360.com. After the joint establishment of “Huicaigou” (慧採購), a heavyweight procurement platform with big data and information services, a mini application of “Huicaigou” was launched in August 2020 to promote the efficiency for users’ connection.

平台與企業服務事業群

平台與企業服務事業群以慧聰網(hc360.com)為依託，致力於開發出能夠幫助中小企業「提升產業效率」、「為客戶創造價值」的產業互聯網生意平台工具，構建產業數據鏈及業務場景，為中小企業賦能，為其提供金融、數據營銷、SaaS等更多增值服務，有助於推動中小企業轉型升級，服務於中國經濟發展。慧聰網作為平台企業服務事業群的核心運營主體，其戰略是「中小企業經營服務平台」，核心價值是為企業級客戶「管理和運營多店的基礎設施」。於二零二零年，慧聰網之產品依託人工智能及大數據等手段，採用人工標註加機器識別、知識圖譜等方式，收集整理大量買方詢盤信息，也稱買家服務，為客戶需求匹配慧聰網的優質供應商，即賣家服務。在服務的過程中慧聰網快速獲取行業信息，不斷優化升級後臺。我們的底層邏輯是把企業的信息、商機建立成知識圖譜，連接在綫商家及外網的流量，挖掘有效信息進行智能匹配，進而提高營銷的效率服務。

於二零二零年二月，考慮到中小企業客戶受疫情影響的實際困難，慧聰網快速反應，推出扶商行動，九大舉措助力廣大企業推進業務拓展，採取綫上撮合、人工值守等方式，幫助企業恢復生產經營。

於二零二零年三月，慧聰網推出新品「慧生意」，一站式多觸點平台，定位於「裝在口袋裏的業務員」，協助客戶實現商機自動入庫，利用買家綫索大廳和人工撮合服務，滿足用戶需求，讓企業更好地連接客戶，幫助企業解決找客戶難、在綫運營難等經營痛點，降低企業人工溝通成本。

作為高效、智能、安全的社交化在綫經營平台，騰訊企點充分結合其社交平台優勢，與慧聰網展開深度合作。在共建大數據+信息服務的重磅採購平台「慧採購」後，於二零二零年八月，再上綫慧採購小程序，讓用戶連接更加高效。

Management's Statement 管理層報告

In September 2020, the new homepage of hc360.com was launched, which comprehensively improved and enriched the page functions to provide better search and browsing experience for the vast number of purchasers and SMEs. On the brand new PC website, we built a “real time-smart-connected” platform for “excellent merchants and products” to provide better display and recommendation for competent merchants to enter the transaction side with focus on business scenarios and provide “matching services”. In addition, the new hc360.com built a “smart business district” as a new e-commerce social model. “Smart business district” is a new connection mode of business, commodities and users, providing a new online communication platform for business opportunities. Since its launch in September 2020, over 10,000 enterprises joined the “fine goods and products” platform, receiving more than 3,000 enquiries from buyers per month.

In November 2020, relying on the traffic advantage of huge daily searches of 360 Search, hc360.com launched a new B2B information aggregation platform – b2b.so.com. In the next 3 years, b2b.so.com will become an independent entrance of “360 Search” facing B2B vertical crowd. hc360.com is entitled to the exclusive operation and marketing agency rights of b2b.so.com, and will continue to tap the value of search traffic of vertical industry, so that enterprises can obtain more business opportunities.

Technology-driven New Retail Segment

In late 2018, with ZOL as the principal entity, the Group restructured the technology-driven new retail segment by combining ZOL with 北京融商通聯科技有限公司 (Beijing Rongshang Tonglian Technology Co., Ltd. *) (“Rongshang Tonglian”) and 慧聰雲商 (佛山) 網絡科技有限公司 (Huicong Yunshang (Foshan) Internet Technology Co., Ltd. *) (“jdhui.com”). The strategic objectives of the technology-driven new retail segment are to connect retailers (small b) through guiding C-end consumers, SaaS tools, reversed customisation, and supply chain services, as well as to enhance their ability to secure customers, profitability and operational efficiency. Meanwhile, with the channel data collected from small b and data analysis, we are able to provide comprehensive “online + offline” marketing solutions to corporate customers (big B) as well as the solutions to core requirements of various parties along the 3C and home appliances industrial chain, forming a B2b2C business model.

In 2020, adjustment and optimisation were made to the corporate organisation structure of the technology-driven new retail segment, establishing four segments, namely “wise marketing”, “smart retail”, “smart enterprise procurement segment” and “self-owned brand segment”.

* English names are translated for identification purpose only.

於二零二零年九月，慧聰網首頁全新上線，全面完善、豐富頁面功能，為廣大採購商及中小企業客戶提供更好的搜索和瀏覽體驗。在全新的PC端網站，我們打造了「實時—智能—連接」的「優商優品」平台，為實力商家獲得更好的展示和推薦，圍繞生意場景切入交易端，提供「撮合服務」。此外，全新慧聰網搭建「智慧商圈」，搭建電商社交新模式。「智慧商圈」是企業—商品—用戶的全新連接方式，提供全新的在線溝通商機平台。自二零二零年九月上線至今，已有1萬餘家企業入駐「優商優品」平台，月度詢盤買家3000餘家。

於二零二零年十一月，慧聰網依託360搜索日均搜索量巨大的流量優勢，推出全新的B2B信息聚合平台—慧優採(b2b.so.com)。慧優採在未來三年將成為「360搜索」面對B2B垂直人群的獨立入口，慧聰網擁有慧優採獨家運營和招商代理權限，持續挖掘垂直行業搜索流量價值，讓企業獲得更多商業機會。

科技新零售事業群

科技新零售事業群於二零一八年底，本集團以中關村在線ZOL為主體、融合北京融商通聯科技有限公司（「融商通聯」）、慧聰雲商（佛山）網絡科技有限公司（「家電匯」）重組為科技新零售事業群。科技新零售事業群的戰略目標，即通過C端消費者導流、SaaS工具，反向定制、供應鏈服務等連接零售商戶（小b），並提升其獲客能力、營收能力和運營效率。同時，依託小b收集的渠道數據，及數據分析，形成向企業級客戶（大B）提供「線上+線下」完整營銷方案的能力，為3C及家電產業鏈上各角色的核心需求提供解決方案，形成B2b2C的商業模式。

於二零二零年，科技新零售事業群對企業組織架構進行了調整和優化，形成了「智慧營銷」、「智慧零售」、「智慧企業購分部」及「自有品牌部」四個分部。

* 英文名稱翻譯僅作識別用途。

Management's Statement 管理層報告

“Wise marketing” business provides industry partners with integrated marketing services of whole network resources, covering mainstream platforms such as ZOL’s main site, Baidu, ByteDance, JD.com, Taobao and Bilibili. At the same time, we provide mature operation management agency services ranged from user operation to opening stores for our partners, so as to obtain trust with our professional competence.

As the router of science and technology industry, we pay equal attention to industrial channels, i.e. the trading business with “jdhui.com” as the main operating entity. The smart retail business with Huimaimai and ZOL cloud store as the core helps merchants to easily purchase goods on one hand and sell goods on the other hand, providing comprehensive solutions for industrial partners to solve the problems of supply chain connection and difficulties of seeking customers brought by opening stores on the whole network. Among them, ZOL cloud store is a joint-brand manufacturer based on the retail matrix created by SaaS cloud store tools – the selection of products is completed by ZOL’s joint manufactures via the central live broadcast rooms of the platform to gather tens of thousands of small b of distributed 2C traffic in private sector, forming a B2b2C industrial router.

In 2020, a total of 22 “to b” live shows had been held successfully by smart retail segment through APP “Huimaimai” (慧買賣) with top-tier brands such as Midea, Little Swan, MeiLing, TCL, Changhong, Skyworth, Robam and Fotile, with accumulative online viewers of 0.62 million and a total of 0.4 million units of products sold. Among which, the “618 Big Sale” activity had a transaction volume of over 200 million, representing a year-on-year increase of 272%, with 4,500 participating retailers.

For “smart enterprise procurement segment”, i.e. ZOL business (<http://www.zol.com/>), has created six functional platforms with the core components of supply chain financing, media information flow services, supply chain output and product customisation, procurement platform solutions, value-added after-sales service, and the digital logistics platforms, providing efficient one-stop, customised and intelligent cloud procurement solutions as well as precise quotations for government and corporate customers, empowering industrial partners with ToG capacity and allowing competent manufacturers to become suppliers of government and corporate procurement.

For “self-owned brand segment”, the RHT air purification is a national brand independently developed and patented in China. It has been designated as the supplier of air purifier system and fresh air system by Fortune Global 500. With the globally patented core technology, NCCO is the first air purifier brand in Mainland China to obtain the German TUV Rheinland certification. Currently, it is providing services to nearly 100 hospitals in over 10 countries around the world. In February 2020, the killing rate of RHT air purification system for human coronavirus (HCoV-229E) achieved over 99.99% according to the authoritative test report of Guangdong Detection Center of Microbiology.

「智慧營銷」業務為產業夥伴提供全網資源整合營銷服務，覆蓋ZOL主站、百度、字節系、京東、淘寶、嗶哩嗶哩等主流平台。同時，我們為合作夥伴提供成熟的代運營服務，從用戶運營到店鋪搭建，以專業獲得信賴。

作為科技產業路由器，我們同樣關注產業渠道，即以「家電匯」為運營主體的交易業務。以慧買賣、ZOL雲店為核心的智慧零售業務幫助商家輕鬆實現左手進貨、右手賣貨，為產業夥伴打造解決供應鏈串聯及全網開店獲客問題的全方位解決方案。其中，ZOL雲店是聯合品牌廠商、基於SaaS雲店工具打造的零售矩陣—ZOL聯合廠商完成選品後，通過平台的中央直播間，集合數萬家小b分布式私域2C流量，形成B2b2C的產業通路。

於二零二零年，智慧零售部通過「慧買賣」APP聯合美的、小天鵝、美菱、TCL、長虹、創維、老闆、方太等一線品牌成功舉辦「to b」直播達22場，累計在綫觀看人數62萬次，累計銷售數量40萬件。其中，「618大促」活動交易額突破2億，同比增長272%，有4,500家零售商參與活動。

「智慧企業」業務即ZOL企業購(<http://www.zol.com/>)，打造以供應鏈金融、媒體信息流服務、供應鏈輸出和產品定制、採購平台解決方案、增值售後服務以及數字化物流平台為核心的六大功能平台，為政企客戶提供高效的一站式、定制化、智能化的雲採購解決方案和精準報價，賦能產業夥伴ToG的能力，讓實力廠家成為政企採購供應商。

「自有品牌部」，慧聰信山(RHT)空淨是中國自主研發並擁有專利的全國品牌，世界500強企業指定空氣淨化器系統、新風系統供應商。核心技術—NCCO擁有全球專利，是首個獲得德國TUV萊茵權威認證的中國大陸空淨品牌，目前已在全球超過10個國家為近百家醫院提供服務。於今年二月，根據廣州微生物分析檢測中心權威檢測報告，RHT空氣處理系統對於人冠狀病毒(HCoV-229E)的殺滅率在99.99%以上。

Management's Statement 管理層報告

In terms of media, ZOL has the most authoritative technology product library, covering over 20,000 technology brands, 850 product lines and nearly 500,000 popular products for sale up to now. At the same time, it is connected with the data of various mainstream search engines such as Baidu, 360 and Toutiao, and outputs our professional opinions to more than 400 million Internet users focusing on technology every day. In terms of new retail, as of the date of the announcement, ZOL cloud store has connected with more than 25,000 paid small b retailers through the SaaS tools.

Smart Industries Segment

The smart industries segment mainly comprises of PanPass, an IoT solutions provider for digital transformation, Union Cotton, a spot transaction platform for cotton, and ibuychem.com, which is positioned to provide centralised purchasing and integrated e-business service for chemicals and plastics. "Focus" and "significant verticality" are the Group's important strategies for the smart industries segment.

Beijing PanPass Information Technology Co., Ltd. (北京兆信信息技術股份有限公司) ("PanPass") or ("PanPass Information") (NEEQ Stock Code: 430073) is a platform with Z-SCM, a proprietary intellectual right supply chain management system, as its core, and is based on the technologies such as IoT, big data, artificial intelligence (AI) and computation, as well as the markers of digital code, QR code, RFID, etc. as carriers, providing a lifetime traceability and management service for brand customers. PanPass's anti-counterfeiting traceability solutions has been serving more than 40,000 enterprises, covering the world's top 500 enterprises, domestic leading enterprises in the industry, and the construction projects from national key platforms such as MOFCOM, MOA, MIIT. PanPass owns over 20 national invention patents, including anti-counterfeiting patent for codes, and invention patent for product logistics anti-channel conflict management system. In 2019, PanPass has continued to further the cooperation with various customers with long business history such as PetroChina, Junlebao, Lulu (露露), Tong Ren Tang and Hongyuan Waterproof. Taking advantages of "One Product, One Code", a new type of retailing, PanPass rendered service to the market by building a big database among enterprises, products, distributors and consumers which became a sales channel for Chinese liquors, where serviced customers included Maotai, Langjiu, Luzhoulaojiao, Banchengjiu (板城酒), Sitejiu (四特酒), Shanzhuanglaojiu (山莊老酒) and Hankejiuye (酣客酒業).

In February 2020, PanPass provided public welfare product support for enterprises, provided 50,000 to 100,000 anti-counterfeit labels free of charge for qualified brand enterprises recognised by China that produce social emergency supplies, and actively participated in China's anti-pandemic works. In May 2020, the western operation center of PanPass was set up, bringing technology and services to Chengdu. The service scope has extended to the surrounding provinces and cities, including Sichuan, Chongqing, Guizhou, Yunnan, Shaanxi, Gansu, and Qinghai, enabling enterprises in need to enjoy localization services.

在媒體方面，ZOL擁有最權威的科技產品庫，截止目前覆蓋2萬+科技品牌，850條產品綫，近50萬款熱門在售產品。同時與百度、360、今日頭條等多家主流搜索引擎數據打通，每天將我們的專業觀點輸出給超過4億科技互聯網用戶。在新零售方面，截止本公佈日期，ZOL雲店通過SaaS工具已連接超過了25,000個付費小b零售商。

智慧產業事業群

智慧產業事業群主要包括：數字化轉型物聯網解決方案提供商—「兆信股份」、棉花現貨交易平台—「棉聯」及化工、塑料的集採交易綜合服務電商—「買化塑」。「聚焦」及「重度垂直」是本集團於智慧產業事業群之重要策略。

北京兆信信息技術股份有限公司(「兆信股份」)(新三板股票代碼：430073)以自主知識產權供應鏈管理體系Z-SCM為核心平台，基於IoT、大數據、人工智能(AI)、運算等技術，通數字碼、二維碼、RFID等標識物為載體，為品牌客戶提供產品全生命周期追溯及管理服務。兆信股份的防偽溯源解決方案先後服務於4萬多家企業，涵蓋世界500強企業、國內行業龍頭企業及國家商務部、農業部、工信部等國家重點平台的建設項目。擁有20餘項國家發明專利，包括：電碼防 專利和產品物防串貨管理系統發明專利等。於二零一九年，兆信股份持續與眾多老客戶如中石油、君樂寶、露露、同仁堂、宏源防水等進行深入合作。兆信股份利用一物一碼新零售構建起企業、產品、經銷商、消費者之間的大數據庫服務市場，成為白酒的一種銷售方式，服務客戶包括茅臺、郎酒、瀘州老窖、板城酒、四特酒、山莊老酒、酣客酒業等客戶。

於二零二零年二月，兆信股份向企業提供公益性產品支持，為國家認可的社會緊急物資生產的品牌企業免費提供5萬—10萬枚防偽標籤，積極參與國家防疫行動。於二零二零年五月，兆信股份西區運營中心落成，將技術與服務帶到成都市。服務範圍輻射四川省、重慶市、貴州省、雲南省、陝西省、甘肅省、青海省等周邊省市，讓有需求的企業享受本地化服務。

Management's Statement 管理層報告

The announcement regarding the Decision on the First Batch of Periodical Adjustment of Market Tiers in 2020 (2020年第一批市場層級定期調整決定的公告) was issued by National Equities Exchange And Quotations Co., Ltd. on 22 May 2020. As the most competent listed company in respect of anti-counterfeiting in China, PanPass has successfully entered Innovation Tier, thus embracing greater opportunities from capital market development.

At the same time, we deepened the strategic cooperation with leading customers such as Langjiu (郎酒) and Luzhou Laojiao (瀘州老窖) and upgraded digital operation and construction projects. With the product digital management platform, PanPass will assist its customers to complete the construction of seven sub-modules including digital coding, digital production, digital logistics, digital marketing, digital internal control, big data application support, and security standard system, in order to practically achieve the digital management of closed-loop supply chain compassing “product research and development – coding production – transportation and logistics – distributors – consumption terminals – consumers – big data analysis – product research and development”.

During the year of 2020, PanPass won a number of awards: in July, the company became the first batch of “Small and Medium-sized Enterprises with ‘Specialized and New Technology’ in Beijing in 2020”, passed the national technical review for the sixth time for 15 consecutive years, and obtained the anti-counterfeiting technical review certificate; PanPass obtained the “Software Enterprise Certificate” issued by Beijing Trade Association for Software and Information Service, and successfully obtained “double soft certification” since then, becoming one of the few enterprises in the industry that obtained the “double soft certification”. In August, PanPass was awarded by China Trade Association for Anti-counterfeiting and was recognized as a member actively contributing to epidemic prevention and control. In October, PanPass was awarded the “Top 100 Small and Medium-sized Private Enterprises in Beijing in 2020”. In November, it was recognized as an “innovative” enterprise. In November 2020, PanPass was awarded the “Top 10 Reputable Brands (in software and information industry) in China in 2020”.

At the end of 2020, PanPass signed a strategic investment agreement with Fosun Xingyuan (復星星元) of the Fosun Group, and Fosun invested approximately 87.42 million in PanPass through share issue. After the said round of investment, Fosun Xingyuan became the second largest shareholder of PanPass, providing assistance in capital increase for PanPass’s rapid development in the field of corporate product digital transformation.

於二零二零年五月二十二日，全國中小企業股份轉讓系統有限責任公司發佈了2020年第一批市場層級定期調整決定的公告，兆信股份作為國內最具實力的防偽領域掛牌公司，成功進入創新層，迎來更加強勁的資本市場發展機遇。

同時，我們分別與龍頭客戶郎酒、瀘州老窖深化戰略合作，升級數字化運營建設項目。通過產品數字化管理平台助力客戶完成數字化賦碼、數字化生產、數字化物流、數字化營銷、數字化內控、大數據應用支持、安全規範體系等七大大子模塊的建設，真正實現「產品研發—賦碼生產—運輸物流—經銷商—消費終端—消費者—大數據分析—產品研發」的全供應鏈閉環的數字化管理。

於二零二零年全年，兆信股份獲得多項榮譽：七月，公司成為首批被授予認證的「2020年度北京市「專精特新」中小企業」、連續15年第6次通過國家級技術評審，並獲得防偽技術評審證書；獲得北京市軟件和信息服務行業協會頒發的《軟件企業證書》，自此公司成功獲得「雙軟認證」，是業內獲得「雙軟認證」的少數幾家企業之一。八月，兆信股份獲中國防偽行業協會表彰，被認定為中國防偽行業疫情防控積極貢獻會員單位。十月，兆信股份榮獲「2020北京民營企業中小百強」企業。十一月，榮獲「創新型」企業評價。二零二零年十一月，兆信股份榮獲「2020中國（軟件與信息行業）十大好口碑品牌」。

於二零二零年底，兆信股份與復星集團旗下復星星元簽署戰略投資協議，復星通過股份發行的方式向兆信股份投資約8,742萬元人民幣。本輪投資後，復星星元成為兆信股份的第二大股東，為兆信股份在企業產品數字化轉型領域高速發展增資助力。

Management's Statement 管理層報告

Positioned as an excellent spot transaction platform for cotton, Union Cotton provides integrated B2B e-business service for spot cotton through online platforms, including self-operated online shopping stores, supply-chain financial service and warehouse receipt pledge. Union Cotton, one of the earliest B2B e-business pioneers in the cotton industry, has accumulated extensive industrial experience and significant market resources in the cotton industry.

Since the spread of the epidemic in February 2020, Union Cotton has focused on providing free online “transaction services” for both the supply and demand sides through big data algorithms, providing timely raw material purchases for epidemic prevention and protective equipment manufacturers, and supply chain service support for the protective products manufacturing enterprises under high financial pressure. In March 2020, Cotton Union's cumulative trading revenue exceeded 10 billion, becoming one of the leading Internet integrated service providers in the cotton textile industry chain, establishing extensive and good business reputation. In September 2020, Union Cotton and COFCO (中糧國際) signed a strategic cooperation agreement. The two parties carried out in-depth strategic cooperation on the cotton import business, gave full play to their respective advantages in resources and service in the cotton field, and realized overall improvement of the market service capabilities of both parties. In October 2020, Union Cotton promoted the strategic transformation and upgrading on all front, established the yarn business department and polyester business department, opened the online trading business of yarn and polyester products, and comprehensively improved the service capabilities of the cotton textile chemical industry chain. In December 2020, the single-month turnover receivable exceeded 1 billion. In the year of 2020, Union Cotton has been listed in the “Top 100 Companies in China's Industrial Internet” for the fifth consecutive year, obtaining 9 software copyrights and 3 invention patents in total.

Positioned to provide centralised purchasing and integrated e-business service for chemicals and plastics, ibuychem.com was incubated by the Group as a non-wholly-owned subsidiary in March 2015, and originated from the chemical e-business platform established by the Group over 20 years ago. It has developed into a leading B2B platform in the domestic chemical industry. Its services cover nearly one million enterprises and eight million online members in the chemical rubber and plastics industry chain in China. The platform focuses on the spot trading of chemical rubber and plastic products.

棉聯定位於卓越的棉花現貨交易平台，透過在綫平台提供現貨棉花之綜合B2B電子商務服務，包括自營在綫商城、供應鏈金融服務及倉單質押。作為棉花行業B2B電商先行者之一，彙聚了棉花行業豐富經驗以及重要的市場資源。

於二零二零年二月疫情蔓延以來，棉聯重點推出了通過大數據算法為供需雙方提供免費的綫上「交易服務」，為防疫防護用品生產企業及時提供原材料採購，並為資金壓力大的防護品生產企業提供供應鏈服務支持。於二零二零年三月，棉聯累計交易營收突破百億，成為棉紡織產業鏈領先的互聯網綜合服務提供商之一，建立了廣泛的市場影響力與良好的商業信譽。於二零二零年九月，棉聯與中糧國際簽署戰略合作協議，雙方就進口棉業務開展深度戰略合作，在棉花領域發揮各自的資源與服務優勢，實現雙方市場服務能力的全面提升。於二零二零年十月，棉聯全面推進戰略轉型升級，設立紗綫事業部、聚酯事業部，開通紗綫、聚酯產品在綫交易業務，全面提升棉紡織化工產業鏈的服務能力。於二零二零年十二月，單月營業額應收破10億。於二零二零年全年，棉聯連續第五年榮登「中國產業互聯網百強榜」，共獲得9項軟件著作權，3項發明專利。

買化塑，本集團於二零一五年三月內部孵化並控股之非全資子公司，定位於化工、塑料的集採交易及電商綜合服務，起源於本集團旗下創建20餘年的化工電子商務平台，已發展成為國內領先的化工產業B2B平台，服務覆蓋中國化工橡塑產業鏈近100萬家企業和800萬網站會員，平台專注於化工塑料產品的現貨交易。

Management's Statement 管理層報告

In February 2020, ibuychem.com launched "Battle", an online public welfare programme to provide chemical workers with knowledge during the fight against the epidemic, and to fully prepare for the resumption of production after the epidemic. More than 1,500 people participated in the live interaction online, and users gave rave reviews to the programme. In June 2020, ibuychem.com and Guangdong University of Foreign Studies jointly established an industrial Internet practice base, integrating the multilingual, multidisciplinary, and cross-cultural resource advantages of colleges and universities with the advantages of the industrial information service platform of "ibuychem.com", carrying out in-depth school-enterprise interactions with focus on the cultivation of talents, commercial logistics, the Belt and Road Initiative and enterprise service outsourcing. In December 2020, ibuychem.com was listed as one of the "2020 Top 100 Companies in China's Industrial Internet", ranking 55th. Since the establishment of the "Top 100 List" in 2005, ibuychem.com has been on the 11 lists for 11 consecutive times. In the same month, ibuychem.com cooperated with CHINACOAT, the world's largest paint exhibitor, and took advantage of its own Internet technology to jointly organize a number of brilliant online and offline high-quality events. In the same month, ibuychem.com and Xiong'an New District organized domestic high-quality construction materials suppliers to participate in the "2020 Xiong'an New District (Xiong County) Construction Materials Supply Chain Innovative Development Forum" (2020雄安新區(雄縣)建材供應鏈創新發展論壇) to coordinate with the construction projects of the new district.

Prospect

The Group was founded in 1992. During the start-up phase from 1992 to 2003, the core product of the Group was HC Trade (慧聰商情), which is a classified advertising service based on paper media. From 2003 to 2017, the Group transformed from paper media to PC and built hc360.com, helping SMEs open stores and provide traffic referral services. In October 2017, the Group achieved a full strategic transformation and committed to becoming a leading industrial internet company in China.

In 2018, the technology-driven new retail segment, with ZOL as the principal entity, transformed from a media company into a new retail company. Up to the date of this annual report, relying on the influence of more than 20,000 brands and 70 million technological consumers, technology-driven new retail segment had connected 25,000 retailers "small B" and at the same time, helped those "small B" with the selection of products with low price, so as to help them sell their products and provide them with one-stop solutions from online shop opening, media selection for promotion and supply chain management through Huimaimai and ZOL online shop.

於二零二零年二月，買化塑啟動「戰役」在綫公益課堂，為抗擊疫情期間的化工人在綫充電，為疫情後的恢復生產做足了準備。超過1500餘人在綫參與直播互動，用戶對此次課程的好評如潮。於二零二零年六月，買化塑與廣東外語外貿大學共建產業互聯網實踐基地，將高等學校多語種、多學科、跨文化的資源優勢與「買化塑」產業信息服務平台優勢進行融合，圍繞人才培養、商貿物流、一帶一路、企業服務外包等領域的進行深度校企聯動實踐。於二零二零年十二月，買化塑榮登「2020年中國產業互聯網百強」，位列55。自2005年「百強榜」創建至今的11榜單，買化塑連續11次登榜。同月，買化塑合作全球最大的塗料展商(CHINACOAT)，利用自身互聯網技術優勢，共同舉辦了多場精彩紛呈的綫上綫下優質活動。同月，買化塑聯合雄安新區，組織國內優質建材供應商參與「2020雄安新區(雄縣)建材供應鏈創新發展論壇」，對接新區建設項目。

前景

本集團創立於一九九二年。於一九九二年至二零零三年的創業階段，本集團的核心產品為慧聰商情，即基於紙質媒體的分類廣告服務。二零零三年至二零一七年，本集團從紙媒體轉型PC，建設慧聰網，幫助中小企業開店並提供導流服務。二零一七年十月，本集團全面戰略轉型、致力於成為中國領先的產業互聯網公司。

於二零一八年，以中關村在綫(ZOL)為主體的科技新零售事業群從媒體公司向新零售公司去轉變。截止本年報日期，依託對2萬+品牌及7,000萬科技類消費者的影響力，通過慧買賣及ZOL雲店，科技新零售事業群連結了25,000個零售商「小B」，同時幫助「小B」去完成選品、低價，繼而幫助其完成售賣，為其提供在綫上從開店到媒體品宣、供應鏈管理一站式的解決方案。

Management's Statement 管理層報告

Industrial internet is the process of restoring users' behavior, understanding their pain points and reviewing industries across multiple industries. Based on such consideration, among the many vertical runways of the Group, we operate the Company in a cooperative model of "joint investment + incubation" with industrial people. In addition, the Group assisted vertical runway companies to strengthen technology, update and upgrade products, and connect investment financing and traffic resources. The smart industries segment is designed based on the industrial business logic, gradually observing the business behavior of customers, disassembling the behaviours of customers in a transaction, identify the pain points of customers, and turn these pain points into solutions through the Internet, and then provides customers with one-stop solutions based on the entire industry chain. The commercial value of vertical runway company is to endow the Internet and data capabilities in vertical subdivision fields and assist the upstream and downstream customers to reduce costs and enhance efficiency. In addition to the continuous development of the smart industries segment, the Group will mainly spend our efforts on platform and corporate services segment primarily based on hc360.com. Currently, hc360.com has a huge amount of inquiries and clues every year, proving that B-end buyers are still in rigid demand to buy goods at the right price. hc360.com has abundant resources on buyers accumulated over the past 20 years, and it also has the resources on inquiries and sellers. In the future, hc360.com will match buyers and sellers through AI algorithm to assist customers in seeking business and doing business, being the bottom clue. In addition, we will also construct the middle-level worktable of hc360.com with an open and cooperative mind. At the contact end, hc360.com actively cooperates with Internet traffic giants such as Baidu, Tencent, Sogou and Toutiao. At present, leading companies have strong demand in the "TO B" field, while the Group has just accumulated a large number of users and, at the same time, has a huge sales system and the competency of reaching customers. The Group and its cooperative partners will develop products collectively, hoping to construct a top-level tool for managing multiple stores and operating multiple stores. The efforts were made for enhancement of efficiency and effectiveness, and hc360.com hopes to utilize the products to allow SMEs to carry out actual business, so that the whole ecology can generate the value of synergy.

Since its transformation in 2018, HC Group has formed a mature industrial Internet view and methodology and achieved certain results: Class I rockets (including zol.com.cn, Zhongmo, nahuomall.com, PanPass, Union Cotton, and ibuychem.com) gradually take off; class II rocket hc360.com is on the rise; class III rocket industry chain finance has entered forward-looking incubation.

產業互聯網是在多產業中還原用戶行為，掌握用戶痛點，複盤產業的過程。基於這種考慮，在集團的多條垂直跑道中，我們採用與產業人「共同投資+孵化」的合作方式運營公司。此外，本集團協助垂直跑道公司強化技術、迭代產品、連接投融资與流量資源。智慧產業事業群是基於產業生意邏輯設計，逐步洞察客戶的生意行為、拆解客戶在生意裡的動作、找到客戶的痛點，把這個痛點通過互聯網的方式去生成解決方案，繼而為客戶提供基於產業鏈全鏈的一站式解決方案。而賦予垂直細分領域互聯網與數據能力，協助上下游客戶降本增效，是垂直跑道公司的商業價值。除了持續發展的智慧產業事業群，本集團會把主要的精力放在以慧聰網為主的平台與企業服務事業群。現在的慧聰網每年有大量的詢盤和線索，反映了B端買家買到合適價格的物品仍然是剛性需求。而慧聰網在過去二十幾年積累了大量的買家資源，同時擁有詢盤及賣家資源。未來慧聰網將通過AI算法的方式匹配買家賣家，協助客戶完成找生意與做生意，即底層線索。此外，我們也用開放合作心態構建慧聰網的中層工作臺。在觸點端，慧聰網積極和百度、騰訊、搜狗、頭條等互聯網流量巨頭合作。當今，頭部企業在「TO B」領域需求很強烈，而本集團恰恰積累了大量用戶，同時擁有龐大的銷售體系和觸達客戶能力。本集團和合作夥伴將共同開發產品，希望構建管理多店及運營多店的頂層工具。一切都是為了效率，一切都是為了效果，慧聰網希望用產品讓中小企業有實際的生意可做，讓整個生態產生協作價值。

自二零一八年轉型至今，慧聰集團已經形成成熟的產業互聯網觀和方法論並取得了一定成績：一級火箭（含中關村在綫、中模、拿貨商城、兆信、棉聯、買華塑）逐步騰飛；二級火箭慧聰網正在崛起；三級火箭產業鏈金融步入前瞻孵化。

Management's Statement 管理層報告

In the past three years, our Class I rockets have gradually taken off through continuous deep ploughing, and we have clearly seen the path to success. At the end of 2020, we were pleased to witness that Zhongmo, PanPass, and nahuomall.com have obtained financing from leading institutions and started the journey of capitalization. The newly upgraded hc360.com in September 2020 established a knowledge map of corporate information and business opportunities, connecting online businesses and external network resources, and intelligently matching by exploring useful information. Class II rocket (hc360.com) is on the rise, which will be developed with our best endeavour.

2021 is a crucial year for the HC Group. While our certain class I rocket company has successively begun to initiate IPO, the class II rocket hc360.com has entered a rapid development track. The Group will further strengthen the trinitarian market position of the "hc360.com + zol.com.cn + PanPass" and continues to strive to be a leading industrial Internet group in China; using the Internet and data to empower traditional industries; HC puts interests first, matches its words to its deeds, and creates value for customers.

At last, on behalf of the Board, I would like to take this opportunity to thank the management and every staff member of the Group for their on-going dedication and hard work in the past year.

Liu Jun
Chairman

Hong Kong
25 March 2021

過去三年，我們的一級火箭通過不斷深耕逐步騰飛，我們已經清晰的看到了成功的路徑。於二零二零年底，我們欣喜的看到中模、兆信、拿貨商城獲得了頭部機構的融資，開啟了資本化的征程。於二零二零年九月全新升級的慧聰網把企業的信息、商機建立成知識圖譜，連接在綫商家和外網流量，通過挖掘有效信息進行智能匹配。二級火箭(慧聰網)正在崛起，我們將全力打造。

二零二一年是慧聰集團的關鍵一年，我們的一些一級火箭公司已經開始陸續衝擊IPO的同時，二級火箭慧聰網已經步入快速發展軌道，本集團將進一步加強「慧聰網+中關村在綫+兆信」三駕馬車的市場定位，持續致力於成為中國領先的產業互聯網集團；用互聯網和數據賦能傳統產業；慧聰利益至上，言行一致、說到做到，為客戶創造價值。

最後，本人謹代表董事會向管理層及集團員工致謝，感謝過去一年不斷投入付出、不懈努力。

劉軍
主席

香港
二零二一年三月二十五日

Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

DIRECTORS

As at 31st December 2020, the Board comprised:

Executive Directors

LIU Jun

Aged 43, is an executive Director and the chairman of the Company, he is also the chairman of the nomination committee of the Company (the "Nomination Committee") and a member of the remuneration committee of the Company (the "Remuneration Committee"). Mr. Liu was appointed as an executive Director with effect from 12 September 2016.

Mr. Liu had been appointed as the chief executive officer of the Group from October 2017 to January 2019 and is the chairman of the Board who has been appointed since March 2018. From 2004 to 2011, Mr. Liu was the chief executive officer of 頤高集團有限公司 (Yigao Group Company Limited*) leading the company to enter into the information technology businesses. Mr. Liu has also been a director of several subsidiaries of the Company. Mr. Liu has obtained the Master's degree in Chemical Engineering from Zhejiang University in March 2004 and Bachelor's degree in Chemical Engineering, Bio-engineering and Chemical Processing from Zhejiang University as well in June 2000.

ZHANG Yonghong

Aged 53, is an executive Director and the chief executive officer of the Company. Mr. Zhang was appointed as an executive Director with effect from 4 January 2019.

Mr. Zhang joined the Group on 26 August 2018 and served as the co-president of the Group. He has been the chief executive officer of Group since 4 January 2019.

Mr. Zhang served as the deputy general manager at the business department of Lenovo Group Limited (聯想集團有限公司) (Stock code: 992), a company listed on the main board of The Stock Exchange of Hong Kong Limited, from April 1993 to June 1996. From October 1998 to November 2009, he was the vice president at China Hewlett-Packard Co., Ltd.* (中國惠普有限公司). Between November 2009 to October 2015, Mr. Zhang had worked as the general manager of the PRC operations department at Acer Group* (宏碁集團).

Between December 2015 to August 2018, Mr. Zhang had been the deputy president of operations and executive deputy president of Tsinghua Unigroup Limited* (紫光集團有限公司). Mr. Zhang served as a director of Unisplendour Corporation Limited* (紫光股份有限公司) (Stock code: 000938), a company listed on the Shenzhen Stock Exchange, from April 2016 to June 2017.

* English names are translated for identification purpose only.

董事

於二零二零年十二月三十一日，董事會包括：

執行董事

劉軍

43歲，為本公司執行董事兼主席，彼亦為本公司提名委員會(「提名委員會」)主席及本公司薪酬委員會(「薪酬委員會」)成員。劉先生於二零一六年九月十二日獲委任為執行董事。

劉先生由二零一七年十月至二零一九年一月期間獲委任為本集團首席執行官，並自二零一八年三月起獲委任為董事會主席。劉先生曾於二零零四年至二零一一年擔任頤高集團有限公司之行政總裁，引領該公司投入資訊科技業務。劉先生亦為本公司數間附屬公司之董事。劉先生於二零零四年三月取得浙江大學化學工程專業工學碩士學位，及於二零零零年六月取得浙江大學化學工程、生物工程及化學加工專業工學學士學位。

張永紅

53歲，為本公司執行董事兼首席執行官。張先生於二零一九年一月四日獲委任為執行董事。

張先生於二零一八年八月二十六日加入本集團擔任聯席總裁，自二零一九年一月四日起出任本集團首席執行官。

於一九九三年四月至一九九六年六月，張先生擔任聯想集團有限公司(股份代號：992)事業部副總經理，該公司於香港聯合交易所有限公司主板上市。自一九九八年十月至二零零九年十一月，張先生擔任中國惠普有限公司副總裁。自二零零九年十一月至二零一五年十月，張先生於宏碁集團擔任中國區營運部總經理。

自二零一五年十二月至二零一八年八月，張先生曾任紫光集團有限公司常務副總裁及執行副總裁。自二零一六年四月至二零一七年六月，張先生擔任紫光股份有限公司(股票代號：000938)董事，該公司於深圳證券交易所上市。

* 英文名稱翻譯僅作識別用途。

Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

From November 2017 to August 2018, Mr. Zhang was also the director and a chairman of the board of directors of 500.com Limited (500彩票網), a company listed on the New York Stock Exchange (stock code: WBAI).

Mr. Zhang has been the chairman of the board of directors and general manager of Beijing Panpass Information Technology Co., Ltd* (北京兆信信息技術股份有限公司, a subsidiary of the Company, of which its shares are quoted on the National Equities Exchange and Quotations System (the New Third Board*), stock code: 430073, "PanPass Information"), since September and December 2018, respectively.

Mr. Zhang graduated and obtained a bachelor degree from the Department of Precision Instrument of Tsinghua University in July 1990, and obtained a master degree of science in engineering from the University of Science and Technology of China in 1993.

LIU Xiaodong

Aged 48, is an executive Director and the president of the Company. Mr. Liu was appointed as an executive Director with effect from 1 June 2018.

Mr. Liu has also been a director of several subsidiaries of the Group. In July 2015, the Group has completed the full acquisition of zol.com.cn. Mr. Liu joined zol.com.cn in 2000 and served as a general manager of zol.com.cn in 2004. Mr. Liu also served as the vice president of CNET (China) in 2008. He served as a vice president of CBSI (China), a general manager of technology cluster and the consumer cluster of CBSI (China) from 2008 to 2014. Since 2015, he served as a chief executive officer of zol.com.cn. Mr. Liu has over 20 years of experience in media operation and management in the TMT field. Mr. Liu graduated and obtained a bachelor degree from International Modern Design Art College Of Inner Mongolia Normal University in July 1997, and obtained a master degree of business administration from China Europe International Business School in 2011.

* English names are translated for identification purpose only.

自二零一七年十一月至二零一八年八月，張先生亦擔任500彩票網董事及董事會主席，該公司於紐約證券交易所上市(股份代號：WBAl)。

張先生分別自二零一八年九月及十二月起出任本公司附屬公司北京兆信信息技術股份有限公司(其股份於全國中小企業股份轉讓系統(新三板)掛牌，股份代號：430073，「兆信信息」)董事長及總經理。

張先生於一九九零年七月自清華大學畢業及取得精密儀器系學士學位，並於一九九三年取得中國科學技術大學工學碩士學位。

劉小東

48歲，為本公司執行董事兼總裁。劉先生於二零一八年六月一日獲委任為執行董事。

劉先生亦為本集團數間附屬公司之董事。本集團於二零一五年七月完成對中關村在線之全資收購。劉先生於二零零零年加入中關村在線，於二零零四年出任其總經理。劉先生亦於二零零八年出任CNET(中國)副總裁。於二零零八年至二零一四年先後出任CBSI(中國)副總裁、CBSI(中國)科技群組及消費群組總經理。自二零一五年起，彼出任中關村在線行政總裁。劉先生於TMT領域擁有超過二十年之媒體運營和管理經驗。劉先生於一九九七年七月畢業於內蒙古師範大學國際現代設計藝術學院，獲得學士學位，並於二零一一年獲得中歐國際工商學院工商管理碩士學位。

* 英文名稱翻譯僅作識別用途。

Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

Non-Executive Directors

GUO Fansheng

Aged 65, is a non-executive Director. Mr. Guo was appointed as an executive Director on 21 March 2000, and was re-designated as a non-executive Director on 18 October 2017. Mr. Guo served as the chairman of the Company from 31 March 2008 to 18 October 2017.

Mr. Guo founded the Group in October 1992 and served as the chief executive officer of the Company until 31 March 2008. Mr. Guo is currently the chairman of the Inner Mongolia Chamber of Commerce in Beijing. From 1990 to 1992, Mr. Guo worked as a manager in a State-owned business information company in Beijing, the PRC. From 1987 to 1990, Mr. Guo served as an officer of the Liaison Office and General Office of the Institute of Economic System Reform under the 國家經濟體制改革委員會 (State Commission for Economic Restructuring*), and as the deputy officer of 西部開發研究中心 (the Western China Development Research Centre*). Prior to working at the State Commission for Economic Restructuring, Mr. Guo served from 1982 to 1987 as a senior official in the government of the Inner Mongolia Autonomous Region. Mr. Guo obtained a bachelor degree in industrial economics from Renmin University of China, the PRC in 1982.

SUN Yang

Aged 49, is a non-executive Director and a member of the Remuneration Committee. Mr. Sun was appointed as a non-executive Director with effect from 27 May 2019.

Mr. Sun is currently the senior vice president of Digital China Holdings Limited (神州數碼控股有限公司) (a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with stock code: 00861.HK) ("Digital China Holdings"), the chairman of the Supervisory Committee of Digital China Information Service Company Ltd. (a company listed on the Shenzhen Stock Exchange with stock code: 000555.SZ) and the chairman of Digital China Software Limited (神州數碼軟件有限公司).

Mr. Sun worked for Bank of China Limited (中國銀行) from July 1995 to November 1999. After that, he had been the assistant general manager and the deputy general manager of the information technology department of China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司, formerly known as 中國東方資產管理公司) from November 1999 to April 2013, the deputy general manager for Orient Bangtong Rongtong Holding Co., Ltd. (東方邦信融通控股股份有限公司, formerly known as Bangxin Huirong Holdings Co., Ltd.* (邦信惠融投資控股股份有限公司)) from April 2013 to July 2017, the chairman of the board of directors of Dongfang Bangxin Financial Technology (Shanghai) Co., Ltd.* (東方邦信金融科技(上海)有限公司) from March 2014 to July 2017, the deputy general manager for the Dongfang Jincheng International Trust Valuation Limited* (東方金誠國際信用評估有限公司) from June 2017 to November 2017.

* English names are translated for identification purpose only.

非執行董事

郭凡生

65歲，為非執行董事。郭先生於二零零零年三月二十一日獲委任為執行董事，並於二零一七年十月十八日調任為非執行董事。郭先生於二零零八年三月三十一日至二零一七年十月十八日擔任本公司主席。

郭先生於一九九二年十月創辦本集團，至二零零八年三月三十一日止擔任本公司首席執行官。郭先生現擔任北京內蒙古企業商會會長。於一九九零年至一九九二年，郭先生在中國北京一間國有商業信息公司擔任經理。於一九八七年至一九九零年，郭先生出任國家經濟體制改革委員會屬下經濟體制改革研究所之聯絡辦公室及行政辦公室主任，並為中國西部開發研究中心副主任。於國家經濟體制改革委員會任職前，郭先生在一九八二年至一九八七年出任內蒙古自治區政府之高級官員。郭先生於一九八二年獲授中國人民大學之工業經濟學學士學位。

孫洋

49歲，為非執行董事及薪酬委員會成員。孫先生於二零一九年五月二十七日獲委任為非執行董事。

孫先生現任神州數碼控股有限公司(香港聯合交易所有限公司(「聯交所」)主板上市公司，股份代號：00861.HK)(「神州數碼控股」)高級副總裁、神州數碼信息服務股份有限公司(於深圳證券交易所上市，股份代號：000555.SZ)之監事會主席及神州數碼軟件有限公司董事長。

孫先生自一九九五年七月至一九九九年十一月曾於中國銀行工作。其後，彼自一九九九年十一月至二零一三年四月曾任中國東方資產管理股份有限公司(前稱中國東方資產管理公司)信息科技部助理總經理、副總經理，自二零一三年四月至二零一七年七月曾任東方邦信融通控股股份有限公司(前稱邦信惠融投資控股股份有限公司)副總經理，自二零一四年三月至二零一七年七月曾任東方邦信金融科技(上海)有限公司董事長，自二零一七年六月至二零一七年十一月曾任東方金誠國際信用評估有限公司副總經理。

* 英文名稱翻譯僅作識別用途。

Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

Mr. Sun graduated with a bachelor's degree of engineering in applied computing from Harbin University of Science and Technology (哈爾濱理工大學) in July 1995 and with a master's degree in engineering from Beijing University of Posts and Telecommunications (北京郵電大學) in January 2010.

LIN Dewei

Aged 60, is a non-executive Director. Mr. Lin was appointed as a non-executive Director with effect from 1 July 2020.

Mr. Lin has approximately 25 years of experience in the legal field and worked as a part-time lawyer at various law firms in the People's Republic of China (the "PRC") between 1995 and 2001. In 2001, Mr. Lin practiced as a lawyer at Guangdong Everwin Law Office and became a partner of the firm in 2004. Since 2013, Mr. Lin has been practicing as a lawyer at Guangdong Yogo Law Firm. Mr. Lin was appointed as a non-executive director of China Lesso Group Holdings Limited (a company listed on Stock Exchange, stock code: 2128) on 27 February 2010, and was redesignated as an executive director of that company on 11 July 2018. Mr. Lin obtained a bachelor's degree in science from South China University of Technology (formerly known as South China Institute of Technology) in July 1982 and received a certificate of lawyer qualification in the PRC in January 1990.

Independent Non-Executive Directors

ZHANG Ke

Aged 67, is an independent non-executive Director. He is the chairman of the Audit Committee and the Remuneration Committee, respectively, and a member of the Nomination Committee. Mr. Zhang was appointed as an independent non-executive Director on 28 March 2003.

Mr. Zhang is a certified public accountant in the PRC and is currently the chairman and founding partner of Shine Wing Certified Public Accountants. He graduated from Renmin University of China in 1982 with a bachelor degree in economics majoring in industry economics. He has many years of experience in the fields of economics, accounting and finance. Mr. Zhang was the vice-president of the Chinese Institute of Certified Public Accountants, and is currently a member of Internal Control Standard Committee of the Ministry of Finance of the PRC and the Chief Supervisor of Beijing Association of Forensic Science. Mr. Zhang has acted as an independent director of 二六三網絡通信股份有限公司 (Erluisan Internet Communication Company Limited*, a company listed on the Shenzhen Stock Exchange with the stock code 002467) until June 2020 and, as at the date of this report, is currently acting an independent non-executive director of China Coal Energy Company Limited (中國中煤能源股份有限公司, a company listed on the Main Board of the Stock Exchange with the stock code 01898 and The Shanghai Stock Exchange with the stock code 601898), and an independent director of 中信出版集團股份有限公司 (CITIC Press Group Corporation*, a company listed on the Shenzhen Stock Exchange with the stock code 300788).

* English names are translated for identification purpose only.

孫先生於一九九五年七月畢業於哈爾濱理工大學計算機應用專業，取得工學學士學位，並於二零一零年一月畢業於北京郵電大學，取得工程碩士學位。

林德緯

60歲，為非執行董事。林先生於二零二零年七月一日獲委任為非執行董事。

林先生於法律行業累積約25年經驗，並於一九九五年至二零零一年期間在多間中華人民共和國(「中國」)律師事務所任職兼職律師。於二零零一年，林先生在廣東法制盛邦律師事務所任職律師，並於二零零四年成為該律師事務所的合夥人。自二零一三年起，林先生在廣東粵高律師事務所任職律師。林先生於二零一零年二月二十七日獲委任為中國聯塑集團控股有限公司(聯交所上市公司，股份代號：2128)的非執行董事，並於二零一八年七月十一日獲調任為該公司的執行董事。林先生於一九八二年七月獲得華南理工大學(前稱華南工學院)理學學士學位，並於一九九零年一月獲頒發中國的律師資格證書。

獨立非執行董事

張克

67歲，為獨立非執行董事。彼分別為審核委員會及薪酬委員會主席兼提名委員會成員。張先生於二零零三年三月二十八日獲委任為獨立非執行董事。

張先生為中國執業會計師，現為信永中和會計師事務所之董事長及創始合夥人。彼於一九八二年畢業於中國人民大學，獲頒經濟學學士學位，主修工業經濟學。彼於經濟、會計及財務領域擁有多多年經驗。張先生為中國註冊會計師協會前副會長、中國財政部內部控制標準委員會現任成員及北京司法鑒定業協會現任首席監事長。張先生直至二零二零年六月擔任深圳證券交易所上市公司二六三網絡通信股份有限公司(股票代號：002467)之獨立董事。在本報告日期，張先生擔任在聯交所主板(股份代號：01898)及上海證券交易所(股票代號：601898)上市公司中國中煤能源股份有限公司之獨立非執行董事以及深圳證券交易所上市公司中信出版集團股份有限公司(股票代號：300788)之獨立董事。

* 英文名稱翻譯僅作識別用途。

Biographic Details of Directors and Senior Management

董事及高級管理人員簡介

ZHANG Tim Tianwei

Aged 57, is an independent non-executive Director. He is also a member of each of the Nomination Committee and the Remuneration Committee. Mr. Zhang was appointed as an independent non-executive Director on 1 November 2011.

Mr. Zhang is currently the chief investment officer of China Resources Capital Management Ltd. He was the founder and managing director of Taconic Capital Ltd. from September 2003 to September 2005. He acted as the vice chairman and general manager of Unicredit China Capital Limited from September 2005 to June 2007. He served as the managing director of J.P. Morgan Securities (Asia Pacific) from July 2007 to October 2011 and acted as the chairman of J.P. Morgan (China) Venture Capital Investment Co. Ltd. Since its foundation in 2010 to October 2011. He served as the managing director of Taconic Capital Group from November 2011 to March 2012, and as the chief operating officer of China Merchants Capital Management Limited from April 2012 to December 2014. He is the managing director of Mount Flag Capital Ltd. from January 2015 to September 2018 and was also the chief executive officer of Mount Flag LLC from August 2015 to September 2018. Mr. Zhang was a non-executive director to China ITS (Holdings) Co., Ltd (stock code: 1900) from May 2014 to July 2019, whose shares are listed on the Main Board of the Stock Exchange.

Mr. Zhang graduated from Tsinghua University (清華大學) at the Faculty of Precision Instruments & Mechanology in July 1986. He obtained a Master of Economics from the Chinese Academy of Social Sciences (中國社會科學院) and a Master of Business Administration (MBA) from The University of Chicago. Mr. Zhang has over 20 years of experience in financial and business management.

張天偉

57歲，為獨立非執行董事。彼亦為提名委員會及薪酬委員會之成員。張先生於二零一一年十一月一日獲委任為獨立非執行董事。

張先生現任華潤資本管理有限公司首席投資官。自二零零三年九月至二零零五年九月，彼為Taconic Capital Ltd.創辦人及董事總經理。自二零零五年九月至二零零七年六月，彼擔任聯合信貸(中國)金融有限公司副主席兼總經理。於二零零七年七月至二零一一年十月期間，彼一直擔任J.P. Morgan Securities (Asia Pacific)董事總經理，並於二零一零年摩根大通(中國)創業投資有限公司成立後直至二零一一年十月期間擔任該公司主席。二零一一年十一月至二零一二年三月期間，張先生擔任Taconic Capital Group董事總經理。於二零一二年四月至二零一四年十二月期間，彼擔任招商局資本投資有限責任公司首席運營官。自二零一五年一月至二零一八年九月，彼擔任Mount Flag Capital Ltd.之董事總經理並自二零一五年八月至二零一八年九月為Mount Flag LLC之首席執行官。自二零一四年五月至二零一九年七月，張先生為中國智能交通系統(控股)有限公司(股份代號：1900)之非執行董事，該公司股份於聯交所主板上市。

張先生於一九八六年七月畢業於清華大學精密儀器與機械學系。彼獲得中國社會科學院經濟學碩士及芝加哥大學工商管理學碩士學位。張先生積逾20年財務及商業管理經驗。

Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

Qi Yan

Aged 71, is an independent non-executive director and a member of the Audit committee and the Remuneration Committee. Ms. Qi was appointed as an independent non-executive Director on 30 November 2017.

Ms. Qi is currently the senior consultant (senior vice president grade) of Xiaomi Corporation, a company listed on Main Board of the Stock Exchange (Stock Code: 1810). She served in 愛國者數碼科技有限公司 (Aigo Digital Technology Co., Ltd*) as a vice president from September 2004 to September 2011, and was subsequently promoted to the vice chairman and the chief executive officer from September 2011 to March 2012. She also served in 愛國者電子科技有限公司 (Aigo Electronics Technology Co. Ltd*) as the chief executive officer from March 2012 to December 2012. She has over 20 years' experience in business management. Ms. Qi was awarded the certificate of Postgraduate Master's degree in applied sociology from the Graduate School of 中國社會科學院 (Chinese Academy of Social Sciences) in June 1998. Ms. Qi joined the China National Democratic Construction Association ("CNDCA") in 1987 and served the Central Committee of CNDCA and the Beijing Municipal Committee of CNDCA. Ms Qi is currently a representative of the 16th National People's Congress of Haidian District, Beijing City.

* English names are translated for identification purpose only.

祁燕

71歲，為獨立非執行董事以及審核委員會及薪酬委員會成員。祁女士於二零一七年十一月三十日獲委任為獨立非執行董事。

祁女士現時擔任小米集團(聯交所主板上市公司(股份代號：1810)之高級顧問(高級副總裁級別)。於二零零四年九月至二零一一年九月，彼於愛國者數碼科技有限公司任職副總裁，其後於二零一一年九月至二零一二年三月升任為副董事長及行政總裁。彼亦於二零一二年三月至二零一二年十二月在愛國者電子科技有限公司擔任行政總裁。彼於業務管理範疇具有逾20年經驗。祁女士於一九九八年六月獲頒中國社會科學院研究生院應用社會學專業碩士研究生畢業證書。祁女士於一九八七年加入中國民主建國會(「民建」)，並曾於民建中央委員會及民建北京市委員會任職。祁女士現任北京市海淀區第十六屆全國人民代表大會代表。

* 英文名稱翻譯僅作識別用途。

Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

SENIOR MANAGEMENT

As at 31 December 2020, the senior management of the Company comprised the following members:

ZHAO Hong

Aged 46, is the chief financial officer of the Company. Ms. Zhao was appointed as the chief financial officer of the Company with effect from 31 May 2020.

Mr. Zhao served from 2001 to 2014 in Digital China Holdings Limited's (a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with stock code: 00861, and a substantial shareholder of the Company (as defined under the Rules Governing the Listing of Securities on the Stock Exchange)) mainly in the finance department as finance director, in the financing department as general manager of distributorship financing and in the financial service department of headquarter institutional division as general manager. From 2014 to 2017, Ms. Zhao worked as the financial controller of 重慶神州數碼慧聰小額貸款有限公司 (Chongqing Digital China Huicong Micro-Credit Co., Ltd.*), currently a non-wholly owned subsidiary of the Company. In 2018, she served as the vice president of the Company and in 2019 she was promoted to senior vice president and the chief financial officer of the business groups of platform and corporate services, and smart industries of the Company concurrently.

Ms. Zhao graduated from Harbin Engineering University with a bachelor's degree in engineering in July 1997 and a master's degree in economics in April 2001, respectively.

WU Lei

Aged 40, is the executive vice president of the Group, responsible for the management of business group of smart industries of the Group. Mr. Wu joined the Group in 2015 and served as the managing director of a finance and leasing company, a wholly-owned subsidiary of the Group. Prior to joining the Group, Mr. Wu was the sales director of the Eastern China region in Start Group (實達集團) and subsequently the assistant president of Zhejiang Fuyue Holding Group Co., Ltd. (浙江富越控股集團). Mr. Wu has over 10 years' experience in the operation and management in the industry. Mr. Wu graduated from Zhejiang University (浙江大學) in 2002 and obtained a bachelor's degree of electronic engineering.

* English names are translated for identification purpose only.

高級管理人員

於二零二零年十二月三十一日，本公司高級管理人員包括以下成員：

趙紅

46歲，為本公司首席財務官。趙女士於二零二零年五月三十一日獲委任為首席財務官。

趙女士曾於二零零一年至二零一四年於神州數碼控股有限公司(香港聯合交易所有限公司(「聯交所」)上市公司，股份代號：00861，及本公司的主要股東(定義見聯交所證券上市規則))任職，主要職位包括在融資部擔任融資總監、在財務部擔任分銷業務財務總經理和在金融服務本部機構事業部擔任總經理。於二零一四年至二零一七年間，趙女士於重慶神州數碼慧聰小額貸款有限公司(現為本公司的非全資附屬公司)擔任財務總監。於二零一八年，彼在本公司擔任副總裁，並在二零一九年升任高級副總裁和兼任平台與企業服務事業群及智慧產業事業群的首席財務官。

趙女士於一九九七年七月及於二零零一年四月畢業於哈爾濱工程大學，分別獲頒工學學士學位及經濟學碩士學位。

吳磊

40歲，為本集團執行副總裁，主管本集團智慧產業事業群。吳先生於二零一五年加入本集團，出任本集團全資附屬公司融資租賃公司董事總經理。於加入本集團之前，吳先生先後擔任實達集團華東大區銷售總監、浙江富越控股集團總裁助理。吳先生擁有逾十年之行業運營和管理經驗。吳先生於二零零二年畢業於浙江大學，獲頒電子工程學士學位。

* 英文名稱翻譯僅作識別用途。

Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

SONG Bingchen

Aged 41, is the executive vice president of the Group. Mr. Song joined the Group in 2011. Before joining the Group, Mr. Song served as the deputy president of Ego Group (頤高集團), and the general manager of 頤高文化傳播有限公司 (Ego Cultural Communication Company Limited*). Mr. Song spent one year as a teacher under the Chinese Youth Volunteer Poverty Alleviation Relay Plan (中國青年志願者扶貧接力計劃) in Liangshan, Sichuan from 2002 to 2003.

Mr. Song currently also served as the deputy president of 廣東青年企業家協會 (Guangdong Young Entrepreneurs' Association*), a committee member of Guangdong Youth Federation (廣東省青年聯合會), the deputy president of Guangdong Electrical Appliances Chamber of Commerce (廣東家電商會), and the deputy president of 浙江大學杭州校友會 (Hangzhou Alumni Association of Zhejiang University*). Mr. Song has over 15 years of experience in industry operation and management.

Mr. Song graduated from Zhejiang University and obtained a bachelor's degree in management in 2002, and obtained a master's degree in management from Zhejiang University in 2005.

LU Qingguo

Aged 47, is the Secretary of the Board and the general counsel of the Group. Mr. Lu joined the Group in May 1998 and has served as the Company lawyer, the head of legal department and chief legal officer, and was appointed as the Board secretary of the Company in 2011. Mr. Lu is mainly responsible for the legal affairs and listing affairs of the Group. Prior to joining the Group, Mr. Lu has taught in Guizhou Minzu University for two years. Mr. Lu graduated from Southwest University of Political Science & Law and obtained a bachelor degree of Laws, LL.B. Mr. Lu also passed the national lawyer qualification examination and obtained the certificate of lawyer qualification in 1997. Mr. Lu has over 20 years of experience in corporate legal affairs.

* English names are translated for identification purpose only.

宋冰晨

41歲，為本集團執行副總裁。宋先生於二零一一年加入本集團。於加入本集團之前，宋先生擔任頤高集團副總裁及頤高文化傳播有限公司總經理。宋先生並於二零零二年至二零零三年在四川涼山中青年志願者扶貧接力計劃支教一年。

宋先生現亦擔任廣東青年企業家協會副會長、廣東省青年聯合會委員、廣東家電商會副會長、浙江大學杭州校友會副會長。宋先生擁有逾十五年之行業運營和管理經驗。

宋先生於二零零二年畢業於浙江大學，獲頒管理學學士學位，並於二零零五年取得浙江大學管理學碩士學位。

盧慶國

47歲，為董事會秘書兼本集團首席法律顧問。盧先生於一九九八年五月加入本集團，歷任公司律師、法律部主任、法務總監，並於二零一一年獲委任為本公司董事會秘書。盧先生主要負責本集團的法律事務和上市事務。在加入本集團之前，盧先生曾於貴州民族大學任教兩年。盧先生畢業於西南政法大學，並取得法學學士學位。盧先生並於一九九七年通過全國律師資格考試取得律師資格證書。盧先生於企業法律事務方面擁有逾二十年經驗。

* 英文名稱翻譯僅作識別用途。

Management's Discussion and Analysis

管理層討論和分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and cash equivalent decreased by approximately RMB77,592,000 from approximately RMB331,893,000 as at 31 December 2019 to approximately RMB254,301,000 as at 31 December 2020, approximately 88.03% of which was denominated in RMB.

As at 31 December 2020, the Group had a total borrowings of RMB1,236,267,000 (as at 31 December 2019: RMB2,304,401,000), of which RMB895,308,000 (as at 31 December 2019: RMB1,591,089,000) were bank borrowings with fixed interest rates averaged at 7.00% per annum (as at 31 December 2019: 6.69% per annum) and mature ranging from 2021 to 2023, and RMB340,959,000 (as at 31 December 2019: RMB713,312,000) were other borrowings with fixed interest rates ranging from Nil to 10% per annum (as at 31 December 2019: Nil to 14.3% per annum). As at 31 December 2020, the Group has no undrawn banking facilities (31 December 2019: Nil). The Group's borrowings were mainly made in RMB.

As at 31 December 2020, the Group was in net debt position, whereas the Group's gearing ratio was 20%, which was calculated as net debt, including lease liabilities, divided by total capital. The capital and reserves attributable to equity holders of the Company decreased by approximately RMB504.4 million from approximately RMB4,023.2 million as at 31 December 2019 to approximately RMB3,518.8 million as at 31 December 2020.

During the Year, the Group had conservative treasury policies in terms of cash and financial management. The Group did not use any financial instruments for hedging purposes.

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

BUSINESS AND FINANCIAL REVIEW

A Business Review and a Financial Review of the Group are set out on page 9 to 19 of this report.

流動資金及財務資源

本集團之現金及現金等值物由二零一九年十二月三十一日約人民幣331,893,000元減少約人民幣77,592,000元至二零二零年十二月三十一日約人民幣254,301,000元，其中約88.03%以人民幣計值。

於二零二零年十二月三十一日，本集團之總借貸為人民幣1,236,267,000元（於二零一九年十二月三十一日：人民幣2,304,401,000元），其中人民幣895,308,000元（於二零一九年十二月三十一日：人民幣1,591,089,000元）為銀行借貸，按平均固定年利率7.00%（於二零一九年十二月三十一日：年利率6.69%）計息，且到期日介乎二零二一年至二零二三年到期；而人民幣340,959,000元（於二零一九年十二月三十一日：人民幣713,312,000元）為其他借貸，按平均固定年利率介乎零至10%（於二零一九年十二月三十一日：年利率介乎零至14.3%）計息。於二零二零年十二月三十一日，本集團並無未提取之銀行融資（二零一九年十二月三十一日：無）。本集團借貸主要以人民幣計值。

於二零二零年十二月三十一日，本集團處於淨債務狀況，而本集團負債比率為20%，按淨債務（包括租賃負債）除總資本計算。本公司權益擁有人應佔資本及儲備由二零一九年十二月三十一日約人民幣4,023.2百萬元減少約人民幣504.4百萬元至二零二零年十二月三十一日約人民幣3,518.8百萬元。

於本年度，本集團在現金及財務管理方面採取審慎庫務政策。本集團並無使用任何金融工具作對沖用途。

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

業務及財務回顧

本集團業務回顧及財務回顧載列於本報告第9至19頁。

Management's Discussion and Analysis 管理層討論和分析

INVESTMENT PROPERTIES

Details of the Group's investment properties as at 31 December 2020 are set out below:

Investment properties

投資物業

於二零二零年十二月三十一日本集團之投資物業詳情載列如下：

投資物業

Location 地址	Group's interest 本集團所佔權益	Approximate gross floor area (sq.m.) 概約建築面積 (平方米)	Existing use 現時用途	Lease term 租賃期
Block 1-3 and 7, No. 530 Qili Qunan Village, Shahe Town, Changping District, Beijing 北京市昌平區沙河鎮七里渠南村530號1-3、7幢	100%	16,743	Commercial use 商業用途	2011-2051 二零一一年至二零五一年
Room 1004, The West Lake Plaza of International Science & Technology, No. 391 Wen'er Street, Hangzhou, Zhejiang Province 浙江省杭州市文二路391號(西湖國際科技大廈)1004室	100%	1,263	Commercial use 商業用途	2014-2044 二零一四年至二零四四年

Management's Discussion and Analysis 管理層討論和分析

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, the Group has no significant investment, or any material acquisitions or disposal of subsidiaries, associated companies or joint ventures for the year ended 31 December 2020. Save as disclosed in this report, there was no plan authorised by the Board for any material investments or additions of capital assets as at the date of this report.

CONTRACTUAL ARRANGEMENTS

Structured Contracts involving Huicong Construction

In light of the relevant PRC laws and regulations restricting the participation and operation of internet content services by foreign investors, the Group has engaged Beijing Huicong Construction Information Consulting Co., Ltd. (北京慧聰建設信息諮詢有限公司) ("HC Construction" or "Huicong Construction") to operate its online platform, and publish its business information on the internet pursuant to certain contractual arrangements (the "HC Contractual Arrangements"). The Group relies on the HC Contractual Arrangements in respect of its online services.

Please also refer to the prospectus of the Company dated 8 December 2003 and the announcement of the Company dated 25 September 2014 in relation to the transfer of listing from GEM to the Main Board of the Stock Exchange (the "Transfer of Listing Announcement") for further details of the HC Contractual Arrangements.

For the year ended 31 December 2020, save as disclosed in this report, there was no material change in the HC Contractual Arrangements and/or the circumstances under which they were adopted.

For the reporting period, none of the structured contracts under the HC Contractual Arrangements had been unwound as none of the restrictions that led to the adoption of the said structured contracts had been removed.

To further strengthen the Group's protection under the HC Contractual Arrangements and its management and control over Huicong Construction, the Group amended certain terms of the then existing agreements and entered into a new exclusive option agreement, an equity pledge agreement and powers of attorney with Huicong Construction and/or its registered shareholders on 15 September 2014. As a result of the HC Contractual Arrangements, Huicong Construction is considered to be a subsidiary of the Group and the financial statements of Huicong Construction are included in the Group's consolidated financial statements from 15 September 2014.

As one of the registered shareholders of Huicong Construction has been changed, on 14 February 2019, the Group entered into a new exclusive option agreement, an equity pledge agreement and powers of attorney with Huicong Construction and/or the existing registered shareholders of Huicong Construction. Save for the change of the registered shareholder of Huicong Construction, the terms of the above agreements remain unchanged.

重要投資、重大收購及出售事項

截至二零二零年十二月三十一日止年度，除本報告所披露者外，本集團並無附屬公司、聯營公司或合營企業之重要投資或任何重大收購或出售事項。除本報告所披露者外，於本報告日期，董事會概無計劃授權任何重大投資或添置資本資產。

合約安排

涉及慧聰建設之結構性合約

鑒於相關中國法律及法規限制外國投資者參與及經營互聯網內容服務，本集團委聘北京慧聰建設信息諮詢有限公司（「慧聰建設」）經營其線上平台，及根據若干合約安排（「慧聰合約安排」）於互聯網發佈其業務信息。本集團之線上服務依據慧聰合約安排。

有關慧聰合約安排之進一步詳情，請亦參閱本公司日期為二零零三年十二月八日之招股章程及本公司日期為二零一四年九月二十五日有關自GEM轉往聯交所主板上市之公佈（「轉板上市公佈」）。

於截至二零二零年十二月三十一日止年度，除本報告披露者外，慧聰合約安排及／或根據其獲採納之狀況概無重大變動。

於報告期間，由於概無導致採納慧聰合約安排下之結構性合約之限制被刪除，故並無上述結構性合約被解除。

為進一步加強本集團於慧聰合約安排下之保障及其對慧聰建設之管理及控制，於二零一四年九月十五日，本集團修訂當時現有協議之若干條款及與慧聰建設及／或其註冊股東訂立新獨家購股權協議、股權質押協議及授權書。由於慧聰合約安排，慧聰建設被視為本集團之附屬公司，而慧聰建設之財務報表自二零一四年九月十五日起納入本集團之合併財務報表。

由於慧聰建設之其中一名註冊股東經已變更，於二零一九年二月十四日，本集團與慧聰建設及／或慧聰建設現有註冊股東訂立新獨家購股權協議、股權質押協議及授權書。除慧聰建設之註冊股東變更外，上述協議之條款維持不變。

Management's Discussion and Analysis

管理層討論和分析

As at the date of this report, agreements underlying the HC Contractual Arrangements include (i) the domain names and trademarks licence agreement, (ii) the technology services agreement, (iii) the online information distribution agreement, (iv) the online advertisement publication agreement, (v) the exclusive option agreement, (vi) the equity pledge agreement and (vii) the powers of attorney.

The Group depends on the HC Contractual Arrangements with Huicong Construction (which holds, among other things, the Telecommunications and Information Services Business Operation Licence (電訊與信息服務業務經營許可證) ("ICP Licence"), bearing a term through 9 March 2022) in respect of its online services. For the year ended 31 December 2020, revenue generated from related online services of the Group is RMB189,142,000 (2019: RMB218,881,000), represents approximately 1.3% (2019: approximately 1.5%) of the total revenue of the Group.

Information of Huicong Construction

Huicong Construction is a limited liability company established in the PRC. As at the date of this report, the registered capital of Huicong Construction is owned as to 50% by Mr. Guo Fansheng (a non-executive Director) and 50% by Mr. Liu Jun (an executive Director). Mr. Liu Jun currently is the sole director and the legal representative of Huicong Construction, and he is responsible for making financial and management decisions of Huicong Construction, and overseeing their implementation, so as to ensure that Huicong Construction operates in accordance with the terms of the HC Contractual Arrangements. As each of Mr. Guo Fansheng and Mr. Liu Jun holds 50% equity interests of Huicong Construction and they are the controllers of Huicong Construction, Huicong Construction is thus a connected person of the Company.

Set out below is the key financial information of Huicong Construction during the year ended 31 December 2020:

		Year ended 31 December 2020
		RMB'000
		截至二零二零年十二月三十一日止年度
		人民幣千元
Revenue	銷售收入	848
Total assets	總資產	15,610

To the best knowledge, information and belief of the Company and as confirmed by Mr. Guo Fansheng and Mr. Liu Jun, save for the operation and provision of services for the Group as contemplated under the HC Contractual Arrangements, Huicong Construction has no other material business operation during the year ended 31 December 2020 and up to the date of this report.

於本報告日期，慧聰合約安排下的相關協議包括(i)域名及商標許可協議、(ii)技術服務協議、(iii)網上信息發佈協議、(iv)網上廣告刊登協議、(v)獨家購股權協議、(vi)股權質押協議及(vii)授權書。

本集團就其線上服務依賴與慧聰建設(其持有(其中包括)期限至二零二零年三月九日之電訊與信息服務業務經營許可證(「ICP許可證」))所訂立之慧聰合約安排。截至二零二零年十二月三十一日止年度，本集團相關線上服務產生之銷售收入為人民幣189,142,000元(二零一九年：人民幣218,881,000元)，佔本集團總銷售收入約1.3%(二零一九年：約1.5%)。

慧聰建設之資料

慧聰建設為於中國成立之有限責任公司。於本報告日期，非執行董事郭凡生先生擁有慧聰建設註冊資本50%，執行董事劉軍先生則擁有50%。劉軍先生現為慧聰建設之唯一董事及法定代表人，其亦負責為慧聰建設作出有關財務及管理之決定，並監督其推行，以確保慧聰建設按慧聰合約安排之條款經營。由於郭凡生先生及劉軍先生分別持有慧聰建設50%股權及其為慧聰建設之控制方，故慧聰建設為本公司之關連人士。

下表載列截至二零二零年十二月三十一日止年度慧聰建設之主要財務資料：

據本公司所深知、全悉及確信並獲郭凡生先生及劉軍先生所確認，除本集團根據慧聰合約安排擬進行之經營及擬提供之服務外，於截至二零二零年十二月三十一日止年度及截至本報告日期期間，慧聰建設並無其他重大業務經營。

Management's Discussion and Analysis

管理層討論和分析

Views of the Independent Non-Executive Directors

The independent non-executive Directors have reviewed the HC Contractual Arrangements, and confirmed that for the financial year ended 31 December 2020, (1) the transactions carried out during the year have been entered into in accordance with the relevant provisions of the HC Contractual Arrangements; and (2) no dividends or other distributions have been made by Huicong Construction which are not otherwise subsequently assigned or transferred to the Group.

Major terms of the agreements underlying the HC Contractual Arrangements

Technology Services Agreement

Beijing Huicong International Information Co., Ltd. ("Beijing HC International") first entered into a technology services agreement (the "Technology Services Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Technology Services Agreement is three years commencing from 15 September 2020 to 14 September 2023, and may be renewed for an additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approvals and consents in accordance with the applicable laws, rules and regulations (including applicable rules of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"))).

Pursuant to the Technology Services Agreement, Beijing HC International is appointed by Huicong Construction as its exclusive agent to provide Huicong Construction with technology support and services related to the internet content provider business of Huicong Construction, which includes:

- (i) server maintenance services;
- (ii) the development, renewal and upgrading of server application software and its application in the internet content provider business;
- (iii) the development, renewal and upgrading of application software for internet user;
- (iv) the technology service of e-business;
- (v) the training of technical personnel; and
- (vi) other reasonable requests from Huicong Construction for technical services.

Under the Technology Services Agreement, Huicong Construction shall pay Beijing HC International an annual fee of RMB250,000 for the provision of the aforesaid services. The annual fee thereafter may be adjusted, but it shall not exceed 20% of the amount charged in the previous year.

獨立非執行董事之意見

獨立非執行董事已審閱慧聰合約安排並確認，於截至二零二零年十二月三十一日止財政年度，(1)於該年進行之交易乃根據慧聰合約安排之有關條文訂立；及(2)慧聰建設並無支付任何其後不會以其他方式轉讓或轉撥予本集團之股息或其他分派。

慧聰合約安排相關協議之主要條款

技術服務協議

北京慧聰國際資訊有限公司(「北京慧聰國際」)最初於二零零二年一月二日與慧聰建設訂立技術服務協議(「技術服務協議」)，為期三年(及其後獲延長)。技術服務協議之現有期限自二零二零年九月十五日起至二零二三年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年(而有關續訂須待本公司根據適用法律、法規及規定(包括聯交所證券上市規則(「上市規則」)之適用規則)取得所有必需批准及同意後，方可落實)。

根據技術服務協議，北京慧聰國際獲慧聰建設委任為其獨家代理，為慧聰建設提供與其互聯網內容供應商業務相關之技術支援及服務，包括：

- (i) 伺服器維護服務；
- (ii) 開發、更新及升級伺服器應用軟件及其於互聯網內容供應商業務之應用；
- (iii) 為互聯網用戶開發、更新及升級軟件應用；
- (iv) 電子商務技術服務；
- (v) 技術人員培訓；及
- (vi) 慧聰建設就技術服務提出之其他合理要求。

根據技術服務協議，慧聰建設須就提供上述服務向北京慧聰國際支付年費人民幣250,000元。其後年費可予調整，惟不得超過之前一年所支付金額之20%。

Management's Discussion and Analysis

管理層討論和分析

Domain Names and Trademarks Licence Agreement

Beijing HC International first entered into a domain names and trademarks licence agreement (the "Domain Names and Trademarks Licence Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Domain Names and Trademarks Licence Agreement is three years commencing from 15 September 2020 to 14 September 2023, and may be renewed for additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approvals and consents in accordance with applicable laws, rules and regulations (including applicable rules of the Listing Rules)).

Pursuant to the Domain Names and Trademarks Licence Agreement, Beijing HC International licences Huicong Construction to use certain domain names and trademarks (including domain names and trademarks owned by Beijing HC International and to be obtained by it from time to time) for the sole purpose of operating the website and dissemination of information for the benefit of Beijing HC International in the PRC. Any intellectual properties developed by Huicong Construction during the term (including any renewed term) of the Domain Names and Trademarks Licence Agreement would belong to Beijing HC International. Parties further agreed that where any intellectual properties are required by law to be registered in the name of Huicong Construction, Huicong Construction shall, where permitted by applicable laws and regulations, upon request of Beijing HC International assign such intellectual property rights to Beijing HC International or a party as designated by Beijing HC International, and shall return any consideration received for such transfer. Huicong Construction has undertaken that they shall warrant and guarantee that such intellectual properties are flawless and it shall bear all damages and losses caused to Beijing HC International by any flaw in such intellectual properties. Beijing HC International has the right to recover all of its losses from Huicong Construction for liabilities to any third party.

Under the Domain Names and Trademarks Licence Agreement, Huicong Construction shall pay an annual fee of RMB250,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 20% of the amount charged in the previous year.

域名及商標許可協議

北京慧聰國際最初於二零零二年一月二日與慧聰建設訂立域名及商標許可協議(「域名及商標許可協議」)，為期三年(及其後獲延長)。域名及商標許可協議之現有期限自二零零二年九月十五日起至二零二三年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年(而有關續訂須待本公司根據適用法律、法規及規定(包括上市規則之適用規則)取得所有必需批准及同意後，方可落實)。

根據域名及商標許可協議，北京慧聰國際許可慧聰建設使用若干域名及商標(包括由北京慧聰國際擁有及由其不時取得之域名及商標)，僅供於中國經營網站及發佈有利於北京慧聰國際利益之信息。慧聰建設於域名及商標許可協議期限(包括任何續訂期限)內所開發之任何知識產權將屬北京慧聰國際所有。訂約方進一步協定倘法律規定任何知識產權須以慧聰建設之名義登記，慧聰建設在獲適用法律及法規准許下，須應北京慧聰國際之要求轉讓該知識產權予北京慧聰國際或北京慧聰國際指定之一名訂約方，並須退還因轉讓而收取的任何代價。慧聰建設已承諾其須保證及擔保有關知識產權乃並無缺憾，及其須承擔因有關知識產權之任何缺憾導致北京慧聰國際蒙受之所有損失及虧損。北京慧聰國際有權就任何第三方之責任而向慧聰建設收回北京慧聰國際所有虧損。

根據域名及商標許可協議，慧聰建設須支付年費人民幣250,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之20%。

Management's Discussion and Analysis

管理層討論和分析

Online Information Distribution Agreement

Beijing HC International first entered into an online information distribution agreement (the "Online Information Distribution Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Online Information Distribution Agreement is three years commencing from 15 September 2020 to 14 September 2023 and may be renewed for an additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance with applicable laws, rules and regulations (including applicable rules of the Listing Rules)).

Pursuant to the Online Information Distribution Agreement, Beijing HC International appoints Huicong Construction to exclusively publish the information collected, edited or produced by Beijing HC International on the website operated by Huicong Construction.

Under the Online Information Distribution Agreement, Beijing HC International shall pay an annual fee of RMB900,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 20% of the amount charged in the previous year.

Online Advertisement Publication Agreement

HC Advertising first entered into an online advertisement publication agreement (the "Online Advertisement Publication Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Online Advertisement Publication Agreement is three years commencing from 15 September 2020 to 14 September 2023, and may be renewed for additional term of three years at the sole discretion of HC Advertising (and such renewal shall be subject to the Company having obtained all necessary approvals and consents in accordance with the applicable laws, rules and regulations (including applicable rules of the Listing Rules)).

Pursuant to the Online Advertisement Publication Agreement, HC Advertising appoints Huicong Construction to publish exclusively advertisement designed, produced by or entrusted to HC Advertising on the website operated by Huicong Construction.

Under the Online Advertisement Publication Agreement, HC Advertising shall pay an annual fee of RMB900,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 20% of the amount charged in the previous year.

網上信息發佈協議

北京慧聰國際於二零零二年一月二日與慧聰建設首次訂立網上信息發佈協議(「網上信息發佈協議」)，為期三年(及其後獲延長)。網上信息發佈協議之現有期限自二零零二年九月十五日起自二零二三年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年(而有關續訂須待本公司根據適用法律、法規及規定(包括上市規則之適用規則)取得所有必需批准及同意後，方可落實)。

根據網上信息發佈協議，北京慧聰國際委任慧聰建設於慧聰建設營運之網站獨家發佈由北京慧聰國際收集、編輯或提供之信息。

根據網上信息發佈協議，北京慧聰國際須支付年費人民幣900,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之20%。

網上廣告刊登協議

慧聰廣告最初於二零零二年一月二日與慧聰建設訂立網上廣告刊登協議(「網上廣告刊登協議」)，為期三年(及其後獲延長)。網上廣告刊登協議之現有期限自二零零二年九月十五日起至二零二三年九月十四日止，為期三年，並可由慧聰廣告全權酌情續訂額外三年(而有關續訂須待本公司根據適用法律、規則及法規(包括上市規則之適用規則)取得所有必需批准及同意後，方可落實)。

根據網上廣告刊登協議，慧聰廣告委聘慧聰建設於慧聰建設營運之網站上獨家刊登由慧聰廣告設計、製作或負責之廣告。

根據網上廣告刊登協議，慧聰廣告須支付年費人民幣900,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之20%。

Management's Discussion and Analysis

管理層討論和分析

Exclusive Option Agreement

Beijing HC International entered into the exclusive option agreement (the "Exclusive Option Agreement") with Huicong Construction, Mr. Guo Fansheng and Mr. Liu Jun on 14 February 2019, pursuant to which Mr. Guo Fansheng and Mr. Liu Jun jointly and severally granted to Beijing HC International (and Huicong Construction having consented to such grant) an irrevocable exclusive option for Beijing HC International (or such third party as it may designate) to purchase, to the extent permitted by PRC laws, all or part of their equity interests in Huicong Construction, at the consideration of RMB1,400,000 or a minimum purchase price permitted under PRC laws and regulations at the time of exercise of such option. Such exclusive option is for an indefinite term commencing on 14 February 2019 until (i) it is terminated by Beijing HC International in writing, or (ii) upon transfer of the entire equity interests held by Mr. Guo Fansheng and Mr. Liu Jun in Huicong Construction. Such exclusive option may not be revoked or varied during the term of the Exclusive Option Agreement.

Pursuant to the Exclusive Option Agreement, each of Mr. Guo Fansheng and Mr. Liu Jun has undertaken to Beijing HC International, among other things, that they shall not create any pledge, indebtedness or third party encumbrances, and shall not transfer, give by way of gift, pledge or otherwise dispose of its equity in Huicong Construction to any party other than Beijing HC International (or such third party as it may designated by it). Further, Huicong Construction has undertaken to Beijing HC International, among other things, that:

- (i) it will operate its business in accordance with the laws, regulations, requirements and other management requirements or directions by relevant governmental department;
- (ii) it shall ensure the continual existence of Huicong Construction in accordance with good financial and business standards and practices, and shall prudently and effectively operate its business and transactions, and shall use its best endeavours to ensure Huicong Construction obtaining all licences, permits and approval requires for its operation, and to ensure that they shall not be cancelled, revoked or declared invalid;
- (iii) it shall provide all its information in respect of its operation and finance at Beijing HC International's request;

獨家購股權協議

北京慧聰國際與慧聰建設、郭凡生先生及劉軍先生於二零一九年二月十四日訂立獨家購股權協議（「獨家購股權協議」），據此，郭凡生先生及劉軍先生共同及個別地向北京慧聰國際授出（而有關授出取得慧聰建設同意）不可撤回獨家購股權，以讓北京慧聰國際（或其指派之第三方）在中國法律允許之情況下購買彼等所持全部或部分慧聰建設股權，代價為人民幣1,400,000元或於有關購股權獲行使時中國法律及法規允許之最低收購價。有關獨家購股權不設期限，自二零一九年二月十四日起生效，直至(i)北京慧聰國際以書面形式終止協議，或(ii)郭凡生先生及劉軍先生轉讓彼等所持全部慧聰建設股權為止。有關獨家購股權不可於獨家購股權協議期內撤回或修改。

根據獨家購股權協議，郭凡生先生及劉軍先生各自已向北京慧聰國際承諾，（其中包括）彼等不會設立任何質押、債務或第三方產權負擔，亦不會轉讓、贈送、抵押或以其他方式向北京慧聰國際（或其指派之第三方）以外任何人士出售彼等所持的慧聰建設股權。此外，慧聰建設已向北京慧聰國際承諾，其中包括：

- (i) 其將根據相關政府部門之法律、法規、規定及其他管理規定或指示營運業務；
- (ii) 其將確保慧聰建設繼續存在，符合良好財務及業務準則及慣例，亦會審慎及有效地營運業務及交易，並會竭盡所能確保慧聰建設取得業務營運所需一切牌照、許可證及批准，且確保有關牌照、許可及批准不會被撤銷、撤回或宣佈無效；
- (iii) 其將應北京慧聰國際要求提供有關其營運及財務事宜之所有資料；

Management's Discussion and Analysis

管理層討論和分析

- (iv) it shall not conduct any of the following matters unless with prior written approval from Beijing HC International: (a) sell, transfer, pledge or otherwise dispose of any assets, business, or income, or allow encumbrance be created thereon (save as in its ordinary course of business or with prior written approval from Beijing HC International); (b) enter into any transactions which will materially and adversely affect its assets, obligations, operation, equity interest and other legal rights (save as in its ordinary course of business or with prior written approval from Beijing HC International); (c) declare dividend, or bonus to its shareholders; or (d) incur, take up, guarantee or allow any indebtedness other than those in the ordinary course of business and with the prior written consent of Beijing HC International;
- (v) it shall not without the prior written approval from Beijing HC International resolve any shareholders' resolution on increasing or decreasing its registered capital, or altering its registered capital structure;
- (vi) it shall not without the prior written approval from Beijing HC International alter its articles of association, or change its scope of business; and
- (vii) it shall not without the prior written approval from Beijing HC International change or remove any of its director or senior management.
- (iv) 除非事先取得北京慧聰國際之書面同意，否則其不得進行以下任何行動：(a)出售、轉讓、抵押或以其他方式出售任何資產、業務或收入或允許就任何資產、業務或收入設置產權負擔(於其一般業務過程中或在事先取得北京慧聰國際書面同意之情況下則另作別論)；(b)訂立任何交易以致其資產、責任、營運、股權及其他法定權利遭受重大不利影響(於其一般業務過程中或在事先取得北京慧聰國際書面同意之情況下則另作別論)；(c)向其股東宣派股息或花紅；或(d)產生或承擔任何債務、就任何債務作出擔保或允許任何債務(於其一般業務過程中及在事先取得北京慧聰國際書面同意之情況下則另作別論)；
- (v) 除非事先取得北京慧聰國際之書面同意，否則其不得就任何有關增加或削減其註冊資本或影響其註冊資本結構之股東決議案作出議決；
- (vi) 除非事先取得北京慧聰國際之書面同意，否則其不得修改其組織章程細則或變更其業務範疇；及
- (vii) 除非事先取得北京慧聰國際之書面同意，否則其不得更換或罷免其任何董事或高級管理人員。

Each of Mr. Guo Fansheng and Mr. Liu Jun, as registered shareholders of Huicong Construction, has executed a blank equity transfer agreement with respect of his equity interests in Huicong Construction to the custody of Beijing HC International, which may be effected by Beijing HC International (or such third party as it may designate) in the event he fails to discharge his obligations.

Huicong Construction, Mr. Guo Fansheng and Mr. Liu Jun further executed an undertaking dated 14 February 2019 (the "Undertaking"), pursuant to which, among other things, they undertake to unconditionally return to the Group any consideration they receive in the event Beijing HC International acquires the equity interests in Huicong Construction, and to unconditionally transfer the domain name "hc360.com" and related registered trademark(s) to Beijing HC International (or such third party as it may designate by it) in the event that the agreements underlying the HC Contractual Arrangements lapse, expire or be terminated.

郭凡生先生及劉軍先生(作為慧聰建設之註冊股東)各自已就彼所持有之慧聰建設股權簽立一份留空之股權轉讓協議，並交由北京慧聰國際託管，可由北京慧聰國際(或其指派之第三方)於彼未能履行責任時啟動生效。

慧聰建設、郭凡生先生及劉軍先生進一步簽立日期為二零一九年二月十四日之承諾書(「承諾」)，據此，(其中包括)彼等承諾於北京慧聰國際收購慧聰建設股權時無條件向本集團退還彼等所收取之任何代價，並於慧聰合約安排相關協議失效、到期或終止時無條件向北京慧聰國際(或其指派之第三方)轉讓域名「hc360.com」及相關註冊商標。

Management's Discussion and Analysis

管理層討論和分析

Power of Attorney

On 14 February 2019, each of Mr. Guo Fansheng and Mr. Liu Jun has executed a power of attorney (the "Power of Attorney"). Pursuant to each of the Powers of Attorney, each of Mr. Guo Fansheng and Mr. Liu Jun unconditionally and irrevocably authorises any individual designated by Beijing HC International (which shall be a director of the Company (other than Mr. Guo Fansheng, Mr. Liu Jun or their close associates), and shall be a resident of PRC) to represent him in exercising all his rights as shareholders of Huicong Construction under applicable PRC laws, including without limitation, to transfer all his equity interests, to determine the consideration for such transfer, to complete all relevant procedures regarding such transfer, to attend general meetings and exercise voting rights, to execute all such relevant documents, agreements and resolutions, etc.. Such Powers of Attorney shall remain in full force and effect from 14 February 2019 until Mr. Guo Fansheng or Mr. Liu Jun (as the case may be) ceases to be a shareholder of Huicong Construction.

Equity Pledge Agreement

Beijing HC International, Mr. Guo Fansheng and Mr. Liu Jun entered into the equity pledge agreement (the "Equity Pledge Agreement") on 14 February 2019, pursuant to which each of Mr. Guo Fansheng and Mr. Liu Jun pledged all their respective equity interests in Huicong Construction to Beijing HC International to secure the performance of all their obligations and the obligations of Huicong Construction under the Domain Names and Trademarks Licence Agreement, the Technology Services Agreement, the Online Information Distribution Agreement, the Online Advertisement Publication Agreement, the Exclusive Option Agreement and the Powers of Attorney.

Beijing HC International will be entitled to exercise the rights of pledge in the event Huicong Construction fails to pay the service fee under the Technology Services Agreement and the Domain Names and Trademarks Licence Agreement or fail to perform any other term of the above agreements, the Online Information Distribution Agreement and the Online Advertisement Agreement, or any of Huicong Construction, Mr. Guo Fansheng or Mr. Liu Jun fails to perform any term of the Exclusive Option Agreement and the Powers of Attorney (as the case may be), upon reasonable notice. If Huicong Construction declares any dividend, bonus or adopt any proposal for distribution of profits during the term of the Equity Pledge Agreement, such dividends, bonus or economic benefits of all such proposal for distribution shall be delivered to Beijing HC International.

The Equity Pledge Agreement is for an indefinite term commencing from 14 February 2019 until (i) all the agreements (other than the Equity Pledge Agreement) underlying the HC Contractual Arrangements have been terminated by Beijing HC International and/or HC Advertising (as the case may be) or (ii) all the obligations under the Equity Pledge Agreement have been fulfilled. The Equity Pledge Agreement has been filed at relevant Industry and Commerce Bureau.

授權書

於二零一九年二月十四日，郭凡生先生及劉軍先生各自已簽立一份授權書（「授權書」）。根據各份授權書，郭凡生先生及劉軍先生各自無條件及不可撤回地授權北京慧聰國際指派之任何人士（須為本公司董事（郭凡生先生、劉軍先生或彼等之緊密聯繫人除外）及中國居民）代其根據適用中國法律行使其作為慧聰建設股東之所有權利，包括但不限於轉讓其所有股權、釐定有關轉讓之代價、完成有關轉讓之所有相關手續、出席股東大會及行使投票權、簽立所有相關文件、協議及決議案等等。有關授權書將自二零一九年二月十四日起具有十足效力，直至郭凡生先生或劉軍先生（視情況而定）不再為慧聰建設股東。

股權質押協議

北京慧聰國際、郭凡生先生及劉軍先生於二零一九年二月十四日訂立股權質押協議（「股權質押協議」），據此，郭凡生先生及劉軍先生各自向北京慧聰國際質押彼等各自所持全部慧聰建設股權，作為履行彼等及慧聰建設於域名及商標許可協議、技術服務協議、網上信息發佈協議、網上廣告刊登協議、獨家購股權協議及授權書項下之全部責任之擔保。

倘慧聰建設無法根據技術服務協議以及域名及商標許可協議支付服務費或無法履行上述協議、網上信息發佈協議及網上廣告刊登協議之任何其他條款，或慧聰建設、郭凡生先生或劉軍先生任何一方無法履行獨家購股權協議及授權書（視情況而定）之任何條款，則北京慧聰國際將有權於發出合理通知後行使質押權利。倘慧聰建設於股權質押協議期內宣派任何股息、花紅或就分派溢利採納任何建議，則有關股息、花紅或所有有關分派建議之經濟利益均須交付予北京慧聰國際。

股權質押協議不設期限，自二零一九年二月十四日起生效，直至(i)構成慧聰合約安排之所有協議（股權質押協議除外）已由北京慧聰國際及／或慧聰廣告（視情況而定）終止或(ii)股權質押協議項下全部責任已獲履行。股權質押協議已於相關工商局辦理備案。

Management's Discussion and Analysis 管理層討論和分析

Risks associated with the HC Contractual Arrangements

The government may determine that the agreements underlying the HC Contractual Arrangements do not comply with the applicable regulations, or these regulations or their interpretation may change in the future.

The Company is incorporated in the Cayman Islands and members of the Group established in the PRC are considered as foreign-invested enterprise. Currently, laws and regulations of the PRC restrict participation and operation of internet content services by foreign investors. The Group depends on the HC Contractual Arrangements with Huicong Construction in respect of its online services. Upon interview conducted by the PRC legal advisers with relevant responsible officer of the Telecommunication Department of Beijing Communications Administration (北京市通信管理局電信管理處), the PRC legal advisers were informed that currently, there is no prohibition of adoption of contractual arrangements or variable interest entity in the business of services, and there has been no law, rules, regulations or normative documents in the PRC which stipulates that such arrangements constitute the act of "concealing illegal intentions with a lawful form" under PRC laws.

Save for matters as further discussed in the paragraph headed "Certain terms of the HC Contractual Arrangements may not be enforceable under PRC laws" below, our PRC legal advisers are of the opinion that the agreements underlying the HC Contractual Arrangements are, collectively and individually, legal and valid and do not violate PRC laws, rule and regulations. Although the Group has not received any interference regarding the legality of the HC Contractual Arrangements, there is no assurance that the PRC government or judicial authorities would agree that the HC Contractual Arrangements comply with PRC licensing, registration, other regulatory requirements or policies that may be adopted in the future. If the PRC government or judicial authorities determines that the Group or the HC Contractual Arrangements do not comply with the applicable PRC laws and regulations, it could have discretion in dealing with such non-compliance, including:

- (i) discontinuing or placing restriction on the business operation of Beijing HC International, HC Advertising and/or Huicong Construction in the PRC;
- (ii) requiring reorganisation or restructuring of ownership or business of Beijing HC International and/or HC Advertising;
- (iii) levying fines and/or confiscating the proceeds generated from the operations under the HC Contractual Arrangements; and
- (iv) taking other regulatory or enforcement actions that could have a material adverse effect over the Group's financial condition or business.

與慧聰合約安排有關之風險

政府可釐定慧聰合約安排相關協議不符合適用法規，或該等法規或其詮釋可能於日後有所改變。

本公司於開曼群島註冊成立，而本集團於中國成立之成員公司被視為外商投資企業。現時，中國法律及法規限制外國投資者參與及營運互聯網內容服務。本集團就其線上服務依賴與慧聰建設訂立之慧聰合約安排。經由中國法律顧問與北京市通信管理局電信管理處相關負責官員會晤後，中國法律顧問獲告知，現時在服務業務方面並無禁止採用合約安排或可變收益實體，且中國並無任何法律、規則、法規或規範文件訂明該等安排根據中國法律構成「以合法形式掩蓋非法目的」。

除於下文「慧聰合約安排之若干條款未必可根據中國法律強制執行」一段進一步討論之事項外，中國法律顧問認為慧聰合約安排相關協議共同及個別屬合法及有效，且並無違反中國法律、規則及法規。儘管本集團並無就有關慧聰合約安排之合法性遭受任何干預。無法保證中國政府或司法機關將同意慧聰合約安排乃符合中國許可證、登記、其他監管規定或日後可能採用之政策。倘中國政府或司法機關認為本集團或慧聰合約安排不符合中國適用之法律及法規，其可能會酌情處理有關不合規事宜，包括：

- (i) 終止或限制北京慧聰國際、慧聰廣告及／或慧聰建設於中國之業務運營；
- (ii) 規定重組或重整北京慧聰國際及／或慧聰廣告之所有權或業務；
- (iii) 徵收罰款及／或沒收根據慧聰合約安排由經營業務產生之所得款項；及
- (iv) 採取任何可能對本集團之財務狀況或業務造成重大不利影響之其他監管或執法行動。

Management's Discussion and Analysis 管理層討論和分析

The imposition of any of the above mentioned consequences could result in a material and adverse effect on the Group's ability to conduct its online business. In particular, in the event the imposition of any of these consequence prevent Huicong Construction from providing internet content provider services to the Group and the Group is unable to locate any substitute timely, the operation of the Group's platform could be severely disrupted and the Group may breach its existing contracts for online businesses (including among others, subscription for Mai-Mai-Tong and Biao-Wang search). Where the Group loses the right to direct the activities of Huicong Construction as a result of these consequences, the Group would also be no longer able to consolidate the financial results of Huicong Construction.

The HC Contractual Arrangements may not provide control as effective as direct ownership

The Group depends on the HC Contractual Arrangements with Huicong Construction, who hold key licences required, in respect of its online services. Huicong Construction is owned as to 50% by Mr. Guo Fansheng and 50% by Mr. Liu Jun. The Company and its subsidiaries do not own or hold any equity interests in Huicong Construction.

The HC Contractual Arrangements may not be as effective in providing control over website operations in PRC as direct ownership in these businesses. For example, Huicong Construction and its shareholders could breach or fail to perform their obligations under the HC Contractual Arrangements. If Huicong Construction fails to perform its obligations under the HC Contractual Arrangements, the Group will have to resort to legal remedies under the PRC law, which could result in substantial litigation costs and diverse the Group's management's time and efforts away from their running the regular business of the Group. There is uncertainty as to the outcome and duration of legal proceedings and its enforceable. In addition, the Group cannot be sure that contractual remedies would be effective or sufficient to enforce its interests. In the event Huicong Construction refuses or fails to provide the internet content services to the Group and the Group is unable to locate any substitute timely, the operation of the Group's platform could be severely disrupted and the Group may breach its existing contracts for online businesses.

實行任何上述結果可導致對本集團進行其線上業務能力有重大不利影響。特別是，倘實行任何上述該等結果阻止慧聰建設提供互聯網內容供應商服務予本集團及本集團無法及時覓得任何替代方法，則本集團之平台營運或會嚴重受創，而本集團可能違反其線上業務之現有合約，其中包括認購買賣通及標王搜索。倘本集團因該等結果失去指示慧聰建設活動之權利，本集團亦將不能將慧聰建設之財務業績合併入賬。

慧聰合約安排賦予之控制權，未必如直接擁有一樣有效

本集團就其線上服務依賴與持有所需主要許可證之慧聰建設所訂立之慧聰合約安排。慧聰建設由郭凡生先生及劉軍先生分別擁有50%權益。本公司及其附屬公司並無擁有或持有慧聰建設之任何股權。

在控制中國網站營運方面，慧聰合約安排或不能如直接擁有該等業務般有效。例如，慧聰建設及其股東可能違反或未能履行其於慧聰合約安排下之責任。倘慧聰建設未能履行其於慧聰合約安排下之責任，本集團將須根據中國法律訴諸法律之補救方法，而該等補救方法可能導致重大訴訟成本及分散本集團管理層經營本集團日常業務之時間及人力物力。無法確定該等法律程序之結果及所需時間，以及能否強制執行。此外，本集團不能確定合約補救方法可有效或足夠執行其利益。倘慧聰建設拒絕或未能向本集團提供互聯網內容服務，而本集團無法及時覓得任何替代方法，本集團之平台營運或會受到嚴重障礙，而本集團可能違反其線上業務之現有合約。

Management's Discussion and Analysis

管理層討論和分析

The Group currently operates its online platform principally through the website of "hc360.com". Currently, Huicong Construction is the registrant of the domain name "hc360.com" in light of relevant requirements in the PRC on internet content provider business. Huicong Construction, Mr. Guo Fansheng and Mr. Liu Jun have undertaken pursuant to the agreements underlying the HC Contractual Arrangements and the Undertaking that Huicong Construction will, so far as it is permitted under the PRC laws, transfer the domain name and trademark(s) to the Group (or the Group's nominee) in the event the HC Contractual Arrangements lapse, expire or be terminated. If the Group is unable to acquire the domain name from Huicong Construction, or if Huicong Construction declares bankruptcy or if the domain name, as part of Huicong Construction's assets, become subject to liens or rights of third party, the Group may be unable to continue its existing business using "hc360.com" and may be required to establish a new domain name, and to establish new trademark, which may disrupt the Group's operation, confuse users and damage the Group's reputation, and may materially and adversely affect the Group's results of operation.

The registered shareholders of Huicong Construction may have potential conflicts of interest with the Group

As at the date of this report, equity interests of Huicong Construction is owned as to 50% by Mr. Guo Fansheng and 50% by Mr. Liu Jun. Mr. Guo Fansheng is the sole director and the legal representative of Huicong Construction. The Directors are of the view that Mr. Guo Fansheng and Mr. Liu Jun are controllers of Huicong Construction. Each of Mr. Guo Fansheng and Mr. Liu Jun has undertaken to the Company that each of them will procure Huicong Construction in fulfilling its obligations under the agreements underlying the HC Contractual Arrangements. Each of Mr. Guo Fansheng and Mr. Liu Jun, as a Director, also owes fiduciary duties to the Company and the Shareholders as a whole pursuant to relevant law of the Cayman Islands.

There is no assurance that when conflicts of interests arise, shareholders of Huicong Construction will act in the best interests of the Group, or that any conflicts of interests will be resolved in favour of the Group.

To further strengthen the protections to the Group over potential conflicts of interest between the registered shareholders of Huicong Construction, and the Group, on 14 February 2019, Beijing HC International entered into, among others, the Exclusive Option Agreement, the Equity Pledge Agreement and the Powers of Attorney with Huicong Construction. Pursuant to the Exclusive Option Agreement, Beijing HC International was granted the option to purchase from the registered shareholders their equity interest in Huicong Construction when and to the extent permitted by law. Pursuant to the Equity Pledge Agreement, Beijing HC International is entitled to dispose of the equity interests of Huicong Construction pledged, in the event of stipulated events regarding failure of performance by, among others, registered shareholders of Huicong Construction. Further, each of the Mr. Guo Fansheng and Mr. Liu Jun has executed the Power of Attorney which authorises individual designated by Beijing HC International to exercise all of their rights and powers as shareholders of Huicong Construction.

本集團現時主要透過網站「hc360.com」營運其線上平台。鑒於中國對互聯網內容供應商業務之相關規定，慧聰建設現時為域名「hc360.com」之註冊人。根據慧聰聯合安排相關協議及承諾，慧聰建設、郭凡生先生及劉軍先生已承諾，在中國法律准許之情況下，倘慧聰聯合安排失效、屆滿或被終止，慧聰建設將轉讓其域名及商標予本集團或本集團之代名人。倘本集團未能向慧聰建設收購域名，或倘慧聰建設宣佈破產或倘域名(作為慧聰建設之資產一部分)受到留置權或第三方權利之限制，本集團可能未能使用「hc360.com」繼續經營其現有業務及可能須建立一個新域名及新商標，此舉可能干擾本集團之營運、混淆用戶及損害本集團之聲譽，並可能對本集團之經營業績造成重大不利影響。

慧聰建設之登記股東可能與本集團有潛在利益衝突

截至本報告日期，慧聰建設之股本權益分別由郭凡生先生及劉軍先生擁有50%。郭凡生先生為慧聰建設之唯一董事及合法代表。董事認為郭凡生先生及劉軍先生為慧聰建設之控權人。郭凡生先生及劉軍先生各自已向本公司作出承諾，彼等各自將促使慧聰建設履行其於慧聰聯合安排相關協議項下之責任。根據開曼群島相關法律，郭凡生先生及劉軍先生各自作為董事亦對本公司及股東整體負有受信責任。

概不保證當有利益衝突時，慧聰建設之股東將以本集團之最佳利益行事，或以本集團有利之方式解決任何利益衝突之事宜。

為進一步加強慧聰建設登記股東與本集團發生潛在利益衝突時對本集團之保障，北京慧聰國際於二零一九年二月十四日與慧聰建設訂立(其中包括)獨家購股權協議、股權質押協議及授權書。根據獨家購股權協議，倘及在法例批准之情況下，北京慧聰國際獲授予購股權以向登記股東購買其於慧聰建設之股權。根據股權質押協議，倘發生有關(其中包括)慧聰建設登記股東未能履行協議所訂明之事件，北京慧聰國際有權利出售所質押之慧聰建設股權。此外，郭凡生先生及劉軍先生各自已簽立授權書，授權由北京慧聰國際所指定之個別人士行使其作為慧聰建設股東之所有權利及權力。

Management's Discussion and Analysis 管理層討論和分析

Since the entering into of the agreements underlying the HC Contractual Arrangements and up to the date of this report, neither Huicong Construction nor its registered shareholders commits any breach of the agreements underlying the HC Contractual Arrangements or undertakings. However, if shareholder(s) of Huicong Construction cause Huicong Construction to breach the HC Contractual Arrangements, or in the event Mr. Guo Fansheng and/or Mr. Liu Jun breach the aforesaid undertakings, the Group will have to resort to legal remedies under the PRC law, which could result in substantial litigation costs and divert the Group's management's time and efforts away from their running the regular business of the Group. There is uncertainty as to the outcome and duration of legal proceedings and its enforceability, and the Group cannot be sure that contractual remedies would be effective or sufficient to enforce its interests. Acquisition by the Group (or by designees of the Group) of equity interests under the Exclusive Option Agreement and/or the Equity Pledge Agreement may further be subject to substantial transaction costs) and taxation. In the event that the HC Contractual Arrangements are breached and the Group is unable to locate any substitute to provide internet content services timely, the operation of the Group's platform could be severely disrupted and the Group may breach its existing contracts for online businesses, and the Group's operation, result of operations and financial conditions may be materially and adversely affected. Also, if the Group is unable to acquire the domain name in such events, or if Huicong Construction declares bankruptcy or if the domain name, as part of Huicong Construction's assets, become subject to liens or rights of third party, the Group may be unable to continue its existing business using the domain name of "hc360.com" and may be required to establish a new domain name, which may disrupt the Group's operation, confuse users and damage the Group's reputation, and may materially and adversely affect the Group's results of operation.

The HC Contractual Arrangements may subject the Group to increased taxation due to different income tax rates applicable to Beijing HC International and Huicong Construction

Pursuant to the Online Information Distribution Agreement, Huicong Construction provides internet content provider services for an annual fee of RMB900,000.

Before 2020, Beijing HC International is subject to a preferential tax rate of 15%, and Huicong Construction is subject to a tax rate of 25%.

In light of the different income tax rates applicable, the determination of such annual fee and other payment by the Group to Huicong Construction before 2020 may be challenged by relevant PRC tax authorities as unfair, and may adjust the taxable income or tax amount payable by the Group, requesting outstanding tax amount be paid or imposing administrative penalty, thereby having adverse tax consequence and affect the Group's business, financial conditions and results of operations of the Group materially and adversely.

自訂立慧聰合約安排相關協議起至本報告日期，慧聰建設或其登記股東概無作出任何違反慧聰合約安排相關協議或承諾之行為。然而，倘慧聰建設之股東促使慧聰建設違反慧聰合約安排，或倘郭凡生先生及／或劉軍先生違反上述承諾，本集團將根據中國法律訴諸法律之補救方法，此舉可能導致重大訴訟成本，並分散本集團管理層經營本集團日常業務之時間及人力物力。無法確定該等法律程序之結果及所需時間，以及能否強制執行，而本集團不能確定合約補救方法可有效或足夠執行其利益。由本集團（或本集團指定人士）根據獨家購股權協議及／或股權質押協議進行之股權收購可能進一步受重大交易成本及稅項之限制。倘違反慧聰合約安排，而本集團未能及時找到任何提供互聯網內容服務之替代方法，則本集團之平台營運或會受到嚴重障礙；而本集團可能違反其線上業務之現有合約，以致本集團之業務營運及財務狀況可能受到重大不利影響。此外，倘本集團於該等情況下未能收購域名，或倘慧聰建設宣佈破產或倘作為慧聰建設資產一部分之域名受到留置權或第三方權利限制，本集團可能無法使用域名「hc360.com」繼續其現時業務，並可能需要建立一個新域名，此舉可能會干擾本集團之營運、混淆用戶及損害本集團之聲譽，並可能對本集團之經營業績造成重大不利影響。

因北京慧聰國際及慧聰建設適用於不同所得稅率，故慧聰合約安排可使本集團繳納之稅項增加

根據網上信息發佈協議，慧聰建設提供互聯網內容供應商服務，年費為人民幣900,000元。

二零二零年前，北京慧聰國際按15%之優惠稅率繳稅，而慧聰建設則按25%之稅率繳稅。

由於適用不同所得稅率，中國相關稅務機構可能質疑本集團於二零二零年前向慧聰建設支付該年費及其他款項之釐定方法屬不公平，而調整本集團應課稅收入或應付稅項，要求本集團償付未付之稅項或施加行政處罰，因而造成不利稅務後果及對本集團之業務、財務狀況及營運業績構成重大不利影響。

Management's Discussion and Analysis

管理層討論和分析

Since the entering into of the HC Contractual Arrangements and up to the date of this report, the Group has not received any interference from relevant PRC tax authorities as to the different income tax rates applicable.

Huicong Construction may not provide internet content services to the Group if the HC Contractual Arrangements are not renewed or extended on equivalent or similar terms, or if Huicong Construction ceases its operation or corporate entity in the event of dissolution or liquidation, etc.

The Group depends on the HC Contractual Arrangements with Huicong Construction, which holds key licences required, to operate the Group's online platform. Certain agreements underlying the Contractual Arrangements (other than the Exclusive Option Agreement, the Equity Pledge Agreement and the Powers of Attorney, which have an indefinite terms unless terminated) currently has a term of three years, and will expire by 14 September 2020, subject to renewal by Beijing HC International and/or HC Advertising at its respective discretion in accordance with the respective terms of the agreements. The Company expects that the Group will renew the agreements on equivalent or similar terms prior to their expiries.

If the HC Contractual Arrangements are not renewed or extended on equivalent or similar terms, or if Huicong Construction ceases its operation or corporate entity in the event of dissolution or liquidation, the Group would have to engage another PRC entity holding relevant licences required to provide internet content services to the Group.

To strengthen the Group's protection, Beijing HC International entered into the Exclusive Option Agreement dated 14 February 2019, pursuant to which Beijing HC International (or such third party as it may designate) may purchase the equity interests of Mr. Guo Fansheng or Mr. Liu Jun in Huicong Construction, among others, in the event that HC Contractual Arrangements are not renewed. The said option is for an indefinite period unless terminated by Beijing HC International or upon Beijing HC International acquiring all equity interests in Huicong Construction. Further, each of the registered shareholders of Huicong Construction (namely, Mr. Guo Fansheng and Mr. Liu Jun) has executed the Power of Attorney which authorise individual designated by Beijing HC International to exercise all of their rights and powers as shareholders of Huicong Construction. In addition, as each of Mr. Guo Fansheng and Mr. Liu Jun, being all registered shareholders of Huicong Construction, is a Director, each of them further owes a duty of care to the Company and the Shareholders as a whole under applicable laws. The Directors are of the view that Huicong Construction and/or its registered shareholders are not entitled to terminate the agreements underlying the HC Contractual Arrangements save for material breach by Beijing HC International and/or HC Advertising (as the case maybe). In such cases of termination, that the Group will be entitled to exercise its rights under the Equity Pledge Agreement to uphold its rights or have to resort to legal remedies under the PRC law.

自訂立慧聰合約安排起至本報告日期，本集團並無就適用之不同所得稅率獲中國相關稅務機構之任何干預。

倘慧聰合約安排未能按相等或相若條款重續或延長，或倘慧聰建設於解散或清盤等情況下終止其營運或企業實體，慧聰建設或不向本集團提供互聯網內容服務

本集團依賴與持有所需主要許可證之慧聰建設訂立之慧聰合約安排，以營運本集團之線上平台。若干合約安排相關協議（不包括獨家購股權協議、股權質押協議及授權書，除非被終止否則該等協議並無固定期限）現時為期三年，並將於二零二零年九月十四日屆滿，北京慧聰國際及／或慧聰廣告可根據協議之相關期限各自酌情決定予以重續。本公司預期本集團將於該等協議屆滿前按相等或相若條款重續。

倘慧聰合約安排未能按相等或相若條款重續或延長，或倘慧聰建設於解散或清盤等情況下終止其營運或企業實體，本集團將須委聘另一間持有相關所需許可證之中國實體為本集團提供互聯網內容服務。

為加強本集團之保障，北京慧聰國際訂立日期為二零一九年二月十四日之獨家購股權協議，據此，倘慧聰合約安排未能重續，北京慧聰國際（或其可能指定之第三方）可購買（其中包括）郭凡生先生或劉軍先生於慧聰建設之股本權益。除非北京慧聰國際予以終止或北京慧聰國際收購慧聰建設所有股本權益，否則上述購股權並無期限。再者，慧聰建設各登記股東（即郭凡生先生及劉軍先生）已簽立授權書，授權由北京慧聰國際指定之人士行使彼等作為慧聰建設股東之一切權利及權力。此外，由於慧聰建設之登記股東郭凡生先生及劉軍先生均為董事，根據適用法律，彼等各自亦對本公司及股東整體負上謹慎責任。董事認為慧聰建設及／或其登記股東無權終止慧聰合約安排相關協議，惟北京慧聰國際及／或慧聰廣告（視情況而定）嚴重違約則作別論。於終止協議之情況下，本集團將有權行使其於股權質押協議下之權利，以維護其權利或根據中國法例採取法律補救方法。

Management's Discussion and Analysis 管理層討論和分析

There is no assurance that the Group can identify new entity which provides internet content services required for the Group's operation timely, or on equivalent or similar terms. In the event that existing PRC entity cannot be located, the Group may be required to engage other parties to set up new entity. Pursuant to the existing laws and regulations, approval procedures for key licences to operate internet content services usually takes three to six months, with such requirements including among others, the Qualification Requirement (as further discussed below) and a minimum requirement of registered capital of not less than RMB1,000,000, while there is no assurance that such approval will be granted, or will be granted on a timely manner.

In the event that the HC Contractual Arrangements are discontinued and the Group is unable to locate any substitute to provide internet content services timely, the operation of the Group's platform could be severely disrupted and the Group may breach its existing contracts for online businesses, which could materially and adversely affect the Group's business operation and financial results.

Certain terms of the HC Contractual Arrangements may not be enforceable under PRC laws

The HC Contractual Arrangements provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the Beijing Arbitration Commission in the PRC. The HC Contractual Arrangements also contain provisions to the effect that, the arbitral body may award remedies over shares and/or assets of Huicong Construction, injunctive relief and/or winding up of Huicong Construction, and that courts in Hong Kong and the Cayman Islands are of competent jurisdiction with power to grant interim remedies in support of arbitration pending formation of arbitral tribunal or in appropriate cases.

We have been advised by our PRC legal advisers that the above mentioned provisions regarding injunctive relief or interim remedies contained in the HC Contractual Arrangements may not be enforceable, and that under PRC laws, arbitral body does not have the power to grant any injunctive relief or liquidation order in case of dispute.

Accordingly, such remedies may not be available to us timely, or be available to us at all notwithstanding the relevant contractual provisions contained in the HC Contractual Arrangements.

Exercise of option to acquire the equity interests in Huicong Construction may be subject to limitations and the ownership transfer may be subject to substantial costs

Under the HC Contractual Arrangements, the Group has the option to purchase equity interests in Huicong Construction. It is the intention of the Group to unwind the HC Contractual Arrangements as soon as the law allows the business to operate without such HC Contractual Arrangements.

概不保證本集團可覓得新實體適時或按相等或相若之條款為本集團之營運提供所需互聯網內容服務。倘無法物色中國現有之實體，本集團或須僱用其他人士成立新實體。根據現行法例及法規，營運互聯網內容服務之主要許可證之審批程序一般需時三至六個月，有關要求包括(其中包括)資格要求(於下文進一步論述)及註冊資本之最低規定不少於人民幣1,000,000元，且亦不保證獲得有關批准，或適時獲得有關批准。

倘慧聰合約安排終止，而本集團未能適時找到提供互聯網內容服務之任何替代方法，本集團平台之營運可能嚴重受損，而本集團可能違反其線上業務之現有合約，以致本集團之業務營運及財務業績可能受到重大不利影響。

慧聰合約安排之若干條款未必可根據中國法律強制執行

慧聰合約安排規定，糾紛須在中國根據北京仲裁委員會之仲裁規則以仲裁方式解決。慧聰合約安排亦載有條文訂明仲裁機構可能就慧聰建設之股份及／或資產作出補救措施、發出禁制令及／或授予慧聰建設清盤，而香港及開曼群島之法院具有司法管轄權，有權力在成立仲裁法庭之前或在適當案例下授出臨時補救措施以支持仲裁。

本公司已獲中國法律顧問告知，慧聰合約安排所載有關發出禁制令或臨時補救措施未必可強制執行，根據中國法律，倘出現糾紛，仲裁機構無權授出任何禁制令或清盤令。

因此，儘管慧聰合約安排載有相關合約條文，本集團未必可及時採用或將可採用該等補救措施。

行使購股權以收購慧聰建設之股本權益或須受限制條件規限及擁有權轉讓或須受重大成本規限

根據慧聰合約安排，本集團擁有購買慧聰建設股本權益之購股權。本集團有意於並無該慧聰合約安排情況下可獲法律允許業務營運後儘快解除慧聰合約安排。

Management's Discussion and Analysis

管理層討論和分析

The Administrative Rules for Foreign Investments in Telecommunications Enterprises (2016 amended) (the "FITE Rules") currently stipulated that foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services, including internet content provider services. As the Company is a company incorporated in the Cayman Islands, all members of the Group controlled by the Company through majority shareholdings or equity interests are regarded as such foreign invested enterprise, which restrict the exercise of option.

In addition, under the FITE Rules, a foreign invested enterprise wishing to acquire any equity interest in a value-added telecommunications business in the PRC must demonstrate a good track record and experience in providing value-added telecommunications services overseas ("Qualification Requirement"). There is currently no clear guidance on the interpretation of the Qualification Requirement under the existing applicable PRC laws, regulations or rules, and the Company is therefore unable to ascertain the Qualification Requirement. There is no assurance that the Group will be able to sufficiently satisfy the Qualification Requirement, or there will not be any subsequent change, interpretation or guidance on the Qualification Requirement, or such other requirements concerning the operator of internet content provider services. If the restrictions on the percentage of foreign ownership in telecommunications services are removed, the Group may need to unwind the HC Contractual Arrangements before the Group is in a position to comply with the Qualification Requirement.

The exercise of option to acquire equity ownership of Huicong Construction may incur substantial costs on the part of the Group. Pursuant to the HC Contractual Arrangements, the Group has an exclusive option to purchase, to the extent permitted by PRC laws, equity interests in Huicong Construction in all or part, at the consideration of RMB1,400,000 or a minimum purchase price permitted under PRC laws and regulations at the time of exercise of such option. Where the relevant PRC authorities determine that the purchase price is below the market value, they may require Beijing HC International to pay enterprise income tax for ownership transfer income with reference to the market value. The amount of tax may be substantial, which could materially and adversely affect the business, financial condition and results of operation of the Group.

外商投資電信企業管理規定(2016年修訂)(「外商投資電信企業管理規定」)現時規定外國投資者不可於一間提供增值電信服務(包括互聯網內容服務)之公司持有多於50%股本權益。由於本公司為開曼群島註冊成立之有限公司，本公司透過持有大部分股權或股本權益控制之所有本集團成員公司被視為外商投資企業，其限制購股權之行使。

此外，根據外商投資電信企業管理規定，外商投資企業欲收購中國增值電信服務業務之任何股本權益，須證明在提供境外增值電信服務方面具備良好往績記錄及經驗(「資格要求」)。根據現行適用之中國法律、法規或規則，現時並無對資格要求之詮釋提供明確指引，因此本公司無法確定具有資格要求。概無法保證本集團將可妥善符合資格要求，或資格要求不會出現任何後續變動、詮釋或指引，或有關互聯網內容服務供應商之營運者之其他要求。倘移除於電信服務之外資擁有權之百分比限制，本集團或需解除慧聰合約安排方能符合資格要求。

對本集團而言，行使購股權以收購慧聰建設之股本擁有權或會產生重大成本。根據慧聰合約安排，本集團擁有獨家購股權，在中國法律允許之情況下，可以代價人民幣1,400,000元或根據行使該等購股權之時中國法律及法規允許之最低購買價購買慧聰建設全部或部分股本權益。倘中國相關機關認為購買價低於市價，彼等可要求北京慧聰國際參照市價就擁有權轉讓收入支付企業所得稅。稅額或會非常龐大，可能對本集團之業務、財務狀況及經營業績造成重大不利影響。

Management's Discussion and Analysis 管理層討論和分析

If Huicong Construction fails to obtain and maintain the requisite assets, licences and approvals as required under the regulatory environment for internet content provider business in the PRC, the business, financial condition and results of operations may be materially and adversely affected

The telecommunications services industry in China is heavily regulated by the PRC government and numerous regulatory authorities of the central PRC government are empowered to issue and implement regulations governing various aspects of the telecommunications services industry. These telecommunications services-related laws and regulations are relatively new and evolving, and there are a certain degree of uncertainty especially on the interpretation and enforcement of these laws. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violations of applicable laws and regulations.

Huicong Construction is required to obtain and maintain certain assets relevant to its business as well as applicable licenses or approvals from the relevant regulatory authorities in order to provide its current services. These assets and licenses are essential to the operation of internet content provider business and are generally subject to annual review by the relevant governmental authorities. Also, Huicong Construction may need to obtain additional licenses. If Huicong Construction fails to obtain or maintain any of the required assets, licenses or approvals, its continued business operations in the telecommunications services industry may subject it to various penalties, including but not limited to fines and the discontinuation or restriction of its operations. Any such disruption in the business operations of Huicong Construction will materially and adversely affect our business, financial condition and results of operations.

The Company may lose the ability to use and enjoy assets held by Huicong Construction that are important to the Group's business if Huicong Construction declares bankruptcy or becomes subject to a dissolution or winding up proceeding

Huicong Construction holds certain assets that are important to the Group's business operations, primarily the ICP Licence and the domain name of "hc360.com". The HC Contractual Arrangements with Huicong Construction and its shareholders contain terms that specifically obligate Mr. Guo Fansheng and Mr. Liu Jun to ensure the valid existence of Huicong Construction. However, in the event that Mr. Guo Fansheng or Mr. Liu Jun breaches this obligation and voluntarily wind up Huicong Construction, or Huicong Construction declares bankruptcy or is otherwise dissolved, some or all of the Group's online business operations may have to be ceased, which could materially and adversely affect our business, financial condition and results of operations. If Huicong Construction undergoes a voluntary or involuntary winding-up proceeding, Mr. Guo Fansheng or Mr. Liu Jun or any other third-party creditors may claim rights to some or all of these assets, resulting in hindrance to the Group's ability to operate the Group's online business, which could materially and adversely affect the Group's business, financial condition and results of operations.

倘慧聰建設未能按照監管環境規定為於中國經營互聯網內容供應商業務取得及維持必要資產、許可證及批文，則業務、財務狀況及經營業績或會受到重大不利影響

中國之電信服務行業受中國政府密切監控，而中國中央政府多個監管機關有權頒佈及施行規管電信服務行業各方面之法規。該等電信服務相關之法律及法規相對較新及不斷演變，且就某種程度而言，該等法律及法規之詮釋及執行具重大不確定因素。因此，在若干情況下，可能難於釐定何種行為或遺漏或會被視為違反適用法律及法規。

慧聰建設須取得及維持與其業務有關之若干資產以及向相關監管機關取得適用之許可證及批文，以提供其現有服務。該等資產及許可證對營運互聯網內容服務供應商業務十分重要，一般而言須受有關政府機構每年審閱。此外，慧聰建設或需取得額外許可證。倘慧聰建設未能取得或維持任何必要之資產、許可證或批文，其於電信服務行業之持續業務營運或會遭到各類處罰，包括但不限於罰款及終止或限制其經營。倘慧聰建設之業務營運出現任何有關中斷，將會對本集團之業務、財務狀況及經營業績造成重大不利影響。

倘慧聰建設宣佈破產或面臨解散或清盤程序，則本公司可能失去使用及享有慧聰建設所擁有且對本集團業務而言屬重要之資產之能力

慧聰建設擁有對本集團業務營運而言屬重要之若干資產，主要包括ICP許可證及「hc360.com」域名。與慧聰建設及其股東之慧聰合約安排載有條款，明確對郭凡生先生及劉軍先生施以確保慧聰建設有效存續之責任。然而，倘郭凡生先生或劉軍先生違反該責任及將慧聰建設自願清盤，或慧聰建設宣佈破產或以其他方式解散，本集團部分或全部線上業務營運或會終止，對本集團之業務、財務狀況及經營業績可能帶來重大不利影響。倘慧聰建設進行自願或非自願清盤程序，郭凡生先生或劉軍先生或任何其他第三方債權人可能有權要求獲得部分或全部該等資產，從而削弱本集團營運線上業務之能力，並可能對本集團之業務、財務狀況及經營業績構成重大不利影響。

Management's Discussion and Analysis 管理層討論和分析

Even the transfer of trademark of "hc360" has been completed, there may still be potential penalties

We have been advised by our PRC legal advisers that holders of the ICP License shall hold the domain name and the trademarks used for conducting the internet content provider business pursuant to the MIIT Notice.

In order to comply with the notice requirement of the ICP, Beijing HC International transferred the trademark "hc360" to Huicong Construction through the HC Contractual Arrangements. On 25 January 2016, the trademark transfer was completed and Huicong Construction obtained the trademark certificate for "hc360" on 13 March 2016. The Company has been advised by the PRC Legal Advisers that, upon completion of the Trademark Transfer, it is unlikely for Huicong Construction be penalized in respect of failure to fulfill the trademark requirement under the MIIT Notice regarding any period prior to the Trademark Transfer.

Structured Contracts involving Beijing Zhixing Ruijing

On 3 July 2015, the Group completed the acquisition of 100% of share capital of Orange Triangle Inc. ("Orange Triangle"). 北京橙三角科技有限公司 (Beijing Orange Triangle Technology Co., Ltd.) ("Orange Beijing"), a wholly owned subsidiary of Orange Triangle entered into certain structured contracts (the "BZR Structured Contracts") with Beijing Zhixing Ruijing Technology Co., Ltd. (北京知行銳景科技有限公司) ("Beijing Zhixing Ruijing") and/or its then shareholders on 3 July 2015. On 21 February 2020, 銳景慧傑(惠州) 信息諮詢合夥企業(有限合夥) (Ruijing Huijie (Huizhou) Information Consultation Partnership (Limited Liability)*, "Ruijing Huijie") became a shareholder holding 60% of equity interest in Beijing Zhixing Ruijing. Ruijing Huijie is a limited liability partnership owned by Mr. Liu Jun, the executive Director and chairman of the Board, and Mr. Zhang Yonghong, the executive Director and chief executive officer of the Company as to 60% and 40%, respectively. In light of the aforesaid change, Orange Beijing, Beijing Zhixing Ruijing, Ruijing Huijie and Mr. Liu Xiaodong entered into a new set of BZR Structured Contracts on 26 March 2020. Save as the change of the party to BZR Structured Contracts from the previous shareholder to Ruijing Huijie, there was no material change to the terms of the BZR Structured Contracts.

Pursuant to the BZR Structured Contracts, Orange Beijing or Orange Triangle will provide certain technical consultation and service, including but not limited to technical services support, intellectual property licensing, and business and management consultation, whereas Beijing Zhixing Ruijing will pay (a) the annual service fees RMB5 million to Orange Beijing; (b) the annual service fees which equal 12% of its annual revenue to Orange Triangle; and (c) the service fee equivalent to its revenue deducted by its expenses, net operation loss and reserve fund extracted to Orange Beijing. Orange Beijing relies on the BZR Structured Contracts to control the finance and operation of Beijing Zhixing Ruijing so as to obtain the economic benefits and the rights to variable returns from Beijing Zhixing Ruijing.

* English names are translated for identification purpose only.

儘管轉讓「hc360」之商標已完成，仍有可能遭到潛在處罰

本公司已獲中國法律顧問告知，根據工信部通知，ICP許可證持有人須持有用於進行互聯網內容供應商業務之域名及商標。

為符合工信部通知的要求，經就慧聰合約安排，北京慧聰國際將「hc360」商標轉讓予慧聰建設。於二零一六年一月二十五日，商標轉讓完成，慧聰建設並於二零一六年三月十三日取得「hc360」商標證書。本公司已獲中國法律顧問告知，於商標轉讓完成後，慧聰建設就於商標轉讓前之任何期間因未能符合工信部通知項下之商標規定而受到有追溯效力之處罰之可能性甚微。

涉及北京知行銳景之結構性合約

於二零一五年七月三日，本集團完成收購Orange Triangle Inc. (「Orange Triangle」) 之全部股本。Orange Triangle 之全資附屬公司北京橙三角科技有限公司 (「橙三角」) 與北京知行銳景科技有限公司 (「北京知行銳景」) 及／或其當時股東於二零一五年七月三日訂立若干結構性合約 (「北京知行銳景結構性合約」)。於二零二零年二月二十一日，銳景慧傑(惠州) 信息諮詢合夥企業(有限合夥) (「銳景慧傑」) 成為持有北京知行銳景 60% 股權之股東。銳景慧傑為有限責任合夥，由執行董事兼董事會主席劉軍先生及執行董事兼本公司首席執行官張永紅先生分別擁有 60% 及 40%。鑒於上述變動，橙三角、北京知行銳景、銳景慧傑及劉小東先生於二零二零年三月二十六日訂立一套新的北京知行銳景結構性合約。除北京知行銳景結構性合約之訂約方由前股東變成銳景慧傑外，北京知行銳景結構性合約之條款概無重大變動。

根據北京知行銳景結構性合約，橙三角或Orange Triangle將提供若干技術諮詢服務，包括但不限於技術服務支持、知識產權許可以及業務與管理諮詢，而北京知行銳景將(a)向橙三角支付年度服務費人民幣五百萬元；(b)向Orange Triangle支付相等於其之年度銷售收入12%之年度服務費；及(c)向橙三角支付相當於扣減開支後之銷售收入之服務費(惟不計及營運虧損及所提取之儲備基金)。橙三角憑藉北京知行銳景結構性合約控制北京知行銳景之財務及業務，從而自北京知行銳景取得經濟收益及有權獲得可變回報。

* 英文名稱翻譯僅作識別用途。

Management's Discussion and Analysis 管理層討論和分析

Please also refer to the announcements of the Company dated 17 March 2015, 8 May 2015 and 3 July 2015, respectively, and the circular of the Company dated 4 June 2015 for further details.

For the year ended 31 December 2020, save as disclosed in this report, there was no material change in the BZR Structured Contracts and/or the circumstances under which they were adopted.

For the reporting period, none of the structured contracts under the BZR Structured Contracts had been unwound as none of the restrictions that led to the adoption of the said structured contracts had been removed.

Further, the Group entered into the BZR Structured Contracts to conduct the restricted business in the PRC in order to comply with the abovementioned PRC laws and regulations and to assert management control over the operations of, and enjoy all of economic benefits of, Beijing Zhixing Ruijing on 3 July 2015, pursuant to which the Group has the right to enjoy all the economic benefits of Beijing Zhixing Ruijing, to exercise management control over the operations of Beijing Zhixing Ruijing, and to prevent any leakage of the assets and values of Beijing Zhixing Ruijing to the registered shareholders of Beijing Zhixing Ruijing. As a result of the BZR Structured Contracts, Beijing Zhixing Ruijing is consolidated into the accounts of the Group in accordance with the Group's accounting policies from 3 July 2015.

As at the date of this report, the BZR Structured Contracts include (i) the exclusive technical services agreement, (ii) the exclusive licensing agreement on intellectual property, (iii) the exclusive right to share purchase agreement, (iv) the voting rights proxy agreement, (v) the pledge agreement and (vi) the management and operation agreement

The Group depends on the BZR Structured Contracts with Beijing Zhixing Ruijing (who holds, among other things, the value-added telecommunications business operating licence (增值電信業務經營許可證) ("VAT Licence"), being valid until 8 January 2025) in respect of its information service business within the second type of value-added telecommunication services (the "Value-added Telecommunications Businesses").

有關進一步詳情，請亦參閱本公司日期分別為二零一五年三月十七日、二零一五年五月八日及二零一五年七月三日之公佈以及本公司日期為二零一五年六月四日之通函。

截至二零二零年十二月三十一日止年度，除本報告所披露者外，北京知行銳景結構性合約及／或根據其獲採納之狀況概無重大變動。

於報告期間，由於概無導致採納北京知行銳景結構性合約下之結構性合約之限制被刪除，故並無上述結構性合約被解除。

此外，於二零一五年七月三日，本集團訂立北京知行銳景結構性合約以於中國進行受限制業務，從而遵守上述中國法律及法規，並向北京知行銳景之營運實施管理控制，且享有其全部經濟利益，據此，本集團有權享有北京知行銳景所有經濟利益，以對北京知行銳景之營運行使管理控制，並避免向北京知行銳景的登記股東洩漏其資產及價值。基於北京知行銳景結構性合約，根據本集團的會計政策，北京知行銳景自二零一五年七月三日起於本集團之會計賬目進行合併處理。

於本報告日期，北京知行銳景結構性合約包括(i)獨家技術服務協議、(ii)獨家知識產權許可協議、(iii)獨家購股權協議、(iv)授權委託協議、(v)股權質押協議及(vi)管理與營運協議。

本集團依賴與北京知行銳景(其持有，其中包括，於直至二零二五年一月八日前有效之增值電信業務經營許可證(「增值電信許可證」))訂立之北京知行銳景結構性合約，內容有關屬第二類增值電信服務之資訊服務業務(「增值電信業務」)。

Management's Discussion and Analysis

管理層討論和分析

Information of Beijing Zhixing Ruijing

Beijing Zhixing Ruijing is a limited liability company established in the PRC on 11 September 2014 with registered capital of RMB10 million and paid up capital of RMB10 million. As at the date of this report, the registered capital of Beijing Zhixing Ruijing is owned as to 60% by Ruijing Huijie and 40% by Mr. Liu Xiaodong (劉小東), an executive director of the Company.

Set out below is the key information of Beijing Zhixing Ruijing during the year ended 31 December 2020:

有關北京知行銳景之資料

北京知行銳景為於二零一四年九月十一日在中國成立之有限公司，註冊資本為人民幣一千萬元，繳足資本為人民幣一千萬元。於本報告日期，銳景慧傑及本公司執行董事劉小東先生分別擁有北京知行銳景之註冊資本60%及40%。

北京知行銳景於截至二零二零年十二月三十一日止年度之主要資料載列如下：

		Year ended 31 December 2020
		RMB'000
		截至二零二零年十二月三十一日止年度
		人民幣千元
Revenue	銷售收入	263,496
Total assets	總資產	757,019

As at the date of this report, the business of Beijing Zhixing Ruijing mainly involves the Value-added Telecommunications Businesses, excluding technology development; economic and trade consultancy; organisation of cultural and art exchange activities (not including commercial performances); and exhibition and demonstration hosting activities (the "Excluded Businesses").

To the best knowledge, information and belief of the Company and as confirmed by Ruijing Huijie and Mr. Liu Xiaodong, Beijing Zhixing Ruijing has no plan or road map to develop and operate the Excluded Businesses as at the date of this report.

Major terms of the agreements underlying the BZR Structured Contracts

Exclusive Technical Services Agreement

Orange Beijing entered into an exclusive technical services agreement with Beijing Zhixing Ruijing on 3 July 2015 (the "Exclusive Technical Services Agreement"). The Exclusive Technical Services Agreement shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with the clauses of the agreement.

於本報告日期，北京知行銳景之業務主要包括增值電訊業務，不包括技術開發；經濟貿易諮詢；組織文化及藝術交流活動(不含營業性演出)；以及承辦展覽及展示活動(「除外業務」)。

於本報告日期，據本公司獲銳景慧傑及劉小東先生所確認後之深知、全悉及確信，北京知行銳景並無發展及經營除外業務之計劃或路線圖。

北京知行銳景結構性合約之相關協議之主要條款

獨家技術服務協議

橙三角與北京知行銳景於二零一五年七月三日訂立獨家技術服務協議(「獨家技術服務協議」)。獨家技術服務協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

Management's Discussion and Analysis

管理層討論和分析

Pursuant to the Exclusive Technical Services Agreement, Orange Beijing is appointed by Beijing Zhixing Ruijing as its exclusive services provider to provide technical consulting service, other related technical services and related services agreed by both parties from time to time during the term of the Exclusive Technical Services Agreement in accordance with its terms and conditions.

Under the Exclusive Technical Services Agreement, Beijing Zhixing Ruijing shall pay Orange Beijing an annual services fee of RMB5 million.

Exclusive Licensing Agreement on Intellectual Property

Orange Triangle entered into an exclusive licensing agreement on intellectual property with Beijing Zhixing Ruijing on 3 July 2015 (the "Exclusive Licensing Agreement on Intellectual Property"). The Exclusive Licensing Agreement on Intellectual Property shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with the clauses of the agreement.

Pursuant to the Exclusive Licensing Agreement on Intellectual Property, the right of use of Orange Triangle's network domain names, registered trademarks, databases, software systems and other intellectual properties is granted to Beijing Zhixing Ruijing. Such rights cannot be transferred to any other third party.

Under the Exclusive Licensing Agreement on Intellectual Property, Beijing Zhixing Ruijing shall pay annual service fees equivalent to 12% of its total annual revenue to Orange Triangle. Beijing Zhixing Ruijing had also procured Ruijing Huijie and Mr. Liu Xiaodong to provide their holding shares of Beijing Zhixing Ruijing as a pledge to guarantee the payment of the payable service fee to Orange Triangle or its wholly owned subsidiaries.

Exclusive Right to Share Purchase Agreement

Orange Beijing, Beijing Zhixing Ruijing, Ruijing Huijie and Mr. Liu Xiaodong entered into an exclusive right to share purchase agreement on 26 March 2020 (the "Exclusive Right to Share Purchase Agreement"). The Exclusive Right to Share Purchase Agreement shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with the clauses of the agreement.

根據獨家技術服務協議，橙三角獲北京知行銳景委聘為其獨家服務供應商以於獨家技術服務協議期限內根據該協議之條款及條件提供技術諮詢服務、其他相關技術服務及訂約雙方不時協定之其他相關服務。

根據獨家技術服務協議，北京知行銳景須向橙三角支付年度服務費人民幣5百萬元。

獨家知識產權許可協議

Orange Triangle與北京知行銳景於二零一五年七月三日訂立獨家知識產權許可協議（「獨家知識產權許可協議」）。獨家知識產權許可協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

根據獨家知識產權許可協議，北京知行銳景獲授予使用Orange Triangle網絡域名、註冊商標、數據庫、軟件系統及其他知識產權的權利。該等權利不可轉讓予任何其他第三方。

根據獨家知識產權許可協議，北京知行銳景應支付Orange Triangle年度服務費，金額等於其年度總收益之12%。北京知行銳景亦促使銳景慧傑及劉小東先生以彼等所持北京知行銳景股份作質押擔保應付Orange Triangle或其全資附屬公司服務費的支付。

獨家購股權協議

橙三角、北京知行銳景、銳景慧傑及劉小東先生於二零二零年三月二十六日訂立獨家購股權協議（「獨家購股權協議」）。獨家購股權協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

Management's Discussion and Analysis

管理層討論和分析

Pursuant to the Exclusive Right to Share Purchase Agreement, Ruijing Huijie and Mr. Liu Xiaodong jointly and individually granted Orange Beijing the exclusive right to purchase the shares of Beijing Zhixing Ruijing in accordance with the terms and conditions of the Exclusive Right to Share Purchase Agreement, irrevocably and without any additional conditions. Orange Beijing can, by its own will, decide the way to exercise the right and purchase all or part of shares held by shareholders of Beijing Zhixing Ruijing and/or any specified third party at the minimum price permitted by the relevant laws and regulations of the PRC at any time, by one or more times.

Under the Exclusive Right to Share Purchase Agreement, the share repurchase price shall be the minimum price permitted by the relevant laws and regulations of the PRC. The paid shareholder of Beijing Zhixing Ruijing will return the rest of the transfer price after deducting the paid-up capital injected by them to Beijing Zhixing Ruijing.

Voting Rights Proxy Agreement

Orange Beijing, Beijing Zhixing Ruijing, Ruijing Huijie and Mr. Liu Xiaodong entered into a voting rights proxy agreement on 26 March 2020 (the "Voting Rights Proxy Agreement"). The Voting Rights Proxy Agreement shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with the clauses of the agreement.

Pursuant to the Voting Rights Proxy Agreement, Orange Beijing (or its designated parties) was granted the power to, inter alia, exercise all the rights of Ruijing Huijie and Mr. Liu Xiaodong as the shareholders of Beijing Zhixing Ruijing, subject to applicable laws, regulations and Beijing Zhixing Ruijing's articles of association. No prior consent from Ruijing Huijie and Mr. Liu Xiaodong is required before exercising such right. Ruijing Huijie and Mr. Liu Xiaodong shall recognise Orange Beijing's voting result.

Pledge Agreement

Orange Beijing (as the pledgee), Beijing Zhixing Ruijing, Ruijing Huijie and Mr. Liu Xiaodong (as the pledgers) entered into a pledge agreement on 26 March 2020 (the "Pledge Agreement"), pursuant to which each of Ruijing Huijie and Mr. Liu Xiaodong pledged their equity interests in Beijing Zhixing Ruijing held by them as security for Orange Beijing's rights and interests granted by the Exclusive Technical Services Agreement, Exclusive Right to Share Purchase Agreement, Management and Operation Agreement, Voting Proxy Rights Agreement and the Exclusive Licensing Agreement on Intellectual Property (collectively, the "Master Agreements"). Orange Beijing shall have the right to get compensation by converting the Equity interests into money and seek preferential payments from the proceeds from the auction or sales of the said equity interests concerned or other disposal methods as agreed by each party in accordance with relevant laws and regulations of the PRC.

根據獨家購股權協議，銳景慧傑及劉小東先生根據獨家購股權協議之條款及條件共同及個別不可撤回且無任何其他條件地授予橙三角購買北京知行銳景股份的獨家權利。橙三角可自行決定行使權利的方式及隨時分一次或多次按中國相關法例及法規准許的最低價格購買北京知行銳景的股東及／或指定任何第三方所持全部或部分股份。

根據獨家購股權協議，股份回購價將為相關中國法例及法規准許的最低價格。獲支付之北京知行銳景股東將於扣除彼等的繳足股本後歸還北京知行銳景餘下之轉讓價值。

授權委託協議

橙三角、北京知行銳景、銳景慧傑及劉小東先生於二零二零年三月二十六日訂立授權委託協議（「授權委託協議」）。授權委託協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

根據授權委託協議，橙三角（或其指定人士）獲授權力（其中包括）行使適用法例、法規及北京知行銳景之組織章程細則授予銳景慧傑及劉小東先生作為北京知行銳景股東之所有權利。於行使有關投票權前毋須經銳景慧傑及劉小東先生事先同意。銳景慧傑及劉小東先生須認可橙三角的投票結果。

股權質押協議

橙三角（作為承押人）、北京知行銳景、銳景慧傑及劉小東先生（作為質押人）於二零二零年三月二十六日訂立股權質押協議（「股權質押協議」），據此，銳景慧傑及劉小東先生各自向橙三角質押彼等於北京知行銳景所持之股權以就獨家技術服務協議、獨家購股權協議、管理與營運協議、授權委託協議及獨家知識產權許可協議（統稱「總協議」）所授出之橙三角之權利及權益提供擔保。橙三角應有權透過將股權轉換為金錢及自有關股權拍賣或出售所得款項尋求優先付款或訂約各方根據中國相關法例及規例協定之其他處置方式獲得補償。

Management's Discussion and Analysis 管理層討論和分析

Prior to the full discharge of the payments and obligations under the Master Agreements, without written consent of the pledgee, Ruijing Huijie and Mr. Liu Xiaodong shall not assign the said equity interests in Beijing Zhixing Ruijing.

The Pledge Agreement has become effective upon the execution date. Unless otherwise agreed by Orange Beijing in writing after the Pledge Agreement comes into effect, upon the full and complete performance of the Company and pledgors' obligations under the Master Agreements as well as Orange Beijing's written confirmation, the pledge shall be terminated.

Management and Operation Agreement

Orange Beijing, Beijing Zhixing Ruijing, Ruijing Huijie and Mr. Liu Xiaodong entered into a management and operation agreement on 26 March 2020 (the "Management and Operation Agreement"), which shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with clauses of the agreement.

Under the Management and Operation Agreement, Beijing Zhixing Ruijing will appoint Orange Beijing as its exclusive services provider to provide complete management support, business support, technical support and related consulting services during the term of the Management and Operation Agreement in accordance with its terms and conditions, which may include all necessary services within the scope of Beijing Zhixing Ruijing's business, such as but not limited to business consultations, marketing consultancy, technical services, intellectual properties licenses, product research and development, system maintenance, as well as general corporate management.

The service fee shall be payable to Orange Beijing by the Beijing Zhixing Ruijing, where the Beijing Zhixing Ruijing shall pay to Orange Beijing such fees equivalent to the amount of the Beijing Zhixing Ruijing's revenue deducted by Beijing Zhixing Ruijing's (and its subsidiaries') expenses (including Beijing Zhixing Ruijing's costs, depreciation, other expenses and payments, and relevant tax payments incurred during the term of the Management and Operation Agreement), net operation loss made by Beijing Zhixing Ruijing and the reserve fund extracted by Beijing Zhixing Ruijing. The service fee shall be calculated within three (3) months since the end of each financial year based on the audited report prepared in accordance with the Chinese Accounting Standards for Business Enterprises and paid within fifteen (15) days of the issuance date of such audited report.

於全面履行總協議項下之付款及責任前，未經承押人書面同意，銳景慧傑及劉小東先生不得轉讓上述北京知行銳景之股權。

股權質押協議已於簽立日期起生效。除非於股權質押協議生效後獲橙三角書面另行同意，否則於全面及完全履行總協議項下本公司及質押人之責任以及獲得橙三角書面確認後，質押須予終止。

管理與營運協議

橙三角、北京知行銳景、銳景慧傑及劉小東先生於二零二零年三月二十六日訂立管理與營運協議（「管理與營運協議」）。管理與營運協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

根據管理與營運協議，北京知行銳景將委聘橙三角為其獨家服務供應商以根據管理與營運協議之條款及條件於該協議之期限內提供全面管理支持、業務支持、技術支持及相關諮詢服務，可能包括北京知行銳景業務範圍內之所有必要服務，例如但不限於業務諮詢、營銷諮詢、技術服務、知識產權許可、產品研發、系統維護以及整體企業管理。

倘北京知行銳景須向橙三角支付之有關費用相等於北京知行銳景經扣除北京知行銳景（及其附屬公司）之開支（包括北京知行銳景於管理與營運協議期限內產生之成本、折舊、其他開支及付款以及相關稅款）、北京知行銳景之營運虧損及北京知行銳景提取之儲備基金後之收益金額，則北京知行銳景將向橙三角支付服務費。服務費須於自各財政年度年結日起計三(3)個月內按根據中國企業會計準則編製之經審核報告計算並於該經審核報告刊發日期起計十五(15)日內支付。

Management's Discussion and Analysis

管理層討論和分析

Risk associated with the BZR Structured Contracts

The PRC government may determine that BZR Structured Contracts are not in compliance with any existing or future applicable PRC laws or regulations

If the PRC government finds that the BZR Structured Contracts (which establish the structure for operating the Value-added Telecommunications Businesses of Beijing Zhixing Ruijing in the PRC) do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, Beijing Zhixing Ruijing could be subject to severe consequences, including the nullification of the BZR Structured Contracts and the relinquishment of the interest of Orange Beijing in the BZR Structured Contracts.

According to the FITE Rules, foreign investors' ultimate equity ownership in an entity in the PRC which provides value-added telecommunications services must not exceed 50% and a foreign investor who wishes to acquire any equity interest in a value-added telecommunications business in the PRC must demonstrate (i) a good track record and (ii) experience in providing value-added telecommunications services ("Qualification Requirements").

Beijing Zhixing Ruijing has been engaging in the development and operation of the Value-added Telecommunication Businesses. Under the current PRC regulatory circumstances, Orange Beijing as a wholly foreign owned enterprise would not be able to obtain the VAT License and thus is unable to provide the value-added telecommunications services in the PRC directly.

On 13 July 2006, the Ministry of Information Industry (中華人民共和國信息產業部), currently known as MIIT (the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)) issued the Circular on Strengthening the Administration of Foreign Investment in Value-added Telecommunications Business (關於加強外商投資經營增值電信業務管理的通知) ("MIIT Notice"), which reiterated restrictions on foreign investment in the telecommunications businesses. Under the MIIT Notice, a domestic company that holds a VAT License is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors to provide ICP services illegally in the PRC. Due to a lack of interpretative materials from the authorities, it cannot be assured that the MIIT will not consider the BZR Structured Contracts as a kind of foreign investment in telecommunication services, in which case Beijing Zhixing Ruijing and Orange Beijing may be found in violation of the MIIT Notice.

北京知行銳景結構性合約之風險

中國政府可能決定北京知行銳景結構性合約不符合任何現有或未來適用之中國法律或法規

倘中國政府認為北京知行銳景結構性合約(為運營北京知行銳景於中國之電信增值業務設立結構)不符合適用中國法律及法規,或倘該等法規或其詮釋日後有所變動,北京知行銳景可能會面臨嚴重後果,包括北京知行銳景結構性合約無效及橙三角放棄於北京知行銳景結構性合約中之權益。

根據外商投資電信企業管理規定,外國投資者於在中國從事提供增值電信服務之實體的最終股權所有權不得超過50%,而有意於中國收購增值電信公司任何股權之外國投資者須出示(i)良好往績記錄及(ii)提供增值電信服務之經驗(「資格要求」)。

北京知行銳景一直從事增值電信業務之開發及營運。根據目前中國監管環境,橙三角作為一間外商獨資企業將無法取得增值電信許可證,因此無法直接於中國提供增值電信服務。

於二零零六年七月十三日,中華人民共和國信息產業部(現稱工信部(中華人民共和國工業和信息化部))發出《關於加強外商投資經營增值電信業務管理的通知》(「工信部通知」),重申外商投資電信業務之限制。根據工信部通知,持有增值電信許可證之境內公司禁止以任何形式向外國投資者租賃、轉讓或出售該許可證,亦不得向非法在中國提供ICP服務之外國投資者提供任何協助,包括提供資源、場所或設施。由於缺乏監管機構提供之解釋資料,無法保證工信部不會將北京知行銳景結構性合約視為電信服務之一種外商投資,在該情況下北京知行銳景及橙三角可能被認為違反工信部通知。

Management's Discussion and Analysis 管理層討論和分析

In addition, several articles published by some news agencies reported discussions that a recent PRC Supreme Court decision and two VIE structure-related arbitration decisions in Shanghai had cast doubt on the validity of the VIE structure. According to these articles, the PRC Supreme Court ruled in late 2012 that an entrustment agreement entered into by and between a Hong Kong company and a PRC domestic entity, which was purported to enable such Hong Kong company to make an equity investment in a PRC bank through the proxy PRC domestic entity, was void on the grounds that this agreement established an entrustment relationship meant to circumvent the PRC laws and regulations that prohibit foreign investment in PRC financial institutions and as such, constituted an act of concealing illegal intentions with a legitimate form. These articles argued that a contractual arrangement in a VIE structure and the entrustment agreement in the cited case, which were similar to the BZR Structured Contracts, were also designed to “get around” the regulatory restrictions on foreign investment in certain industries. As such, the articles noted that this Supreme Court decision might increase the uncertainties relating to the PRC government's view on the validity of the VIE structure. These articles also reported, without providing sufficient details, on two arbitration decisions by the then Shanghai CIETAC which invalidated the contractual arrangement used in a VIE structure in 2010 and 2011.

The PRC legal advisor is of the opinion that, based on their understanding and the numerous precedents of PRC domestic internet content providers controlled by overseas companies through contractual arrangements that are similar to the BZR Structured Contracts, the BZR Structured Contracts do not result in a violation of PRC laws, or would not be deemed as “concealing illegal intentions with lawful forms” (as a matter concerning Article 52 of the PRC Contract Law). The BZR Structured Contracts are enforceable, valid and legally binding in accordance with their terms and provisions (except for part of the arbitration clauses contained therein setting forth that the arbitration tribunal may issue injunction or winding-up orders and the Courts of Hong Kong and the Cayman Islands have the jurisdiction to grant interim remedies in support of the arbitration pending formation of the arbitration tribunal).

此外，部分新聞出版社刊登多份文章，報導中國最高人民法院近期之決定以及上海兩項有關可變動權益實體結構之仲裁決定引起質疑可變動權益實體結構之有效性之討論。根據該等文章，中國最高人民法院於二零一二年年底裁定由一間香港公司與一間中國內地實體之間訂立之委託協議（該協議旨在使有關香港公司透過有關中國境內實體代理於一間中國銀行作出股本投資）為無效，原因為該協議確立委託關係之意圖為規避禁止外商投資中國金融機構之中國法律法規，因此構成以合法形式隱瞞非法意圖之行為。該等文章認為可變動權益實體結構之合約安排及上述委託協議（與北京知行銳景結構性合約類似），亦為「規避」對外商投資若干行業之監管限制而制定。因此，該等文章指出最高人民法院之決定可能增加中國政府對可變動權益實體結構之有效性之意見之不確定性。該等文章亦報導貿仲委上海分會所作之兩項仲裁決定，於二零一零年及二零一一年認定一個可變動權益實體結構所用之合約安排無效，但並無提供足夠詳情。

中國法律顧問認為，就其理解以及經參考透過類似於北京知行銳景結構性合約之合約安排受海外公司控制之中國內地互聯網內容提供商之多宗先例，北京知行銳景結構性合約並無違反中國法律，或不會被視為中國合同法第52條所載之「以合法形式掩蓋非法目的」。北京知行銳景結構性合約根據其條款及條文屬可強制執行、合法有效並具法律約束力（惟結構性合約之部分仲裁條文所述仲裁庭可發出禁止或清盤令，及於仲裁庭組成前，香港及開曼群島法庭有司法管轄權批予臨時救濟以協助仲裁則除外）。

Management's Discussion and Analysis

管理層討論和分析

However, according to the PRC legal advisor, it cannot be assured that the PRC government or judicial authorities would agree that the BZR Structured Contracts comply with current PRC laws or regulations, would not strictly enforce current PRC laws regulating the provision of internet content, or would not adopt new laws or policies in the future. If the PRC government or judicial authorities determine that the BZR Structured Contracts do not comply with applicable laws and regulations, such contracts would be deemed void and the PRC government or judicial authorities could have broad discretion in dealing with such non-compliance, including:

- (i) requiring the nullification of the BZR Structured Contracts;
- (ii) levying fines and/or confiscating the proceeds generated from the operations under the BZR Structured Contracts;
- (iii) revoking of the business licenses or operating licenses of Beijing Zhixing Ruijing;
- (iv) discontinuing or placing restrictions or onerous conditions on the business operations of Beijing Zhixing Ruijing; and
- (v) taking other regulatory or enforcement actions that could be harmful to or even shut down the business of Beijing Zhixing Ruijing and/or Orange Beijing.

In addition, where the Group loses the right to direct the activities of Beijing Zhixing Ruijing as a result of these consequences, the Group would no longer be able to consolidate the financial results of Beijing Zhixing Ruijing.

Orange Beijing relies on BZR Structured Contracts to control and obtain the economic benefits from Beijing Zhixing Ruijing, which may not be as effective in providing operational control as direct ownership

Due to the PRC's legal restrictions on foreign investment in the value-added telecommunications services, Orange Beijing controls, through the BZR Structured Contracts rather than equity ownership, Beijing Zhixing Ruijing, the operating entity in the PRC and the holder-to-be of the key licenses required to operate the value-added telecommunications services in the PRC. However, the BZR Structured Contracts still may not be as effective as equity ownership in exercising control over Beijing Zhixing Ruijing. For example, Beijing Zhixing Ruijing and its shareholders could breach or fail to perform their obligations under the BZR Structured Contracts. If Orange Beijing had direct ownership of Beijing Zhixing Ruijing, Orange Beijing would be able to exercise its rights as a shareholder to effect changes in its board of directors, which in turn could effect changes, subject to any applicable fiduciary obligations, at management and operational level. Under the BZR Structured Contracts, Orange Beijing would need to rely on its rights under the BZR Structured Contracts to effect such changes, or designate new shareholders for Beijing Zhixing Ruijing.

然而，據中國法律顧問告知，無法確保中國政府或司法機關會認定北京知行銳景結構性合約已遵守現行之中國法律或法規，亦無法確保其不會加嚴實施現行之中國互聯網內容監管法律或不會於未來採納新的法律或政策。倘中國政府或司法機關認定北京知行銳景結構性合約並不符合適用法律及法規，則該等合約將被視作無效，而中國政府或司法機關於處置該等違規時具有相當大之酌情決定權，包括：

- (i) 要求取消北京知行銳景結構性合約；
- (ii) 徵收罰款及／或沒收根據北京知行銳景結構性合約經營產生之所得款項；
- (iii) 吊銷北京知行銳景的營業執照或經營許可證；
- (iv) 終止北京知行銳景之業務經營或對其實施限制或苛刻條件；及
- (v) 採取其他可能造成損害或甚至關閉北京知行銳景及／或橙三角業務之監管或強制性行動。

此外，倘本集團因上述影響而失去權利指令北京知行銳景之活動，本集團將不能將北京知行銳景之財務業績作合併處理。

橙三角依賴北京知行銳景結構性合約控制北京知行銳景並從中獲取經濟利益，而這在提供營運控制權方面未必如直接擁有權一樣有效

由於中國對外商投資增值電信服務實施法律限制，橙三角透過北京知行銳景結構性合約（而非透過擁有股權）控制北京知行銳景，其為中國經營實體並將持有於中國經營增值電信服務所必需之主要證書。然而，在對北京知行銳景實行控制方面，北京知行銳景結構性合約仍未必如擁有股權一樣有效。例如，北京知行銳景及其股東可能違法或未能履行其於北京知行銳景結構性合約項下之責任。倘橙三角擁有北京知行銳景之直接所有權，橙三角將能夠作為股東行使權利改變其董事會，從而在任何適用之受信責任之規限下於管理及營運層面作出改變。根據北京知行銳景結構性合約，橙三角需要依賴其於北京知行銳景結構性合約項下之權利促成有關改變，或為北京知行銳景委派新股東。

Management's Discussion and Analysis 管理層討論和分析

If Beijing Zhixing Ruijing or its shareholders breach their obligations under the BZR Structured Contracts or if Orange Beijing loses the effective control over Beijing Zhixing Ruijing for any reason, Orange Beijing would need to bring a claim against them under the terms of the BZR Structured Contracts. The BZR Structured Contracts are governed by PRC law and provide that any dispute which arises will be submitted to the CIETAC, for arbitration, the ruling of which will be final and binding. Furthermore, personal liabilities of the shareholders of Beijing Zhixing Ruijing may also cause the equity interest they hold in Beijing Zhixing Ruijing to be subject to court preservation actions or enforcement. The legal framework and system in the PRC particularly that relates to the arbitration proceedings is not as developed as in other jurisdictions such as Hong Kong. As a result, significant uncertainties relating to the enforcement of legal rights through arbitration, litigation and other legal proceedings remain in the PRC, which could limit Orange Beijing's ability to enforce the BZR Structured Contracts and exert effective control over Beijing Zhixing Ruijing. If Beijing Zhixing Ruijing or any of its shareholders fails to perform its respective obligations under the BZR Structured Contracts, and Orange Beijing is unable to enforce the BZR Structured Contracts, or suffers significant delays or other obstacles in the process of enforcing the BZR Structured Contracts, the business and operations of Orange Beijing could be severely disrupted, which could materially and adversely affect operation results. As a result, the Company's investment in Orange Beijing could also be materially and adversely affected.

Remedies of BZR Structured Contracts may not be obtained effectively under PRC laws

The BZR Structured Contracts provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the CIETAC in the PRC. The BZR Structured Contracts contain provisions to the effect that the arbitration tribunal may award remedies when Beijing Zhixing Ruijing breaches the BZR Structured Contracts. In addition, the BZR Structured Contracts contain provisions to the effect that the courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

However, the abovementioned provisions contained in the BZR Structured Contracts may not be enforced effectively. Under PRC laws, an arbitration tribunal does not have the power to grant any injunctive relief or provisional or final liquidation order to preserve the assets of or any equity interest in Beijing Zhixing Ruijing in case of disputes, and the courts in Hong Kong and the Cayman Islands may not be empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal under PRC laws. As a result, the provisions may not effectively protect Orange Beijing, notwithstanding the relevant contractual provisions contained in the BZR Structured Contracts.

倘北京知行銳景或其股東違反其於北京知行銳景結構性合約項下之責任或倘橙三角因任何理由而失去對北京知行銳景之有效控制權，橙三角可能需要根據北京知行銳景結構性合約之條款向彼等提出申索。北京知行銳景結構性合約受中國法律規管並規定因該等安排出現之任何糾紛將提交至貿仲委進行仲裁，其裁決將為最終決定且具約束力。此外，北京知行銳景股東之個人責任亦可能使彼等於北京知行銳景持有之股權受到法院保護行動或強制執行所限。中國之法律框架及體系(尤其是與仲裁程序有關者)並不如香港等其他司法權區一樣完善。因此，中國仍存在與透過仲裁、訴訟及其他法律程序強制執行合法權利有關之重大不確定因素，這可能會限制橙三角強制執行北京知行銳景結構性合約及對北京知行銳景實行有效控制之能力。倘北京知行銳景或其任何股東未能履行其各自於北京知行銳景結構性合約項下之責任，且橙三角無法強制執行北京知行銳景結構性合約，或於強制執行北京知行銳景結構性合約過程中遭受重大延誤或其他阻礙，則橙三角之業務及營運或會遭受嚴重干擾，繼而可能對其經營業績產生重大不利影響。因此，本公司於橙三角之投資亦可能遭受重大不利影響。

可能無法根據中國法律有效取得北京知行銳景結構性合約之救濟

北京知行銳景結構性合約規定糾紛須根據貿仲委之仲裁規則以仲裁方式於中國解決。北京知行銳景結構性合約載有關於仲裁庭可於北京知行銳景違反結構性合約時批予救濟之條文。此外，北京知行銳景結構性合約訂有條文賦予香港及開曼群島法庭權力於仲裁庭組成前批予臨時救濟以協助仲裁。

然而，北京知行銳景結構性合約所載之上述條文未必能有效強制執行。根據中國法律，倘出現糾紛，仲裁庭無權就保障北京知行銳景之資產或任何股權授出任何禁令救濟或臨時或最終清盤令，而根據中國法律，香港及開曼群島法庭亦無權於仲裁庭組成前批予臨時救濟以協助仲裁。因此，儘管北京知行銳景結構性合約載有相關合約條文，該等條文未必能有效保護橙三角。

Management's Discussion and Analysis

管理層討論和分析

Therefore, in the event that Beijing Zhixing Ruijing breaches any of the BZR Structured Contracts, Orange Beijing may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Beijing Zhixing Ruijing and conduct its business could be materially and adversely affected and the financial performance of Orange Beijing could be materially and adversely affected. As a result, the Company's investment in Orange Beijing could also be materially and adversely affected.

The shareholders of Beijing Zhixing Ruijing may potentially have a conflict of interests with the Group

The Group's control over Beijing Zhixing Ruijing is based on the contractual arrangement under the BZR Structured Contracts. Hence, conflict of interests of the shareholders of Beijing Zhixing Ruijing will adversely affect the interests of the Company. Pursuant to the Voting Rights Proxy Agreement, the shareholders of Beijing Zhixing Ruijing have irrevocably authorised Orange Beijing (or its designee) as their proxy to exercise all the rights of the shareholders of Beijing Zhixing Ruijing and such authorisation shall not be altered unless otherwise instructed by Beijing Zhixing Ruijing. Therefore, it is unlikely that there will be potential conflict of interests between the Company and the shareholders of Beijing Zhixing Ruijing. However, in the unlikely event that conflict of interests arises and cannot be resolved, the Company will consider removing and replacing the shareholders of Beijing Zhixing Ruijing.

The contractual arrangements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed

The Group could face material adverse tax consequences if the PRC tax authorities determine that the arrangements under the BZR Structured Contracts was not entered into based on arm's length negotiations. If the PRC tax authorities determine that these agreements were not entered into on an arm's length basis, they may adjust our income and expenses for PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment could adversely affect the Group's financial position by increasing the relevant tax liability without reducing the tax liabilities of Beijing Zhixing Ruijing, and this could further result in late payment fees and other penalties to Beijing Zhixing Ruijing for under-paid taxes. As a result, any transfer pricing adjustment could have a material adverse effect on the Group's financial position and results of operations.

因此，倘北京知行銳景違反任何北京知行銳景結構性合約，橙三角未必能夠及時取得足夠救濟，其對北京知行銳景實行有效控制及其開展業務之能力可能會受到重大不利影響，而橙三角之財務表現亦可能受到重大不利影響。因此，本公司於橙三角之投資亦可能遭受重大不利影響。

北京知行銳景股東與本集團之間可能存在潛在利益衝突

本集團對北京知行銳景之控制乃基於北京知行銳景結構性合約項下之合約安排。因此，北京知行銳景股東之利益衝突將對本公司利益產生不利影響。根據授權委託協議，北京知行銳景股東已不可撤回地授權橙三角(或其獲委派人)作為其代理人，以行使北京知行銳景股東之所有權利，且有關授權不得更改，除非北京知行銳景另有指示則作另論。因此，本公司與北京知行銳景股東之間不大可能出現潛在利益衝突。然而，倘萬一發生不能解決的利益衝突，則本公司將考慮罷免及更換北京知行銳景股東。

合約安排可能須受中國稅務機關審查及轉移價格調整及可能被徵收額外稅項

倘中國稅務機關認定北京知行銳景結構性合約項下之安排並非基於公平磋商而訂立，則本集團可能面對重大不利稅務後果。倘中國稅務機關認定該等協議並非根據公平基準訂立，則其可能就中國稅務目的以轉移價格調整之方式對我們之收入及開支作出調整。轉移價格調整可能增加相關稅項負債而不減少北京知行銳景稅項負債，對本集團財務狀況構成不利影響，而這可能進一步導致就未付稅項向北京知行銳景支付滯納金及其他罰金。因此，任何轉移價格調整可能對本集團財務狀況及經營業績產生重大不利影響。

Management's Discussion and Analysis 管理層討論和分析

The Company does not have any insurance which covers the risks relating to the BZR Structured Contracts and the transactions contemplated thereunder

The insurance of the Group does not cover the risks relating to the BZR Structured Contracts and the transactions contemplated thereunder and the Company has no intention to purchase any new insurance in this regard. If any risk arises from the BZR Structured Contracts in the future, such as those affecting the enforceability of the BZR Structured Contracts and the relevant agreements for the transactions contemplated thereunder and the operation of Beijing Zhixing Ruijing, the results of the Group may be adversely affected. However, the Group has been monitoring the relevant legal and operational environment from time to time to comply with the applicable laws and regulations. In addition, the Group has been implementing relevant internal control measures to reduce the operational risk.

Actions taken to mitigate the risks associated with the BZR Structured Contracts

The BZR Structured Contracts contain certain provisions in order to exercise effective control over and to safeguard the assets of Beijing Zhixing Ruijing, including but not limited to that, without the prior written consent of Orange Beijing, the shareholders of Beijing Zhixing Ruijing shall not at any time dispose, transfer, pledge, sell or create any charges over the assets, business, revenue or any beneficial interests of Beijing Zhixing Ruijing, Beijing Zhixing Ruijing shall conduct its business in its ordinary and usual course to preserve the asset value of Beijing Zhixing Ruijing and shall not engage in any act (or lack thereof) which may have any adverse effect on the business, operations and asset value of Beijing Zhixing Ruijing, and etc.

In addition to the abovementioned internal control measures as provided in the BZR Structured Contracts, the Company has implemented, through Orange Beijing, additional internal control measures against Beijing Zhixing Ruijing as appropriate, having regard to the internal control measures adopted by the Group from time to time, which may include (without limitation):

- (i) Beijing Zhixing Ruijing to make available monthly management accounts and submit key operating data after each month end and provide explanations on any material fluctuations to Orange Beijing;
- (ii) Beijing Zhixing Ruijing to assist and facilitate Orange Beijing to conduct quarterly on-site internal audit on Beijing Zhixing Ruijing; and
- (iii) if required, legal advisers and, or other professionals will be retained to deal with specific issues arising from the BZR Structured Contracts and to ensure that the operation of Beijing Zhixing Ruijing will comply with applicable laws and regulations.

Further information regarding risks associated with the Contractual Arrangements and the BZR Structured Contracts are also set out in the Transfer of Listing Announcement and the announcement of the Company dated 8 May 2015 respectively.

本公司並無任何保險覆蓋有關北京知行銳景結構性合約及其項下擬進行之風險

本集團保險並無覆蓋有關北京知行銳景結構性合約及其項下擬進行之風險，且本公司無意就此增加購買任何保險。倘北京知行銳景結構性合約日後產生任何風險，如影響北京知行銳景結構性合約及其項下擬進行之相關協議強制執行及北京知行銳景營運之風險，則本集團業績可能受到不利影響。然而，本集團已不時監察相關法律及營運環境，以遵守適用法律及法規。此外，本集團已實施有關內部控制措施以減少營運風險。

減低與北京知行銳景結構性合約有關之風險所採取之行動

北京知行銳景結構性合約載有若干條文以有效執行對北京知行銳景之控制權及保護北京知行銳景之資產，該等條文包括但不限於，未經橙三角事先書面同意，北京知行銳景股東不得於任何時間處理、轉讓、按揭、出售北京知行銳景之資產、業務、收益或任何實益權益或對其設立押記，北京知行銳景須於一般及日常業務過程中開展業務以保護其資產價值，且不得作出可能對北京知行銳景業務、營運及資產價值產生不利影響之任何行為(或遺漏作出任何行為)等。

除北京知行銳景結構性合約規定之上述內部控制措施外，本公司已透過橙三角對北京知行銳景實施其他適當內部控制措施(當中已考慮本集團不時採納之內部控制措施)，該等措施可能包括(但不限於)：

- (i) 北京知行銳景於各月底向橙三角提供每月管理賬目及提交主要營運數據，並就任何重大波動提供解釋；
- (ii) 北京知行銳景協助並促使橙三角對北京知行銳景進行季度現場內部審核；及
- (iii) (如必要)法律顧問及／或其他專業人士將留任以處理北京知行銳景結構性合約所產生的具體問題，並確保北京知行銳景的營運將遵守適用的法律及法規。

與合約安排及北京知行銳景結構性合約之進一步資料分別載於轉板上市公佈及本公司日期為二零一五年五月八日之公佈。

Management's Discussion and Analysis

管理層討論和分析

Structured Contracts involving Hangzhou Saidian Technology

On 8 January 2016, the Group had acquired entire issued share capital of ZhongFu Holdings Limited from its then shareholders pursuant to a sale and purchase agreement dated 18 December 2015 and entered into between, among others, the Company and its then shareholders. For details, please refer to the announcements of the Company dated 18 December 2015 and 8 January 2016.

The results and financial position of ZhongFu Holdings Limited have been included in the consolidated financial statements of the Group from 8 January 2016.

On 5 January 2016, Hangzhou Saidian Information Technology Company Limited* 杭州賽典信息科技有限公司 (“Hangzhou Saidian Information”) (“杭州賽典信息”), a wholly owned subsidiary of ZhongFu Holdings Limited, entered into a series of structured contracts, including Exclusive Right to Purchase Agreement, Authorisation Agreement, Management and Operations Agreement and Pledge Agreement with the then shareholders of Hangzhou Saidian Technology Company Limited 杭州賽點科技有限公司 (“Hangzhou Saidian Technology”).

In April 2020, 賽點(惠州)信息諮詢合夥企業(有限合夥)(Saidian (Huizhou) Information Consultation Partnership (Limited Liability)*, “Saidian Huizhou”) became a shareholder holding 60% equity interest in Hangzhou Saidian Technology. Saidian Huizhou is a limited liability partnership owned by Mr. Liu Jun, the executive Director and chairman of the Board, and Mr. Zhang Yonghong, the executive Director and chief executive officer of the Company as to 60% and 40%, respectively. In light of the aforesaid change, Hangzhou Saidian Information, Chen Xuejun and Saidian Huizhou entered into a new set of structured contracts (the “ZhongFu Structured Contracts”) in April 2020. Save as the change of the party to ZhongFu Structured Contracts from the previous shareholder to Saidian Huizhou, there was no material change to the terms of the ZhongFu Structured Contracts.

As at the date of this report, the registered capital of Hangzhou Saidian Technology is owned as to 60% by Saidian Huizhou and 40% by Mr. Chen Xunjun (陳學軍).

The shareholders of Hangzhou Saidian Technology unconditionally and irrevocably authorise any individual designated by the Group to represent them in exercising all their rights as shareholders of Hangzhou Saidian Technology including without limitation, to transfer all their equity interests, to determine the consideration for such transfer, to complete all relevant procedures regarding such transfer, to attend general meetings and exercise voting rights, to execute all such relevant documents, agreements and resolutions. In addition, if Hangzhou Saidian Technology declares any dividend, bonus or adopts any proposal for distribution of profits, such dividends, bonus or economic benefits of all such proposal for distribution shall be delivered to the Group.

涉及杭州賽點科技之結構性合約

於二零一六年一月八日，本集團根據(其中包括)本公司與其當時股東所訂立日期為二零一五年十二月十八日之買賣協議，向其當時股東收購中服控股有限公司之全部已發行股本。有關詳情，請參閱本公司日期為二零一五年十二月十八日及二零一六年一月八日之公佈。

中服控股有限公司之業績及財務狀況自二零一六年一月八日起已計入本集團之合併財務報表。

於二零一六年一月五日，杭州賽典信息科技有限公司(「杭州賽典信息」，中服控股有限公司全資擁有之附屬公司)與杭州賽點科技有限公司(「杭州賽點科技」)之當時股東訂立一系列結構性合約，包括獨家購買權協議、授權協議、管理及營運協議及抵押協議。

於二零二零年四月，賽點(惠州)信息諮詢合夥企業(有限合夥)(「賽點惠州」)成為杭州賽點科技的股東，並持有該公司之60%股權。賽點惠州為執行董事兼董事會主席劉軍先生，以及執行董事兼本公司行政總裁張永紅先生分別持有60%及40%之有限合夥企業。鑒於上述變動，杭州賽典信息、陳學軍及賽點惠州於二零二零年四月訂立一組新結構性合約(「中服結構性合約」)。除中服結構性合約之訂約方由前股東改為賽點惠州外，中服結構性合約之條款概無重大變動。

於本報告日期，賽點惠州及陳學軍先生分別擁有杭州賽點科技之註冊資本60%及40%。

杭州賽點科技之股東無條件及不可撤回地授權本集團指定之任何人士代其行使其作為杭州賽點科技股東之所有權利，包括但不限於轉讓其所有股權、釐定有關轉讓之代價、完成有關轉讓之所有相關手續、出席股東大會及行使投票權、簽立所有相關文件、協議及決議案。此外，倘杭州賽點科技宣派任何股息、花紅或就分派溢利採納任何建議，則有關股息、花紅或所有有關分派建議之經濟利益均須交付予本集團。

* English names are translated for identification purpose only.

* 英文名稱翻譯僅作識別用途。

Management's Discussion and Analysis

管理層討論和分析

In accordance with the ZhongFu Structured Contracts, the Group has acquired the control over Hangzhou Saidian Technology as the Group has existing rights that give it the current ability to direct the relevant activities (i.e. the activities that significantly affect the Hangzhou Saidian Technology's variable returns). The Group is also entitled to substantially all of the operating profits and residual interest generated by Hangzhou Saidian Technology. Hangzhou Saidian Technology in turn held 80.38% of the equity interest of Zhejiang ZhongFu Internet Technology Company Limited 浙江中服網絡科技有限公司 ("Zhejiang Zhongfu"). Consequently, Zhejiang Zhongfu has become a subsidiary of the Group with effect from 8 January 2016.

Information of ZhongFu Holdings Limited and its subsidiaries (collectively, "Zhongfu Group")

ZhongFu Holdings Limited is an investment holding company incorporated in the BVI on 28 August 2015 with limited liability and issued capital of US\$50,000. As at the date of this report, ZhongFu Holdings Limited is a wholly-owned subsidiary of the Company.

ZhongFu Holdings Limited held the entire issued share capital in SaiDian HK Limited ("SaiDian HK"), an investment holding company incorporated in Hong Kong on 15 September 2015 with limited liability and issued capital of HK\$10,000, which in turn held the entire equity interest in Hangzhou Saidian Information, a company incorporated under the laws of the PRC.

Hangzhou Saidian Technology is a limited company established in the PRC on 8 December 2009 with paid up capital of RMB5,250,000 and is an investment holding company. It held 80.38% equity interest of Zhejiang Zhongfu.

Set out below is the key financial information of Zhejiang Zhongfu during the year ended 31 December 2020:

根據中服結構性合約，當本集團擁有現時能主導相關業務(即重大影響杭州賽點科技可變回報之業務)之既定權利時，本集團取得對杭州賽點科技之控制權。本集團亦有權享有杭州賽點科技產生之絕大部分經營溢利及餘下權益。杭州賽點科技持有浙江中服網絡科技有限公司(「浙江中服」)80.38%之股權。因此，浙江中服自二零一六年一月八日起成為本集團之附屬公司。

有關中服控股有限公司及其附屬公司之資料(統稱「中服集團」)

中服控股有限公司為於二零一五年八月二十八日在英屬處女群島註冊成立之投資控股有限公司，已發行資本為50,000美元。於本報告日期，中服控股有限公司為本公司之全資附屬公司。

中服控股有限公司持有SaiDian HK Limited (「SaiDian HK」)全部已發行股本。SaiDian HK為於二零一五年九月十五日在香港註冊成立的投資控股有限公司，已發行資本為10,000港元。該公司持有杭州賽典信息全部股權。杭州賽典信息為根據中國法律註冊成立之公司。

杭州賽點科技為一間於二零零九年十二月八日於中國成立之有限公司，繳足資本為人民幣5,250,000元，為投資控股公司。杭州賽點科技持有浙江中服80.38%股權。

下表載列浙江中服於截至二零二零年十二月三十一日止年度之主要財務資料：

		Year ended 31 December 2020 截至二零二零年 十二月三十一日 止年度 RMB'000 人民幣千元
Revenue	銷售收入	3,932
Total assets	總資產	40,806

Management's Discussion and Analysis 管理層討論和分析

MAJOR TERMS OF THE ZHONGFU STRUCTURED CONTRACTS

1. Exclusive Right to Purchase Agreement

Hangzhou Saidian Information, Hangzhou Saidian Technology, Chen Xuejun and Saidian Huizhou enter into an exclusive right to purchase agreement (the "Exclusive Right to Purchase Agreement"), under which Saidian Huizhou and Chen Xuejun irrevocably granted Hangzhou Saidian Information the exclusive right to purchase the shares of Hangzhou Saidian Technology at the minimum price permitted by the relevant laws and regulations of PRC at any time, by one or more times. Saidian Huizhou and Chen Xuejun may not transfer their shares in Hangzhou Saidian Technology without written consent from Hangzhou Saidian Information.

The exclusive purchase right may be exercised by Hangzhou Saidian Information by written notice to Saidian Huizhou and Chen Xuejun. Hangzhou Saidian Technology and Saidian Huizhou and Chen Xuejun shall provide all necessary information and documents for the share registration. In the situation that more than one shareholder holding the shares, Saidian Huizhou and Chen Xuejun and Hangzhou Saidian Technology shall procure any remaining shareholders of Hangzhou Saidian Technology, if any to agree to transfer the shares to Hangzhou Saidian Information and/or its designated parties in written statement, indicating their waiver of pre-emptive rights. In the event of transfer of shares, Hangzhou Saidian Technology shall procure the shareholders to sign a share purchase agreement with Hangzhou Saidian Information and/or designated parties upon the receipt of exercise notice. To ensure the performance of this agreement, a Pledge Agreement (as hereinafter defined) will be signed.

The price would be the minimum price permitted by the relevant laws and regulations of PRC. The paid shareholder will return the rest of the transfer price after deducting the paid-up capital by them to Hangzhou Saidian Technology. Any taxes, charges and fees shall be borne by the parties pursuant to relevant laws and regulations of the PRC.

The Exclusive Right to Purchase Agreement shall be effective upon execution and as long as Hangzhou Saidian Technology subsists. The parties agree that the Exclusive Right to Purchase Agreement can be terminated by Hangzhou Saidian Information by giving 30 days' written notice.

中服結構性合約之主要條款

1. 獨家購買權協議

杭州賽典信息、杭州賽點科技、陳學軍及賽點惠州訂立獨家購買權協議（「獨家購買權協議」），據此，賽點惠州及陳學軍不可撤回地授予杭州賽典信息隨時分一次或多次按中國相關法律及法規准許之最低價格購買杭州賽點科技股份之獨家權利。賽點惠州及陳學軍未經杭州賽典信息之書面同意不得轉讓杭州賽點科技之股份。

杭州賽典信息可透過向賽點惠州及陳學軍發出書面通知行使獨家購買權。杭州賽點科技及賽點惠州及陳學軍須就股份登記提供所有必要資料及文件。倘超過一名股東持有股份，賽點惠州及陳學軍及杭州賽點科技須以書面聲明促使杭州賽點科技任何餘下股東（如有）同意轉讓股份予杭州賽典信息及／或其指定人士，表明其放棄優先購買權。倘轉讓股份，杭州賽點科技於收到行使通知後須促使股東與杭州賽典信息及／或其指定人士簽署購股協議。為確保本協議得以履行，將簽署抵押協議（定義見下文）。

價格將為相關中國法律及法規准許之最低價格。獲款股東將於彼等扣除實繳股本後向杭州賽點科技歸還餘下轉讓價值。根據中國相律法例及法規，任何稅項、收費及費用須由訂約方承擔。

獨家購買權協議於簽立後生效，直至杭州賽點科技不再存續為止。訂約方同意，杭州賽典信息可透過發出30天之書面通知終止獨家購買權協議。

Management's Discussion and Analysis

管理層討論和分析

2. Authorisation Agreement

Hangzhou Saidian Information, Hangzhou Saidian Technology, Chen Xuejun and Saidian Huizhou entered into an authorisation agreement ("Authorisation Agreement"). Pursuant to the Authorisation Agreement, Hangzhou Saidian Information (or its designated parties who must be one of the Director and a PRC citizen, and must not be Saidian Huizhou and Chen Xuejun or their connected person(s) (the "Designated Party(ies)")) will have the power to, inter alia, exercise all shareholder's rights granted by applicable laws, regulations and Hangzhou Saidian Technology's articles of association, including but not limited to convening shareholders meeting, voting and signing resolutions at shareholders meeting, filing documents to company registration authorities, designating and appointing directors and supervisors, transferring or disposing off equity of Hangzhou Saidian Technology, participating in Hangzhou Saidian Technology's major decisions, and choosing management for Hangzhou Saidian Technology.

No prior consent from Saidian Huizhou and Chen Xuejun is required before Hangzhou Saidian Information (or its Designated Parties) exercise its voting rights. Saidian Huizhou and Chen Xuejun shall recognize Hangzhou Saidian Information's voting result.

The Authorisation Agreement shall be effective upon execution and as long as Hangzhou Saidian Technology's shareholders remain to be Hangzhou Saidian Technology's shareholders. The parties agree that the Authorisation Agreement can be terminated by Hangzhou Saidian Information each by giving 30 days' written notice.

3. Management and Operations Agreement

Hangzhou Saidian Information, Hangzhou Saidian Technology, Chen Xuejun and Saidian Huizhou entered into a management and operation agreement (the "Management and Operation Agreement"), which has been renewed in 2019.

Pursuant to the Management and Operations Agreement, Hangzhou Saidian Technology will appoint Hangzhou Saidian Information as its exclusive services provider of management and operations services. Such services include all necessary services within the scope of Hangzhou Saidian Technology's business, such as but not limited to business consultations, marketing consultancy, technical services, intellectual properties licenses, product research and development, system maintenance, as well as general corporate management.

2. 授權協議

杭州賽典信息、杭州賽點科技、陳學軍及賽點惠州訂立授權協議(「授權協議」)。根據授權協議，杭州賽典信息(或其指定人士(須為其中一名董事及中國公民，且不得為賽點惠州及陳學軍或彼等之關連人士))(「指定人士」)將有權(其中包括)行使適用法律、法規及杭州賽點科技之組織章程細則授予之所有股東權利，包括但不限於召開股東大會、於股東大會上投票及簽署決議案、向公司註冊機關提交文件、指定及委任董事及監事、轉讓或出售杭州賽點科技之權益、參與杭州賽點科技作出之重大決定，並為杭州賽點科技甄選管理人員。

杭州賽典信息(或其指定人士)於行使其投票權前毋須經賽點惠州及陳學軍事先同意。賽點惠州及陳學軍須確認杭州賽典信息之投票結果。

授權協議於簽立後生效，直至杭州賽點科技之股東辭去其股東職務為止。訂約方同意，杭州賽典信息可透過發出30天之書面通知終止授權協議。

3. 管理及營運協議

杭州賽典信息、杭州賽點科技、陳學軍及賽點惠州訂立管理及營運協議(「管理及營運協議」)，該協議已於二零一九年重續。

根據管理及營運協議，杭州賽點科技將委聘杭州賽典信息為其管理及營運服務之獨家服務供應商。該等服務包括杭州賽點科技業務範圍內之所有必要服務，例如但不限於業務諮詢、營銷諮詢、技術服務、知識產權許可、產品研發、系統維護以及一般企業管理。

Management's Discussion and Analysis

管理層討論和分析

Saidian Huizhou, Chen Xuejun and Hangzhou Saidian Technology shall procure the resignation of directors and supervisors whose appointment Hangzhou Saidian Information does not agree to. Those directors and supervisors shall be replaced by personnel appointed by Hangzhou Saidian Information.

Hangzhou Saidian Technology shall pay Hangzhou Saidian Information such service fees equivalent to the amount of the Hangzhou Saidian Technology's revenue deducted by Hangzhou Saidian Technology's (and its subsidiaries') expenses (including Hangzhou Saidian Technology's costs, depreciation, other expenses and payments, and relevant tax payments incurred during the term of the Management and Operations Agreement), loss covered by Hangzhou Saidian Technology and the relevant reserve fund extracted by Hangzhou Saidian Technology. The service fee shall be calculated within three months since the end of each financial year based on the audited report prepared in accordance with the PRC Accounting Standards for Business Enterprises and paid within 15 days of the issuance date of such audited report.

The Management and Operations Agreement shall be effective upon execution for three years, and upon expiry, Hangzhou Saidian Information has a sole discretionary right to renew the Management and Operations Agreement for another three years, subject to the applicable law, regulations and rules at that time (including the Listing Rules). The parties agree that the Management and Operations Agreement can be terminated by Hangzhou Saidian Information by giving 30 days' written notice.

賽點惠州、陳學軍及杭州賽點科技須促使不獲杭州賽典信息同意而獲委任之董事及監事辭任。該等董事及監事須由杭州賽典信息委聘之人員取代。

杭州賽點科技須向杭州賽典信息支付之有關服務費用相等於經扣除杭州賽點科技(及其附屬公司)之開支(包括杭州賽點科技於管理及營運協議期限內產生之成本、折舊、其他開支及付款以及相關稅款)、杭州賽點科技承擔之虧損及杭州賽點科技提取之相關儲備基金後杭州賽點科技之收入金額。服務費須於自各財政年度年結日起計三個月內按根據中國企業會計準則編製之經審計報告計算並於該經審計報告刊發日期起計15日內支付。

管理及營運協議於簽立後生效，為期三年，且於到期後，杭州賽典信息擁有獨家酌情權可重續管理及營運協議多三年，惟須受當時適用法律、法規及規則(包括上市規則)所限。訂約方同意，杭州賽典信息可透過發出30天之書面通知終止管理及營運協議。

Management's Discussion and Analysis

管理層討論和分析

4. Pledge Agreement

Hangzhou Saidian Information, Hangzhou Saidian Technology, Chen Xuejun and Saidian Huizhou entered into a pledge agreement (the "Pledge Agreement").

According to the Pledge Agreement, Saidian Huizhou, Chen Xuejun will pledge to Hangzhou Saidian Information their equity interests in Hangzhou Saidian Technology (the "Pledged Interests", being the entire equity interests in Hangzhou Saidian Technology) as security for Hangzhou Saidian Information's rights and interests granted by the Exclusive Right to Purchase Agreement, the Authorisation Agreement and the Management and Operations Agreement (the "Master Agreements") (including any payment (including legal expense), expense, loss, interests, liquidated damages, compensation, costs for realization of loans, costs and losses for specific performance of Hangzhou Saidian Technology, and the liabilities incurred as results of the termination, recession, whole or partial invalidation of the Master Agreements). Hangzhou Saidian Information shall have the right to compensation by converting the Pledged Interests into money and seek preferential payments from the proceeds from the auction or sales of the Pledged Interests concerned or other disposal methods as agreed by each party in accordance with relevant laws and regulations of the PRC. The Pledge Agreement shall become effective upon the execution date.

Prior to the full discharge of the payments and obligations under the Master Agreements, without written consent of the Hangzhou Saidian Information, Saidian Huizhou and Chen Xuejun shall not assign any of the Pledged Interests.

Unless otherwise agreed by Hangzhou Saidian Information in writing, upon the full and complete performance of Hangzhou Saidian Technology and Saidian Huizhou and Chen Xuejun under the Master Agreements as well as Hangzhou Saidian Information's written confirmation, the Pledge Agreement shall be terminated. Costs reasonably incurred thereof shall be borne by Saidian Huizhou and Chen Xuejun.

In the event where Hangzhou Saidian Technology or Saidian Huizhou and Chen Xuejun failed to fully discharge their obligations under the Master Agreements, Hangzhou Saidian Information shall continuously enjoy the pledge until the above-mentioned obligations being fulfilled in a manner to its satisfaction.

4. 抵押協議

杭州賽典信息、杭州賽點科技、陳學軍及賽點惠州訂立抵押協議(「抵押協議」)。

根據抵押協議，賽點惠州、陳學軍將向杭州賽典信息抵押彼等於杭州賽點科技所持之股權(「已抵押股權」，即杭州賽點科技之全部股權)以就獨家購買權協議、授權協議以及管理及營運協議(「總協議」)所授出之杭州賽典信息之權利及權益提供擔保，包括任何付款(包括法律費用)、開支、損失、利息、算定損害賠償、補償、貸款變現之成本、杭州賽點科技具體表現之成本及虧損以及因總協議被終止、被撤銷、全部或部分失效而產生之負債。杭州賽典信息將有權透過將已抵押股權轉換為金錢獲得補償，並於相關已抵押股權拍賣或出售之所得款項中或訂約各方根據中國相關法律及法規協定之其他處置方式尋求優先付款。抵押協議須於簽立日期起生效。

於全面履行總協議項下之付款及責任前，未經杭州賽典信息書面同意，賽點惠州及陳學軍不得分派任何已抵押股權。

除非獲杭州賽典信息另行書面同意，否則於全面及完全履行總協議項下杭州賽點科技及賽點惠州及陳學軍之責任以及獲得杭州賽典信息書面確認後，抵押協議須予以終止。因此而合理產生之成本須由賽點惠州及陳學軍承擔。

倘杭州賽點科技或賽點惠州及陳學軍無法全面履行彼等於總協議項下之責任，則杭州賽典信息將繼續享有抵押直至上述責任以其信納之方式獲達成為止。

Management's Discussion and Analysis

管理層討論和分析

The Company will unwind the ZhongFu Structured Contracts and directly hold the equity interests of Hangzhou Saidian Technology when the relevant restrictions no longer exist. The current legal or regulatory restrictions in exercising the purchase right under the Exclusive Right to Purchase Agreement is stipulated in the FITE Rules. Furthermore, even if the foreign ownership restriction is relaxed, the transfer of the equity interests in Hangzhou Saidian Technology from the shareholders of Hangzhou Saidian Technology to the Group may still be subject to substantial costs.

本公司將於相關限制不再存在時解除中服結構性合約並直接持有杭州賽點科技之股權。有關行使獨家購買權協議項下購買權之現行法律或監管限制於外商投資電信企業管理規定中訂明。此外，即使外資擁有權限制放寬，將杭州賽點科技之股權自杭州賽點科技之股東轉至本集團可能仍須承擔高昂成本。

Management's Discussion and Analysis 管理層討論和分析

SIGNIFICANT EVENT(S)

Huijia Performance Target for the year 2019

According to the audited consolidated financial statement of 北京慧嘉元天文化傳媒有限公司 (Beijing Huijia Yuan Tian Cultural Media Company Limited*, "Beijing Huijia") for the year ended 31 December 2019 dated 27 March 2020, the audited consolidated distributable profit attributable to equity holders of Beijing Huijia for the year ended 31 December 2019 is less than RMB23,660,000, being the minimum level of the performance target for the year ended 31 December 2019 set under the subscription agreement dated 5 January 2018 (the "Subscription Agreement") entered into between Mu Hao Holdings Limited, Hong Rui Technology Holdings Limited, Chance Technology Co. Ltd and Vanguard Technology Holdings Limited (together, the "Huijia Vendors") and the Company. Pursuant to the Subscription Agreement, no shares of the Company (the "Shares") were released to Huijia Vendors, and the Company bought back (the "Huijia Buy-back") the 10,909,091 Shares on 20 July 2020 at a total consideration of HK\$1.00, all of which were cancelled on 23 July 2020.

For further details, please refer to the announcements of the Company dated 13 January 2017, 3 February 2017, 5 January 2018 and 27 March 2020.

Placing of new shares under general mandate

On 29 April 2020, the Company entered into a placing agreement (the "Placing Agreement") with Hao Tian International Securities Limited (the "Placing Agent") pursuant to which the Company conditionally agreed to place, through the Placing Agent on a best effort basis, an aggregate of up to 200,000,000 ordinary shares of the Company (the "Placing Shares") with a total nominal value of HK\$20,000,000 to placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons (the "Placing"). The Placing Shares were allotted and issued pursuant to the general mandate granted to the Directors by resolution of the shareholders of the Company at the annual general meeting of the Company held on 24 May 2019. The Directors are of the view that the Placing will expand the Company's shareholders and capital base, and optimise the capital structure, which is conducive for lowering its indebtedness and reducing its financial burden.

The Placing was completed on 20 May 2020. An aggregate of 200,000,000 Placing Shares have been successfully placed by the Placing Agent to two Placees, namely Ideal South Limited and Fortune Value Investment Holdings Limited (the "Placees"), at the placing price of HK\$1.20 per Placing Share (the "Placing Price").

* English names are translated for identification purpose only.

重要事項

二零一九年慧嘉履約目標

根據日期為二零二零年三月二十七日之北京慧嘉元天文化傳媒有限公司(「北京慧嘉」)截至二零一九年十二月三十一日止年度之經審核合併財務報表，北京慧嘉截至二零一九年十二月三十一日止年度之權益持有人應佔經審核綜合可供分派溢利少於人民幣23,660,000元(即根據Mu Hao Holdings Limited、Hong Rui Technology Holdings Limited、Chance Technology Co. Ltd及Vanguard Technology Holdings Limited(統稱「慧嘉賣方」)與本公司所訂立日期為二零一八年一月五日之認購協議(「認購協議」)所設定截至二零一九年十二月三十一日止年度履約目標之最低水平)。根據認購協議，並無本公司股份(「股份」)發放予慧嘉賣方，且本公司於二零二零年七月二十日以總代價1.00港元回購(「慧嘉回購事項」)10,909,091股股份，該等股份已於二零二零年七月二十三日悉數註銷。

有關進一步詳情，請參閱本公司日期為二零一七年一月十三日、二零一七年二月三日、二零一八年一月五日及二零二零年三月二十七日之公佈。

根據一般授權配售新股

於二零二零年四月二十九日，本公司與昊天國際證券有限公司(「配售代理」)訂立配售協議(「配售協議」)，據此，本公司有條件地同意透過配售代理按竭盡所能基準配售合共最多200,000,000股本公司普通股(「配售股份」)予承配人，總面值為20,000,000港元，該等承配人及其最終實益擁有人為獨立於本公司及其關連人士之第三方(「配售事項」)。配售股份根據於二零一九年五月二十四日舉行之本公司股東週年大會上通過之本公司股東決議案授予董事之一般授權配發及發行。董事認為，配售事項將擴大本公司之股東及資本基礎，優化資本結構，有利於降低負債並減輕其財務負擔。

配售事項於二零二零年五月二十日完成。合共200,000,000股配售股份已由配售代理成功配售予兩名承配人(即Ideal South Limited及Fortune Value Investment Holdings Limited(「承配人」))，配售價為每股配售股份1.20港元(「配售價」)。

* 英文名稱翻譯僅作識別用途。

Management's Discussion and Analysis

管理層討論和分析

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. None of the Placees have become a substantial shareholder of the Company immediately upon the completion of the Placing.

The 200,000,000 Placing Shares represents approximately 15.14% of the issued share capital of the Company as at the date of completion of the Placing.

The Placing Price of HK\$1.20 represents (i) a discount of approximately 9.09% to the closing price of HK\$1.32 per Share as quoted on The Stock Exchange of Hong Kong Limited on the date of the Placing Agreement; and (ii) a discount of approximately 7.41% to the average closing price of HK\$1.296 per Share for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Use of Proceeds

The gross proceeds from the Placing was approximately HK\$240,000,000. The net proceeds from the Placing, after deduction of the commission for the Placing and other related expenses, amounted to approximately HK\$238,500,000.

The maximum net price raised per Share upon the completion of the Placing was approximately HK\$1.1925 per Share.

Set out below is the details of the use of proceeds from the Placing during the year ended 31 December 2020:

據董事作出一切合理查詢後所深知、全悉及確信，承配人及其各自之最終實益擁有人為獨立於本公司及其關連人士且與彼等概無關連之第三方。概無承配人在緊隨配售事項完成後成為本公司的主要股東。

該等200,000,000股配售股份相當於配售事項完成日期之本公司已發行股本約15.14%。

配售價1.20港元較(i)股份於配售協議日期在香港聯合交易所有限公司所報之收市價每股1.32港元折讓約9.09%；及(ii)股份於緊接配售協議日期前最後五個連續交易日平均收市價每股1.296港元折讓約7.41%。

所得款項用途

配售事項所得款項總額約為240,000,000港元。經扣除配售事項佣金及其他相關開支，配售事項所得款項淨額約為238,500,000港元。

配售事項完成後，每股所募集之最高價淨額約為每股1.1925港元。

下表載列截至二零二零年十二月三十一日止年度之配售事項所得款項用途詳情：

Intended use of net proceeds	所得款項淨額擬定用途	Percentage of total net proceeds 佔所得款項總淨額百分比	Proceeds utilized during the year ended 31 December 2020 截至二零二零年十二月三十一日止年度已動用所得款項
Repayment of part of the current debt of the Group	償還本集團部分現行債務	80%	190,800,000
The Group's research and development and general working capital	本集團研發投入及一般營運資金	20%	47,700,000
Total	總計	100%	238,500,000

For further details, please refer to the announcements of the Company dated 29 April 2020 and 20 May 2020.

有關進一步詳情，請參閱本公司日期為二零二零年四月二十九日及二零二零年五月二十日之公佈。

Management's Discussion and Analysis 管理層討論和分析

Adjustment to the Conversion Price and Early Final Redemption of Convertible Bonds

On 3 December 2018, the Company issued HK\$100,000,000 2.85% plus HIBOR guaranteed and secured convertible bonds due 2020 (the "Convertible Bonds") and, as a result of the Placing, the relevant conversion price under the Convertible Bonds was adjusted from HK\$4.50 to approximately HK\$4.445 with effect from 20 May 2020 and the aggregate outstanding principal amount was convertible into 22,499,122 Shares (the "Conversion Shares"). The Company made an early final redemption of the Convertible Bonds in full during the year ended 31 December 2020. No Conversion Share was issued before the said early final redemption of the Convertible Bonds.

For further details, please refer to the announcements of the Company dated 16 November 2018, 4 December 2018, 31 December 2019, 29 April 2020, 20 May 2020, and 23 October 2020.

Early Final Redemption of Guaranteed and Secured Notes

On 3 December 2018, the Company issued HK\$350,000,000 2.85% plus HIBOR guaranteed and secured notes due 2020 (the "Notes"). The Company made early redemptions of the Notes in full during the year ended 31 December 2020.

For further details, please refer to the announcements of the Company dated 16 November 2018, 4 December 2018, 31 August 2020 and 23 October 2020.

Change of Chief Financial Officer

Mr. Lee Wee Ong ("Mr. Lee") resigned as the chief financial officer of the Company for other personal commitments with effect from 31 May 2020 but remained at service to the Company as senior consultant.

Following Mr. Lee's resignation, Ms. Zhao Hong has been appointed as the chief financial officer of the Company with effect from 31 May 2020.

For further details, please refer to the announcement of the Company dated 4 May 2020.

調整可換股債券換股價及提早贖回可換股債券

於二零一八年十二月三日，本公司發行於二零二零年到期之100,000,000港元2.85%加香港銀行同業拆息利率之有擔保及有抵押可換股債券（「可換股債券」）。由於進行配售事項，可換股債券之換股價由4.50港元調整至約4.445港元，於二零二零年五月二十日起生效，而未償還之本金總額可轉換為22,499,122股股份（「換股股份」）。截至二零二零年十二月三十一日止年度，本公司提早最終贖回全部可換股債券。於上述提早贖回全部可換股債券前，概無發行任何換股股份。

有關進一步詳情，請參閱本公司日期為二零一八年十一月十六日、二零一八年十二月四日、二零一九年十二月三十一日、二零二零年四月二十九日、二零二零年五月二十日及二零二零年十月二十三日之公佈。

提早最終贖回有擔保及有抵押票據

於二零一八年十二月三日，本公司發行於二零二零年到期之350,000,000港元2.85%加香港銀行同業拆息利率之有擔保及有抵押票據（「該等票據」）。截至二零二零年十二月三十一日止年度，本公司提早贖回全部該等票據。

有關進一步詳情，請參閱本公司日期為二零一八年十一月十六日、二零一八年十二月四日、二零二零年八月三十一日及二零二零年十月二十三之公佈。

首席財務官變更

李為旺先生（「李先生」）因其他個人事務而辭任本公司之首席財務官職務，自二零二零年五月三十一日起生效，但仍然會作為本公司的高級顧問繼續為本公司服務。

於李先生辭任後，趙紅女士已獲委任為本公司之首席財務官，自二零二零年五月三十一日起生效。

有關進一步詳情，請參閱本公司日期為二零二零年五月四日之公佈。

Management's Discussion and Analysis 管理層討論和分析

Change of Non-executive Director and Members of the Audit Committee

Mr. Li Jianguang resigned as a non-executive Director and a member of the audit committee of the Company (the "Audit Committee"), with effect from 1 July 2020 due to other businesses and personal commitments.

Following his resignation, with effect from 1 July 2020,

- (i) Mr. Lin Dewei was appointed as a non-executive Director; and
- (ii) Mr. Guo Fansheng, an existing non-executive Director, was appointed as a member of the Audit Committee.

For further details, please refer to the announcement of the Company dated 19 June 2020.

Discloseable Transaction in Relation to the Disposal of 55% of Equity Interest in JDSJ Group

On 27 August 2020, 北京慧聰互聯信息技術有限公司 (Beijing Huicong Internet Information Technology Co., Ltd) ("Beijing Huicong"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with 廣東領球商貿有限公司 (Guangdong Lingqiu Commercial Trading Co., Ltd.), Mr. Yu Zhiguo (喻治國) and 廣東家電世界電子商務有限公司 (Guangdong Home Electronic Appliances World E-Commerce Co., Ltd.) ("JDSJ Group") and 新余聰穎網絡科技合夥企業(有限合夥) (Xinyu Congying Internet Technology Partnership (Limited Partnership)), pursuant to which Beijing Huicong agreed to transfer: (i) 30% of the equity interest in JDSJ Group to 廣東領球商貿有限公司 (Guangdong Lingqiu Commercial Trading Co., Ltd.) at RMB45,000,000; and (ii) 25% of the equity interest in JDSJ Group to 新余聰穎網絡科技合夥企業(有限合夥) (Xinyu Congying Internet Technology Partnership (Limited Partnership)), at RMB22,500,000. Upon completion, Beijing Huicong owned 20% of the equity interest in JDSJ Group, JDSJ Group together with its subsidiaries had ceased to be the subsidiaries of the Company. The said transfers constituted a discloseable transaction of the Company under the Listing Rules.

For further details, please refer to the announcement of the Company dated 27 August 2020.

非執行董事及審核委員會成員變更

李建光先生因另有其他業務及個人承擔，已辭任非執行董事及本公司審核委員會(「審核委員會」)成員，自二零二零年七月一日起生效。

於李建光先生辭任後，自二零二零年七月一日起，

- (i) 林德緯先生獲委任為非執行董事；及
- (ii) 現任非執行董事郭凡生先生獲委任為審核委員會成員。

有關進一步詳情，請參閱本公司日期為二零二零年六月十九日之公佈。

有關出售家電世界集團之55%股本權益之須予披露交易

於二零二零年八月二十七日，本公司全資附屬公司北京慧聰互聯信息技術有限公司(「北京慧聰」)與廣東領球商貿有限公司、喻治國先生及廣東家電世界電子商務有限公司(「家電世界集團」)及新余聰穎網絡科技合夥企業(有限合夥)訂立股權轉讓協議，據此，北京慧聰同意：(i)以人民幣45,000,000元轉讓於家電世界集團之30%股本權益予廣東領球商貿有限公司；及(ii)以人民幣22,500,000元轉讓於家電世界集團之25%股本權益予新余聰穎網絡科技合夥企業(有限合夥)。於完成後，北京慧聰擁有家電世界集團之20%股本權益，家電世界集團連同其附屬公司不再為本公司之附屬公司。所述轉讓事項構成上市規則項下規定本公司之須予披露交易。

有關更多詳情，請參閱本公司日期為二零二零年八月二十七日之公佈。

Management's Discussion and Analysis 管理層討論和分析

Discloseable Transaction Disposal of 60% of Equity Interest in Huicong Tianjin Group

On 23 November 2020, Beijing Huicong, a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with 廣東豐明物業管理有限公司 (Guangdong Fengming Property Management Co., Ltd.) and 慧聰(天津)電子商務產業投資有限公司 (Huicong (Tianjin) E-commerce Investment Co., Ltd.) ("Huicong Tianjin Group"), pursuant to which Beijing Huicong agreed to transfer 60% of the equity interest in Huicong Tianjin Group to 廣東豐明物業管理有限公司 (Guangdong Fengming Property Management Co., Ltd.) at a consideration of RMB16,000,000. Upon completion, Beijing Huicong no longer held any equity interest in Huicong Tianjin Group and Huicong Tianjin Group ceased to be a subsidiary of the Company. The said disposal constituted a discloseable transaction of the Company under the Listing Rules.

For further details, please refer to the announcement of the Company dated 23 November 2020.

Discloseable Transaction Share Subscription Agreement Deemed Disposal of Equity Interest in Panpass Information

On 1 December 2020, PanPass Information, an indirect non-wholly owned subsidiary of the Company, and 北京星實投資管理中心(有限合夥) (Beijing Xingshi Investment Management Center (Limited Partnership)), Mr. Shi Zhenyi (石振毅) and Ms. Sun Dongxia (孫東霞) (the "Investors") entered into a share subscription agreement, pursuant to which, among other things, PanPass Information agreed to issue and the Investors agreed to subscribe for 14,145,000 new ordinary shares of PanPass Information, representing 20% of the enlarged issued ordinary shares of PanPass Information, at an aggregate capital contribution of RMB87,416,100 in cash (equivalent to approximately RMB6.18 per share). Upon completion, the registered capital of PanPass Information increased from RMB56,580,000 to RMB70,725,000 and held as to approximately 64.20% by 北京慧聰再創科技有限公司 (Beijing Huicong Zaichuang Technology Co., Ltd), an indirect wholly-owned subsidiary of the Company, 20% by the Investors, and approximately 15.80% by other shareholders.

As the percentage of shareholding of 北京慧聰再創科技有限公司 (Beijing Huicong Zaichuang Technology Co., Ltd) in PanPass Information would be reduced from 80.25% to 64.20% after the completion, the said subscription constituted a deemed disposal of equity interest in PanPass Information under Rule 14.29 of the Listing Rules and was a discloseable transaction of the Company under the Listing Rules.

The Subscription was completed on 25 January 2021.

Pursuant to a shareholders agreement, the Investors shall have the right (but not obligation) to require the initial shareholders (one or more) to purchase all of the shares of PanPass Information held by the Investors if any one of the events stipulated in the shareholders agreement occurs (the "Repurchase Option").

有關出售慧聰天津集團之60%股本權益之須予披露交易

於二零二零年十一月二十三日，本公司全資附屬公司北京慧聰與廣東豐明物業管理有限公司及慧聰(天津)電子商務產業投資有限公司(「慧聰天津集團」)訂立股權轉讓協議，據此，北京慧聰同意轉讓於慧聰天津集團之60%股本權益予廣東豐明物業管理有限公司，代價為人民幣16,000,000元。於完成後，北京慧聰不再持有慧聰天津集團之任何股本權益，而慧聰天津集團不再為本公司之附屬公司。所述出售事項構成上市規則項下規定本公司之須予披露交易。

有關更多詳情，請參閱本公司日期為二零二零年十一月二十三日之公佈。

有關股份認購協議視作出售兆信信息之股本權益之須予披露交易

於二零二零年十二月一日，本公司間接非全資附屬公司兆信信息與北京星實投資管理中心(有限合夥)、石振毅先生及孫東霞女士(「投資者」)訂立股份認購協議，據此(其中包括)兆信信息同意發行，而投資者同意認購兆信信息14,145,000股新普通股，佔經擴大之兆信信息已發行普通股20%，合共注資額為現金人民幣87,416,100元(相當於每股約人民幣6.18元)。於完成後，兆信信息之註冊資本將從人民幣56,580,000元增加至人民幣70,725,000元，並由本公司間接全資附屬公司北京慧聰再創科技有限公司持有其約64.20%權益、投資者持有其20%權益以及其他股東持有其15.80%權益。

由於北京慧聰再創科技有限公司於兆信信息之持股比例於完成後由80.25%下降至64.20%，所述認購事項構成根據上市規則第14.29條項下視作出售兆信信息之股本權益以及上市規則項下規定本公司之須予披露交易。

該認購事項已於二零二一年一月二十五日完成。

根據股東協議，倘發生股東協議訂明之任何一件事件，則投資者有權(但無義務)要求原股東(一名或多名)購買投資者持有兆信信息之全部股份(「回購期權」)。

Management's Discussion and Analysis

管理層討論和分析

The exercise right of the Repurchase Option is vested with the Investors. The Repurchase Option would be treated as if exercised at the time of its grant pursuant to Rule 14.74(1) of the Listing Rules. The maximum consideration payable for the shares of PanPass Information held by the Investors was expected to be approximately RMB121,961,170.45 and the grant of the Repurchase Option constituted a discloseable transaction for the Company under the Listing Rules.

For further details, please refer to the announcement of the Company dated 1 December 2020.

Connected Transaction in Relation to Provision of Loan to Chongqing Micro-Credit

On 2 December 2020, Beijing Huicong, a wholly-owned subsidiary of the Company, entered into a loan agreement with 重慶神州數碼慧聰小額貸款有限公司 (Chongqing Digital China Huicong Micro-Credit Co., Ltd.) ("Chongqing Micro-Credit"), a non-wholly owned subsidiary of the Company, pursuant to which Beijing Huicong agreed to grant to Chongqing Micro-Credit an unsecured loan in the principal amount up to RMB50,000,000, bearing interest at a rate of 8% per annum for a period of one year commencing from the drawdown date. Chongqing Micro-Credit is indirectly owned by Digital China Holdings as to 30%. As at the date of the said loan agreement, Digital China Holdings and its associates held approximately 19.37% of the total issued shares of the Company. Digital China Holdings is thus a substantial shareholder and a connected person of the Company at the issuer level. Therefore, Chongqing Micro-Credit is a connected subsidiary of the Company under the Listing Rules, and the transaction contemplated under the said loan agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) was more than 0.1% but less than 5%, the said loan agreement was subjected to the reporting and announcement requirements but was exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the announcement of the Company dated 2 December 2020.

回購期權之行使權歸投資者所有。根據上市規則第14.74(1)條，回購期權將被視作猶如於其授出時獲行使。投資者持有之兆信息股份的最高應付代價預計約為人民幣121,961,170.45元同時授出回購期權構成上市規則項下規定本公司之須予披露交易。

有關更多詳情，請參閱本公司日期為二零二零年十二月一日之公佈。

關於向重慶小額貸款提供貸款之關連交易

於二零二零年十二月二日，本公司全資附屬公司北京慧聰與本公司非全資附屬公司重慶神州數碼慧聰小額貸款有限公司(「重慶小額貸款」)訂立貸款協議，據此，北京慧聰同意向重慶小額貸款授出本金額最多人民幣50,000,000元之無抵押貸款，年利率為8%，自提取日起為期一年。重慶小額貸款由神州數碼控股間接擁有30%。於所述貸款協議日期，神州數碼控股及其聯繫人持有本公司已發行股份總數約19.37%。因此，神州數碼控股為發行人層面之主要股東及本公司關連人士。因此，根據上市規則，重慶小額貸款為本公司之關連附屬公司，而所述貸款協議項下擬進行之交易構成上市規則第14A章項下本公司之關連交易。由於最高適用百分比率(定義見上市規則第14.07條)(盈利比率除外)超過0.1%但低於5%，因此所述貸款協議須遵守上市規則第14A章項下之申報及公佈規定，惟獲豁免遵守通函及獨立股東批准之規定。

有關更多詳情，請參閱本公司日期為二零二零年十二月二日之公佈。

Management's Discussion and Analysis 管理層討論和分析

USE OF PROCEEDS FROM THE CONVERTIBLE BONDS ISSUED BY THE COMPANY

On 16 November 2018, the Company and Chance Talent Management Limited entered into an investment agreement, pursuant to which Chance Talent Management Limited agreed to subscribe for the Notes and Convertible Bonds. Completion of the issue of the Notes and the Convertible Bonds took place on 3 December 2018. The net proceeds from the issue of the Convertible Bonds was approximately HK\$96,880,000. Such proceeds were fully utilised and the details of the use of proceeds were set out in the annual report of the Company for the year ended 31 December 2019.

During the year ended 31 December 2020, the Company made an early final redemption of the Notes and Convertible Bonds in full.

CAPITAL STRUCTURE

During the year ended 31 December 2020, 288,000 Shares were issued upon the exercise of share options under the share option scheme of the Company, and 10,909,091 Shares were cancelled pursuant to the Huijia Buy-back.

The total number of issued shares of the Company was 1,309,931,119 as at 31 December 2020 (2019: 1,120,552,210).

STAFF AND REMUNERATION

The business development and results of the Group relies on the skills, motivation and commitment of its staff. As at 31 December 2020, the Group had 1,658 employees (2019: 2,043).

Remuneration of employees is generally in line with the market trend and commensurate with the rate in the industry. Share options and share awards are granted to employees based on individual performance. Other benefits to the Group's employees include medical insurance, retirement schemes, training programs and educational subsidies. Total staff costs including director's emoluments from continuing operations for the year ended 31 December 2020 amounted to approximately RMB307,976,000 (2019: RMB505,200,000).

RETIREMENT SCHEME

In accordance with the relevant regulations in the PRC, the Group participated in a state retirement plan whereby the only obligation of the Group with respect to such plan is to make annual contributions to the scheme calculated at 16% of the basic salaries of the employees. The Group has no obligation for further pension payments or any post-retirement benefits beyond these annual contributions.

Details of the retirement scheme are set out in note 9(a) to the consolidated financial statements.

本公司發行可換股債券所得款項用途

於二零一八年十一月十六日，本公司與Chance Talent Management Limited訂立投資協議，據此，Chance Talent Management Limited同意認購票據和可換股債券。票據及可換股債券已於二零一八年十二月三日完成發行。發行可換股債券之所得款項淨額約為96,880,000港元。該等所得已被全數使用而相關用途詳情亦已在本公司截至二零一九年十二月三十一日止年度的年報內述明。

本公司已在截至二零二零年十二月三十一日止年度內提早最終贖回全部票據及可換股債券。

資本結構

截至二零二零年十二月三十一日止年度，已根據本公司購股權計劃項下購股權行使而發行288,000股股份，並已根據慧嘉購回事項註銷10,909,091股股份。

於二零二零年十二月三十一日，本公司已發行股份總數為1,309,931,119股股份（二零一九年：1,120,552,210股股份）。

員工及薪酬

本集團之業務發展及業績，全賴員工所具備之技能、拼勁及投入。於二零二零年十二月三十一日，本集團共僱用1,658名僱員（二零一九年：2,043名）。

僱員薪酬大致上符合市場趨勢，並與業內薪金水平相符，而授予僱員之購股權及股份獎勵則視乎個別僱員表現而定。本集團僱員可享有其他福利，包括醫療保險、退休計劃、培訓課程及教育津貼。截至二零二零年十二月三十一日止年度，持續經營業務的總員工成本（包括董事酬金）約為人民幣307,976,000元（二零一九年：人民幣505,200,000元）。

退休計劃

根據中國相關規例，本集團參與一個國家退休計劃，而本集團就該計劃履行之唯一責任為每年須按僱員基本薪金16%向計劃供款。除該等年度供款外，本集團毋須承擔其他退休金付款或任何退休後福利之責任。

有關該退休計劃之詳情載列於合併財務報表附註9(a)。

Management's Discussion and Analysis

管理層討論和分析

CHARGES ON GROUP ASSETS

As at 31 December 2020, the Group's bank borrowings amounting to RMB130,000,000 (2019: RMB730,000,000) are secured by properties, investment properties and right-of-use assets with carrying value of RMB174,125,000 (2019: RMB979,310,000). No bank borrowings (2019: RMB248,500,000) was secured by restricted bank deposit (2019: RMB282,171,000).

As at 31 December 2020, other borrowings with a total principal amount of RMB230,000,000 (2019: RMB200,000,000) were provided by an independent third party, of which RMB200,000,000 is repayable on demand while the remaining RMB30,000,000 is payable on May 2021 (2019: July 2020 and November 2020). This other borrowing is interest-free and secured by certain equity shares of a subsidiary (2019: same).

As at 31 December 2019, other borrowings of RMB27,816,000 were provided by a non-controlling shareholder of a subsidiary, in which 25% of its equity interest was formally owned by Mr. Liu Jun, an executive director of the Company. These borrowings are unsecured, mature ranging from 2020 to 2022 and bear an average interest rate of 6.34% per annum (2019: 6.34% per annum). This other borrowing was fully settled in October 2020, and the corresponding interest expense during the year ended 31 December 2020 was RMB1,469,000 (2019: RMB1,763,000).

The remaining other borrowings were provided by independent third parties, director of a subsidiary, a non-controlling shareholder of a subsidiary and associates (2019: independent third parties) and bear interest rates ranging from Nil to 10% per annum (2019: Nil to 14.3% per annum). Out of these other borrowings, RMB88,001,000 (2019: RMB442,218,000) are secured by certain inventories (2019: either guaranteed by the Group, Executive directors and Non-executive directors of the Group or certain inventories, right-of-use assets, listed equity shares held by the Group and the equity of certain subsidiaries).

EXCHANGE RISK

As the Group's operations are principally in the PRC and majority of the assets and liabilities of the Group are denominated in RMB, the Directors believe that the Group is not subjected to significant exchange risk.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group had no contingent liability (2019: Nil).

集團資產抵押

於二零二零年十二月三十一日，本集團銀行借貸人民幣130,000,000元(二零一九年：人民幣730,000,000元)以賬面值人民幣174,125,000元(二零一九年：人民幣979,310,000元)之物業、投資物業及土地使用權作抵押。概無(二零一九年：人民幣248,500,000元)銀行借貸由受限制銀行存款(二零一九年：人民幣282,171,000元)作抵押。

於二零二零年十二月三十一日，本金總額為人民幣230,000,000元(二零一九年：人民幣200,000,000元)之其他借貸由一名獨立第三方提供，其中人民幣200,000,000元須按要求償還而餘額人民幣30,000,000元應於二零二一年五月支付(二零一九年：二零二零年七月及二零二零年十一月)。該筆其他借貸為免息並由一間附屬公司之若干權益股作抵押(二零一九年：相同)。

於二零一九年十二月三十一日，其他借貸人民幣27,816,000元由一間附屬公司之一名非控股股東提供，該公司過往由本公司執行董事劉軍先生持有25%股權。此等借貸為無抵押、到期日介乎二零二零年至二零二二年，且按平均年利率6.34%(二零一九年：年利率6.34%)計息。該項其他借貸已於二零二零年十月悉數償還，而截至二零二零年十二月三十一日止年度之相關利息開支為人民幣1,469,000元(二零一九年：人民幣1,763,000元)。

餘下其他借貸由獨立第三方、一間附屬公司之董事、一間附屬公司之一名非控股股東及聯營公司(二零一九年：獨立第三方)提供，並按年利率介乎零至10%(二零一九年：年利率介乎零至14.3%)計息。此等其他借貸中，人民幣88,001,000元(二零一九年：人民幣442,218,000元)由若干存貨作抵押(二零一九年：由本集團、本集團執行董事及非執行董事作擔保或由若干存貨、使用權資產、本集團持有之上市權益股及若干附屬公司之權益作抵押)。

匯兌風險

鑒於本集團業務主要位於中國，而本集團大部分資產及負債均以人民幣計值，董事認為本集團並無承受重大匯兌風險。

或然負債

於二零二零年十二月三十一日，本集團概無或然負債(二零一九年：無)。

Management's Discussion and Analysis 管理層討論和分析

IMPORTANT EVENT(S) AFTER THE PERIOD

Discloseable Transaction Disposal Of The Entire Equity Interest In Tianjin Guokai

On 5 January 2021, 北京慧聰科技集團有限公司 (Beijing Huicong Technology Group Co., Ltd.) ("Beijing Huicong Technology"), an indirect wholly-owned subsidiary of the Company, 北京小犀角科技有限公司 (Beijing Little Rhino Horn Technology Co., Ltd.) ("Beijing Little Rhino Horn Technology"), 天津國開瑞投教育科技有限公司 (Tianjin Guokai Ruitou Education Technology Co., Ltd.) ("Tianjin Guokai") and Hong Kong Huicong International Group Limited (香港慧聰國際集團有限公司) entered into an equity transfer agreement, pursuant to which, Beijing Huicong Technology had agreed to transfer the entire equity interest in Tianjin Guokai to Beijing Little Rhino Horn Technology at a consideration of RMB300,500,000. The Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Tianjin Guokai will cease to be a subsidiary of the Company upon completion of the disposal.

For further details, please refer to the announcement of the Company dated 5 January 2021.

期後重要事項

有關出售天津國開之全部股本權益之須予披露交易

於二零二一年一月五日，本公司間接全資附屬公司北京慧聰科技集團有限公司（「北京慧聰科技」）、北京小犀角科技有限公司（「北京小犀角科技」）、天津國開瑞投教育科技有限公司（「天津國開」）及香港慧聰國際集團有限公司訂立股權轉讓協議，據此，北京慧聰科技同意轉讓於天津國開之全部股本權益予北京小犀角科技，代價為人民幣300,500,000元。出售事項構成上市規則第14章項下本公司之須予披露交易。於出售事項完成後天津國開將不再為本公司之附屬公司。

有關進一步詳情，請參閱本公司日期為二零二一年一月五日之公佈。

Report of the Directors

董事會報告

The Directors submit their report together with the audited financial statements for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 23 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities for the financial year ended 31 December 2020.

An analysis of the Group's performance for the financial year by business segment is set out in note 5 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group during the year including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and events affecting the company that have occurred since the end of the financial year are set out in the sections headed "Management's Statement" and "Management Discussion and Analysis" of this report. These discussions form part of this report of Directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group realises the importance of environmental protection in pursuing long-term sustainability, and is committed to improving environmental sustainability and will closely monitor the performance. Further information of the Group's policies and performance about the environment would be included in the Environmental, Social and Governance Report of the Company to be published in May 2021.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's operations are mainly carried out in the PRC while the Company itself is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in the PRC and Hong Kong. To the best knowledge of the Directors, the Group has complied in all material aspects with the relevant laws and regulations which have significant impact on its business and operation.

董事會提呈其報告連同截至二零二零年十二月三十一日止財政年度之經審核財務報表。

主要業務

本公司主要業務為投資控股。其主要附屬公司之業務載於合併財務報表附註23。截至二零二零年十二月三十一日止財政年度，本集團主要業務性質概無重大變動。

本集團於財政年度內按業務分部劃分之表現分析載於合併財務報表附註5。

業務回顧

本集團年內業務的公正審閱(包括對本集團財務表現的分析、本集團業務可能進行的未來發展的揭示及在財政年度結束後發生並影響本公司的事件)載於本報告「管理層報告」及「管理層討論和分析」各節。該等討論為本董事會報告的一部分。

環境政策及表現

本集團意識到環境保護對追求長遠持續發展的重要性，並致力於提高環境方面的可持續發展並將密切監察表現。本集團之環保政策及表現的進一步資料將載於本公司將於二零二一年五月刊發之環境、社會及管治報告內。

遵守相關法律法規

本集團的業務主要於中國進行，而本公司本身於聯交所上市。因此，本集團之營運須遵守中國及香港的有關法律及法規。就董事所知，本集團已於所有重大方面遵守對集團業務及營運產生重大影響的有關法律及法規。

Report of the Directors 董事會報告

RESULTS AND APPROPRIATIONS

The results of the Group for the financial year are set out in the consolidated statement of comprehensive income on page 123 to 124.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2020.

RESERVES

Details of the movements in retained earnings of the Group during the financial year are set out on page 128.

Details of the movements in other reserves of the Group are set out in note 33 to the consolidated financial statements.

There is no arrangement that a shareholder has waived or agreed to waive any dividend.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 19 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the Company are set out in note 32 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2020, calculated under the Companies Law of Cayman Islands, amounted to approximately RMB1,623,498,000 (2019: RMB2,175,718,000).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 6 of this report.

業績及分派

本集團之財政年度業績載於第123至124頁之合併綜合收益表。

董事不建議就截至二零二零年十二月三十一日止年度派付末期股息。

儲備

本集團於財政年度內之留存收益變動詳情載於第128頁。

本集團其他儲備變動詳情載於合併財務報表附註33。

概無股東放棄或同意放棄任何股息之安排。

物業、廠房及設備

本集團之物業、廠房及設備變動詳情載於合併財務報表附註19。

股本及購股權

本公司之股本及購股權變動詳情載於合併財務報表附註32。

可供派發儲備

根據開曼群島公司法，本公司於二零二零年十二月三十一日之可供派發儲備約為人民幣1,623,498,000元(二零一九年：人民幣2,175,718,000元)。

五年財務概要

本集團過去五個財政年度之業績以及資產及負債概要載於本報告第6頁。

Report of the Directors 董事會報告

DIRECTORS

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

Mr. Liu Jun (Chairman)	(appointed on 12 September 2016)
Mr. Zhang Yonghong (Chief Executive Officer)	appointed on 4 January 2019
Mr. Liu Xiaodong (President)	(appointed on 1 June 2018)
Mr. Guo Fansheng ^{Note 1}	(appointed on 21 March 2000)
Mr. Li Jianguang ^{Note 1}	(appointed on 1 August 2006 and resigned on 1 July 2020)
Mr. Sun Yang ^{Note 1}	(appointed on 27 May 2019)
Mr. Lin Dewei ^{Note 1}	(appointed on 1 July 2020)
Mr. Zhang Ke ^{Note 2}	(appointed on 28 March 2003)
Mr. Zhang Tim Tianwei ^{Note 2}	(appointed on 1 November 2011)
Ms. Qi Yan ^{Note 2}	(appointed on 30 November 2017)

Notes:

- 1 non-executive Directors
- 2 independent non-executive Directors

董事

本年度及直至本報告日期為止，在任董事如下：

劉軍先生(主席)	(於二零一六年九月十二日 獲委任)
張永紅先生 (首席執行官)	於二零一九年一月四日 獲委任
劉小東先生 (總裁)	(於二零一八年六月一日 獲委任)
郭凡生先生 ^{附註1}	(於二零零零年三月二十一日 獲委任)
李建光先生 ^{附註1}	(於二零零六年八月一日 獲委任，並於二零二零年 七月一日辭任)
孫洋先生 ^{附註1}	(於二零一九年五月二十七日 獲委任)
林德緯先生 ^{附註1}	(於二零二零年七月一日 獲委任)
張克先生 ^{附註2}	(於二零零三年三月二十八日 獲委任)
張天偉先生 ^{附註2}	(於二零一一年十一月一日 獲委任)
祁燕女士 ^{附註2}	(於二零一七年十一月三十日 獲委任)

附註：

- 1 非執行董事
- 2 獨立非執行董事

Report of the Directors 董事會報告

In accordance with Article 86 of the Company's articles of association ("Articles of Association"), Mr. Zhang Yonghong, Mr. Liu Xiaodong and Ms. Qiyuan will be subject to, and eligible offer themselves for re-election at the forthcoming annual general meeting of the Company.

In accordance with Article 87 of the Company's articles of association, Mr. Lin Dewei will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' PROFILE

The Directors' profile is set out on pages 20 to 25.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors, Mr. Liu Jun, Mr. Zhang Yonghong and Mr. Liu Xiaodong has entered into a director's service contract with the Company, whereby each of them has accepted the appointment as an executive Director of the Company for a term of three years from 12 September 2019, 4 January 2019 and 1 June 2018 respectively, which may be terminated by either party giving three months' prior written notice or otherwise in accordance with the terms of their respective service contracts.

Each of the independent non-executive Directors, Mr. Zhang Ke, Mr. Zhang Tim Tianwei and Ms. Qi Yan has entered into a director's service contract with the Company, whereby each of them has accepted the appointment for a term of one year, and the service contracts shall be renewed automatically at the end of the term. Either party may terminate the service contract at any time by giving one month's prior written notice or in accordance with the terms of their respective service contracts. There is no service contract, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation), in respect of any director proposed for re-election at the forthcoming annual general meeting.

根據本公司組織章程細則(「組織章程細則」)第86條，張永紅先生、劉小東先生及祁燕女士須於本公司應屆股東週年大會上重選並合資格重選連任。

根據本公司組織章程細則第87條，林德緯先生將於本公司應屆股東週年大會上退任，而彼合資格並願意重選連任。

董事簡介

董事簡介載於第20至25頁。

董事服務合約

執行董事劉軍先生、張永紅先生及劉小東先生各自與本公司訂立董事服務合約，據此，彼等各自同意獲委任為本公司執行董事，分別由二零一九年九月十二日、二零一九年一月四日及二零一八年六月一日起計為期三年，服務合約可由任何一方發出三個月事先書面通知或根據彼等各自之服務合約條款予以終止。

獨立非執行董事張克先生、張天偉先生及祁燕女士各自與本公司訂立董事服務合約，據此，彼等各自接受有關委任，為期一年，該等服務合約於期滿後將自動重續。服務合約可隨時由任何一方發出一個月事先書面通知或根據彼等各自之服務合約條款予以終止。概無就於應屆股東週年大會建議重選任何董事而訂立不可由本公司於一年內毋須支付賠償(法定賠償除外)而終止之服務合約。

Report of the Directors 董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed above and in note 10 to the consolidated financial statements and this annual report, no Director or an entity connected with a director or the controlling shareholders of the Company (or its subsidiaries) was materially interested, whether directly or indirectly, in any transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

Save as disclosed in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the Year.

DIRECTORS' AND SENIOR STAFF EMOLUMENTS

Details of Directors and senior staff emoluments for the year are set out in notes 9 and 10 to the consolidated financial statements.

The emoluments of the Directors and the senior staff are determined based on the operating results of the Group, individual performance and/or prevailing market conditions. The Company has also adopted the Share Option Scheme and the Share Award Scheme as an incentive to Directors and senior staff.

As at 31 December 2020, there was no arrangement in which the Directors waived their remuneration.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

董事於合約之權益

除上文及合併財務報表附註10以及本年報所披露者外，於年終或年內任何時間，概無董事或與一名董事關連之實體或本公司(或其附屬公司)之控股股東於本公司或其任何附屬公司為其中之訂約一方且仍然生效之任何重大交易、安排或合約中直接或間接擁有重大權益。

管理合約

除在本年報披露外，本年度概無訂立或存續有關本集團業務全部或任何主要部分管理及行政之合約。

董事及高級僱員之薪酬

本年度董事及高級僱員之薪酬詳情載於合併財務報表附註9及10。

董事及高級僱員之薪酬根據本集團之經營業績、個人表現及/或當前市況釐定。本公司亦採納購股權計劃及股份獎勵計劃作為董事及高級僱員之獎勵。

於二零二零年十二月三十一日，概無董事放棄酬金之安排。

董事及行政總裁於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉

於二零二零年十二月三十一日，董事及本公司行政總裁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)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉)，或須記入本公司根據證券及期貨條例第352條所存置登記冊之權益及淡倉，或根據上市規則所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

Report of the Directors 董事會報告

(a) Directors' Long Positions in the Shares and Underlying Shares of the Company (a) 董事於本公司股份及相關股份之好倉

Name of Director 董事姓名	Class of Shares 股份類別	Capacity 身份	Personal interests 個人權益	Family interests 家屬權益	Corporate interests 公司權益	Other interests 其他權益	Total number of Shares 股份總數	Percentage of shareholding (approximate) 股權百分比 (概約)
Liu Jun 劉軍	Ordinary 普通股	Beneficial owners 實益擁有人	79,850,700 (note 1) (附註1)	-	-	-	79,850,700 (note 1) (附註1)	6.10%
Zhang Yonghong 張永紅	Ordinary 普通股	Beneficial owners 實益擁有人	13,933,500 (note 2) (附註2)	-	-	-	13,933,500 (note 2) (附註2)	1.06%
Liu Xiaodong 劉小東	Ordinary 普通股	Beneficial owners and Interest of controlled corporation 實益擁有人及受控制公司權益	5,702,485 (note 3) (附註3)	-	62,273,794 (note 3) (附註3)	-	67,976,279 (note 3) (附註3)	5.19%
Guo Fansheng 郭凡生	Ordinary 普通股	Beneficial owners 實益擁有人	57,749,015 (note 4) (附註4)	-	-	-	57,749,015 (note 4) (附註4)	4.41%

Notes:

- Such interests in the Company comprise: (i) 50,220,000 Shares and (ii) 29,630,700 underlying Shares derived from the Options held by Mr. Liu Jun.
- Such interests in the Company comprise: (i) 100,000 Shares; (ii) 4,000,000 underlying Shares derived from the awarded shares granted to Mr. Zhang Yonghong under the employees' share awarded scheme adopted on 17 November 2011 and (iii) 9,833,500 underlying Shares derived from the Options held by Mr. Zhang Yonghong.
- Such interests in the Company comprise: (i) 3,702,485 underlying Shares from the Options held by Mr. Liu Xiaodong; (ii) 2,000,000 underlying Shares derived from the awarded shares granted to Mr. Liu Xiaodong under the employees' share awarded scheme adopted on 17 November 2011 and (iii) 62,273,794 Shares held by Wisdom Limited (a company wholly and beneficially owned by Mr. Liu Xiaodong). Mr. Liu Xiaodong is deemed, or taken to have, interested in all the Shares held by Wisdom Limited pursuant to the SFO.

附註:

- 該等於本公司之權益包括：劉軍先生所持(i) 50,220,000股股份及(ii)購股權涉及之29,630,700股相關股份。
- 該等於本公司之權益包括：(i) 100,000股股份；(ii)張永紅先生根據於二零一一年十一月十七日採納之僱員股份獎勵計劃獲授獎勵股份涉及之4,000,000股相關股份及(iii)張永紅先生所持購股權涉及之9,833,500股相關股份。
- 該等於本公司之權益包括：(i)劉小東先生所持購股權涉及之3,702,485股相關股份；(ii)劉小東先生根據於二零一一年十一月十七日採納之僱員股份獎勵計劃獲授獎勵股份涉及之2,000,000股相關股份及(iii)由Wisdom Limited（由劉小東先生全資實益擁有之公司）持有之62,273,794股股份。根據證券及期貨條例，劉小東先生被視作或當作於Wisdom Limited所持有之全部股份中擁有權益。

Report of the Directors

董事會報告

4. Such interest in the Company comprises:
- (a) 35,000,000 Shares (long position) held by Mr. Guo Fansheng; and
 - (b) 22,749,015 Shares (long position) held by a trustee of a trust of which Mr. Guo Fansheng is a founder of a discretionary trust who can influence how the trustee exercise his discretion.

Save as disclosed above, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO) or required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

2003 Share Option Scheme

Pursuant to written resolutions of the shareholders of the Company dated 30 November 2003, among others, a share option scheme (the "2003 Share Option Scheme") was adopted by the Company. Following the listing of the Shares being transferred from the Growth Enterprise Market (now known as GEM) to the Main Board of the Stock Exchange on 10 October 2014, the 2003 Share Option Scheme adopted by the Company was terminated on 10 October 2014. Notwithstanding the termination of the 2003 Share Option Scheme, the outstanding options under the 2003 Share Option Scheme (the "Outstanding Option") shall continue to be valid and exercisable until the expiry of the option period (i.e. the period to be notified by the Board to the grantee in the offer of options, but in any event shall not exceed 10 years from the date of the offer).

The principal terms of the 2003 Share Option Scheme were summarised in the paragraph headed "Share Options" under the section headed "Statutory and General Information" in Appendix V of the prospectus of the Company dated 8 December 2003. Set out below is a summary of the 2003 Share Option Scheme:

4. 該等於本公司之權益包括：
- (a) 由郭凡生先生持有之35,000,000股股份（好倉）；及
 - (b) 由信託受託人持有之22,749,015股股份（好倉），當中郭凡生先生為全權信託之創始人，可影響受託人行使其酌情權。

除上文披露者外，概無董事及本公司行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉），或須記入本公司根據證券及期貨條例第352條所存置登記冊之任何權益或淡倉，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

購股權計劃

二零零三年購股權計劃

根據本公司日期為二零零三年十一月三十日之股東書面決議案，（其中包括）本公司採納一項購股權計劃（「二零零三年購股權計劃」）。股份於二零一四年十月十日由聯交所由聯交所創業板（現稱GEM）轉至主板上市後，本公司所採納之二零零三年購股權計劃於二零一四年十月十日終止。儘管二零零三年購股權計劃已終止，惟二零零三年購股權計劃項下尚未行使之購股權（「未行使購股權」）將繼續有效並可行使，直至購股權期限屆滿（即董事會知會承授人有關購股權之要約期間，惟於任何情況下不得超過要約日期起計10年）。

二零零三年購股權計劃之主要條款概述於本公司日期為二零零三年十二月八日之招股章程附錄五「法定及一般資料」一節「購股權」一段。下文載列二零零三年購股權計劃之概要：

Report of the Directors 董事會報告

Purpose and participants of the 2003 Share Option Scheme

The purpose of the 2003 Share Option Scheme is to provide incentive and/or reward to directors or employees of the Group and other persons who in the sole discretion of the Board has contributed or will contribute to the Group.

Total number of Shares available for issue and the maximum entitlement of each participant under the 2003 Share Option Scheme

The maximum number of Shares which may be issued upon the exercise of all the outstanding options granted and yet to be exercised under the 2003 Share Option Scheme and any other schemes of the Company, must not, in aggregate, exceed 30% (or such other percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time. The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the 2003 Share Option Scheme or any other share option schemes of the Company shall not exceed 1% of the Shares in issue at the time of such grant.

As at the date of this report, the total number of Shares available for issue in respect of the Outstanding Option is 4,480,000 Shares, representing 0.34% of the issued shares as at the date of this report.

Time of exercise of the options

An option may be exercised by the grantee at any time during the period to be notified by the Board to the grantee in the offer of options, but in any event shall not exceed 10 years from the date of offer.

Notwithstanding the termination of the 2003 Share Option Scheme, the Outstanding Option shall continue to be valid and exercisable until the expiry of the option period.

Minimum holding period

The Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance criteria to be satisfied before such options can be exercised and/or any other terms as the Board may determine in its absolute discretion.

二零零三年購股權計劃之目的及參與者

二零零三年購股權計劃旨在向董事會全權酌情認為已為或將為本集團作出貢獻的本集團董事或僱員及其他人士提供獎勵及／或回報。

二零零三年購股權計劃可供發行股份之總數及各參與者之最高配額

因行使根據本公司之二零零三年購股權計劃及任何其他計劃經已授出而尚未行使且可予行使之購股權而可予以發行之股份最高數目，合共不得超出本公司不時已發行股份總數之30%（或根據上市規則容許之其他百分比）。已發行及因行使根據二零零三年購股權計劃或本公司任何其他購股權計劃授出之購股權（包括已行使及尚未行使之購股權）而將予發行予每位參與者之股份總數，不得超過授出時已發行股份之1%。

於本報告日期，未行使購股權可供發行之股份總數為4,480,000股，佔於本報告日期已發行股份的0.34%。

行使購股權之時間

於董事會知會承授人有關購股權之要約期間內，承授人可隨時行使購股權，惟於任何情況下不得超過要約日期起計10年。

儘管二零零三年購股權計劃已終止，惟未行使購股權將繼續有效並可予行使，直至購股權期限屆滿為止。

最短持有時間

董事會可要約授出任何購股權，並可施加有關須持有購股權之最短期限及／或可行使有關購股權前須達到之表現標準之條款及條件及／或董事會可全權酌情釐定之任何其他條款。

Report of the Directors 董事會報告

Amount payable on acceptance of the Outstanding Option

An offer shall be deemed to have been accepted and an Outstanding Option to which the offer relates shall be deemed to have been granted and accepted and to have taken effect when a letter in such form as the Board may from time to time determine signifying acceptance of the Outstanding Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 7 days from the offer date (inclusive of the offer date).

Basis of determining the exercise price

The subscription price shall be a price determined solely by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share on the offer date.

2015 Share Option Scheme

On 22 May 2015 (the "Adoption Date"), a new share option scheme was approved by the shareholders of the Company ("2015 Share Option Scheme"). Set out below is a summary of the 2015 Share Option Scheme:

Purpose and participants of the 2015 Share Option Scheme

The purpose of the 2015 Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, customers, advisers, distributors, contractors, suppliers, agents, business partners or service providers of the Group and to promote the success of the business of the Group ("Participant(s)"). The Board may, at its absolute discretion, invite any person belonging to any of the aforesaid classes of persons of any member of the Group to be a Participant of the 2015 Share Option Scheme.

Total number of Shares available for issue

The total number of Shares available for issue in respect of which options may be granted under the 2015 Share Option Scheme is 112,085,221 Shares, representing 8.56% of the issued shares as at the date of this report.

接納未行使購股權之應付款項

當本公司自要約日期(包括要約日期)起計7日內收到承授人正式簽署指明其接納未行使購股權之函件(形式如董事會不時釐定者)連同向本公司支付作為獲未行使授購股權代價之款項1.00港元後,要約即視作已獲接納,而要約涉及之未行使購股權應視為已授出及獲接納並已經生效。

釐訂行使價之基準

認購價須由董事會全權決定並通知參與者,惟不得低於以下三者中之最高者:(i)股份於要約日期(必須為營業日)於聯交所每日報價表所報之收市價;(ii)股份於緊接要約日期前五個營業日於聯交所每日報價表所報之平均收市價;及(iii)股份於要約日期之面值。

二零一五年購股權計劃

於二零一五年五月二十二日(「接納日期」),本公司股東批准新購股權計劃(「二零一五年購股權計劃」)。下文載有二零一五年購股權計劃之概要:

二零一五年購股權計劃之目的及參與者

二零一五年購股權計劃旨在吸引並挽留優秀人才、向本集團之僱員(全職及兼職)、董事、諮詢人、客戶、顧問、分銷商、承建商、供應商、代理、業務夥伴或服務供應商提供額外獎勵以及促進本集團業務之成功(「參與者」)。董事會可全權酌情決定邀請屬本集團任何成員公司上述任何類別人士之任何人士為二零一五年購股權計劃參與者。

可供發行股份之總數

根據二零一五年購股權計劃可能授出的購股權可供發行之股份總數為112,085,221股,佔於本報告日期已發行股份的8.56%。

Report of the Directors 董事會報告

Maximum entitlement of each Participant under the 2015 Share Option Scheme

The total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised and outstanding Options) under the 2015 Share Option Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the Shares in issue.

Time of exercise of the Options

An Option may be exercised by the grantee at any time during the period to be notified by the Board to the grantee (the "Grantee") in the offer of Options (the "Offer"), but in any event shall not exceed 10 years from the date of offer (the "Offer Date").

Minimum holding period

The Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion.

Amount payable on acceptance of the Option

An Offer shall be deemed to have been accepted and an Option to which the Offer relates shall be deemed to have been granted and accepted and to have taken effect when a letter in such form as the Board may from time to time determine signifying acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 7 days from the Offer Date (inclusive of the Offer Date).

Basis of determining the exercise price

The subscription price shall be a price determined solely by the Board and notified to a Participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date; and (iii) the nominal value of a Share on the Offer Date.

Remaining life of the 2015 Share Option Scheme

The 2015 Share Option Scheme shall be valid for a period of 10 years commencing on the Adoption Date.

The principal terms of the 2015 Share Option Scheme were summarised in the Appendix of the circular of the Company dated 5 May 2015.

二零一五年購股權計劃各參與者之最高配額

於截至授出日期止任何12個月期間，已發行及因行使根據二零一五年購股權計劃或本公司任何其他購股權計劃授出之購股權(包括已行使及尚未行使之購股權)而將予發行予每位承授人之股份總數，不得超過已發行股份之1%。

行使購股權之時間

於董事會知會承授人(「承授人」)有關購股權之要約(「要約」)期間內，承授人可隨時行使購股權，惟於任何情況下不得超過要約日期(「要約日期」)起計10年。

最短持有時間

董事會可要約授出任何購股權，並可施加有關須持有購股權之最短期限及/或可行使有關購股權前須達到之表現準則之條款及條件及/或董事會可全權酌情釐定之任何其他條款。

接納購股權之應付款項

當本公司自要約日期(包括要約日期)起計7日內收到承授人正式簽署指明其接納購股權之函件(形式如董事會不時釐定者)連同向本公司支付作為獲授購股權代價之款項1.00港元後，要約即視作已獲接納，而要約涉及之購股權應視為已授出及獲接納並已經生效。

釐訂行使價之基準

認購價須由董事會全權決定並通知參與者，惟不得低於以下三者中之最高者：(i)股份於要約日期(必須為營業日)於聯交所每日報價表所報之收市價；(ii)股份於緊接要約日期前五個營業日於聯交所每日報價表所報之平均收市價；及(iii)股份於要約日期之面值。

二零一五年購股權計劃之餘下年期

二零一五年購股權計劃應自採納日期起計10年內有效。

二零一五年購股權計劃之主要條款於本公司日期為二零一五年五月五日之通函附錄中概述。

Report of the Directors

董事會報告

OUTSTANDING SHARE OPTIONS

Share Option Scheme

As at 31 December 2020, options to subscribe for an aggregate of 63,519,794 Shares granted, which comprise 4,480,000 options granted under the 2003 Share Option Scheme and 59,039,794 options granted under the 2015 Share Option Scheme, were outstanding, details of which were as follows:

尚未行使之購股權

購股權計劃

於二零二零年十二月三十一日，可認購合共63,519,794股股份之購股權尚未行使，當中包括二零零三年購股權計劃授予之4,480,000股購股權及二零一五年購股權計劃授予之59,039,794股購股權，有關詳情如下：

Name of grantee	Date of grant	Exercise price per share	Number of share options				As at 31 December 2020
			As at 1 January 2020	Granted during the period	Exercised during the period	Lapsed during the period	
承授人姓名	授出日期	每股行使價 HK\$ 港元	於二零二零年 一月一日	期內授出	期內行使	期內失效	於二零二零年 十二月三十一日 (Note 1) (附註1)
Directors							
董事							
Liu Jun (note 14)	13 October 2017	6.476	29,930,000			(299,300)	29,630,700
劉軍(附註14)	二零一七年十月十三日						
Zhang Yonghong (note 14)	20 June 2019	4.6	10,000,000			(166,500)	9,833,500
張永紅(附註14)	二零一九年六月二十日						
Liu Xiaodong (note 14)	19 July 2018	4.6	4,000,000			(297,515)	3,702,485
劉小東(附註14)	二零一八年七月十九日						
Senior management							
高級管理層							
Wu Lei (note 14)	19 July 2018	4.6	3,500,000			(120,587)	3,379,413
吳磊(附註14)	二零一八年七月十九日						
Song Bingchen (note 14)	19 July 2018	4.6	3,000,000			(103,360)	2,896,640
宋冰晨(附註14)	二零一八年七月十九日						
Zhao Hong (note 14)	19 July 2018	4.6	1,550,000			(53,403)	1,496,597
趙紅(附註14)	二零一八年七月十九日						
Other employees							
其他僱員							
In aggregate (note 13)	7th April 2010	0.82	188,000		(188,000)		-
合計(附註13)	二零一零年四月七日						
In aggregate (note 2, 13)	28 March 2011	1.108	200,000		(100,000)		100,000
合計(附註2、13)	二零一一年三月二十八日						
In aggregate (note 13)	3 April 2013	4.402	1,500,000				1,500,000
合計(附註13)	二零一三年四月三日						
In aggregate (note 3, 13)	11 November 2013	9.84	3,380,000			(500,000)	2,880,000
合計(附註3、13)	二零一三年十一月十一日						
In aggregate (note 4, 14)	19 July 2018	4.6	18,100,000			(9,999,541)	8,100,459
合計(附註4、14)	二零一八年七月十九日						
Total			75,348,000		(288,000)	(11,540,206)	63,519,794
總計							

Report of the Directors 董事會報告

Notes:

1. Each Option has a 10-year exercise period, which may be exercised after the expiry of twelve months from the date of the grant of Options.

For the Options exercisable at HK\$0.82 granted on 7 April 2010, the relevant grantees may exercise Options up to 50% and 100%, respectively, of the Shares comprised in his or her option (less any number of Shares in respect of which the Option has been previously exercised), commencing from the first and second anniversaries of the date of the grant of Options.

For the Options exercisable at HK\$1.108 granted on 28 March 2011, the relevant grantees may exercise Options up to 50% and 100%, respectively, of the Shares comprised in his or her Option (less any number of Shares in respect of which the Option has been previously exercised), commencing from the first and second anniversaries of the date of the grant of Options.

For the Options exercisable at HK\$9.84 granted on 18 November 2013, the relevant grantees may exercise Options up to 10%, 20%, 40%, 70% and 100%, respectively, of the Shares comprised in his or her Option (less any number of Shares in respect of which the Option has been previously exercised), commencing from the first, second, third, fourth and fifth anniversaries of the date of the grant of Options.

For the Options exercisable at HK\$6.476 granted on 13 October 2017, the relevant grantees may exercise Options up to 20%, 40%, 60%, 80% and 100%, respectively, of the Shares comprised in his or her Option (less any number of Shares in respect of which the Option has been previously exercised), commencing from the first, second, third, fourth and fifth anniversaries of the date of the grant of Options.

For the Options exercisable at HK\$4.60 granted on 19 July 2018, the relevant grantees may exercise Options up to 33.3%, 66.6% and 100%, respectively, of the Shares comprised in his or her Option (less any number of Shares in respect of which the Option has been previously exercised), commencing from the first, second and third anniversaries of the date of the grant of Options.

For the Options exercisable at HK\$4.60 granted on 20 June 2019, the relevant grantees may exercise Options up to 33.3%, 66.6% and 100%, respectively, of the Shares comprised in his Option (less any number of shares of the Company in respect of which the option has been previously exercised), commencing from the first, second and third anniversaries of the date of the grant of Options.

2. 1 employee have been granted Options under the Share Option Scheme to subscribe an aggregate of 100,000 Shares at HK\$1.108 per Share.
3. 13 employees have been granted Options under the Share Option Scheme to subscribe an aggregate of 2,880,000 Shares at HK\$9.84 per Share.
4. 8 employees have been granted Options under the Share Option Scheme to subscribe an aggregate of 8,100,459 Shares at HK\$4.6 per Share.

附註：

1. 每份購股權之行使期為10年，於購股權授出日期起計十二個月屆滿後可予行使。

就於二零一零年四月七日授出可按0.82港元行使之購股權而言，有關承授人於自購股權授出日期第一及第二週年起，最多可分別行使彼所持購股權所涉及股份之50%及100%（扣除過往已行使購股權所涉及之任何股份數目）之購股權。

就於二零一一年三月二十八日授出可按1.108港元行使之購股權而言，有關承授人於自購股權授出日期第一及第二週年起，最多可分別行使彼所持購股權所涉及股份之50%及100%（扣除過往已行使購股權所涉及之任何股份數目）之購股權。

就於二零一三年十一月十八日授出可按9.84港元行使之購股權而言，有關承授人於自購股權授出日期第一、第二、第三、第四及第五週年起，最多可分別行使彼所持購股權所涉及股份之10%、20%、40%、70%及100%（扣除過往已行使購股權所涉及之任何股份數目）之購股權。

就於二零一七年十月十三日授出可按6.476港元行使之購股權而言，有關承授人於自購股權授出日期第一、第二、第三、第四及第五週年起，最多可分別行使彼所持購股權所涉及股份之20%、40%、60%、80%及100%（扣除過往已行使購股權所涉及之任何股份數目）之購股權。

就於二零一八年七月十九日授出可按4.60港元行使之購股權而言，有關承授人於自購股權授出日期第一、第二及第三週年起，最多可分別行使彼所持購股權所涉及股份之33.3%、66.6%及100%（扣除過往已行使購股權所涉及之任何股份數目）之購股權。

就於二零一九年六月二十日授出可按4.60港元行使之購股權而言，有關承授人於自購股權授出日期第一、第二及第三週年起，最多可分別行使彼所持購股權所涉及股份之33.3%、66.6%及100%（扣除過往已行使購股權所涉及之任何股份數目）之購股權。

2. 根據購股權計劃已向1名僱員授出可按每股1.108港元認購合共100,000股股份之購股權。
3. 根據購股權計劃已向13名僱員授出可按每股9.84港元認購合共2,880,000股股份之購股權。
4. 根據購股權計劃已向8名僱員授出可按每股4.6港元認購合共8,100,459股股份之購股權。

Report of the Directors

董事會報告

5. The fair value of Options granted under the Share Option Scheme on 7 April 2010, determined using the Binomial Model valuation model, was approximately RMB12,527,000. The significant inputs into the model were exercise price of HK\$0.82 standard deviation of expected share price returns of 79.8%, expected life of Options ranging from 3.4 to 5.9 years expected dividend paid out rate of 0% and annual risk-free interest rate of 2.865%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
 6. The fair value of Options granted under the Share Option Scheme on 28 March 2011, determined using the Binomial Model valuation model, was approximately RMB1,377,000. The significant inputs into the model were exercise price of HK\$1.108 standard deviation of expected share price returns of 77.4%, expected life of Options ranging from 3.8 to 4.9 years expected dividend paid out rate of 0% and annual risk-free interest rate 2.82%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
 7. The fair value of Options granted under the Share Option Scheme on 3 April 2013, determined using the Binomial Model valuation model, was approximately RMB3,754,000. The significant inputs into the model were exercise price of HK\$4.402 standard deviation of expected share price returns of 75%, expected life of Options ranging from 9.1 to 9.6 years expected dividend paid out rate of 0% and annual risk-free interest rate 1.111%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
 8. The fair value of Options granted under the Share Option Scheme on 18 November 2013, determined using the Binomial Model valuation model, was approximately RMB50,125,000. The significant inputs into the model were exercise price of HK\$9.84 standard deviation of expected share price returns of 71.5%, expected life of Options ranging from 4.7 to 7.9 years expected dividend paid out rate of 0% and annual risk-free interest rate 1.915%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
 9. The fair value of Options granted under the Share Option Scheme on 13 October 2017, determined using the Binomial Model valuation model, was approximately RMB100,356,000. The significant inputs into the model were exercise price of HK\$6.476 standard deviation of expected share price returns of 62%, expected life of Options 4.9 years expected dividend paid out rate of 0.9% and annual risk-free interest rate 1.745%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
5. 使用二項式估值模式計算於二零一零年四月七日根據購股權計劃所授出購股權之公平值約為人民幣12,527,000元。輸入該模式之主要參數為行使價0.82港元、預計股價回報率標準偏差79.8%、購股權預計年期介乎3.4至5.9年不等、預計派息率0%及年度無風險利率2.865%。按照預計股價回報率標準偏差計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
 6. 使用二項式估值模式計算於二零一一年三月二十八日根據購股權計劃所授出購股權之公平值約為人民幣1,377,000元。輸入該模式之主要參數為行使價1.108港元、預計股價回報率標準偏差77.4%、購股權預計年期介乎3.8至4.9年不等、預計派息率0%及年度無風險利率2.82%。按照預計股價回報率標準偏差計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
 7. 使用二項式估值模式計算於二零一三年四月三日根據購股權計劃所授出購股權之公平值約為人民幣3,754,000元。輸入該模式之主要參數為行使價4.402港元、預計股價回報率標準偏差75%、購股權預計年期介乎9.1至9.6年不等、預計派息率0%及年度無風險利率1.111%。按照預計股價回報率標準偏差計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
 8. 使用二項式估值模式計算於二零一三年十一月十八日根據購股權計劃所授出購股權之公平值約為人民幣50,125,000元。輸入該模式之主要參數為行使價9.84港元、預計股價回報率標準偏差71.5%、購股權預計年期介乎4.7至7.9年不等、預計派息率0%及年度無風險利率1.915%。按照預計股價回報率標準偏差計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
 9. 使用二項式估值模式計算於二零一七年十月十三日根據購股權計劃所授出購股權之公平值約為人民幣100,356,000元。輸入該模式之主要參數為行使價6.476港元、預計股價回報率標準偏差62%、購股權預計年期4.9年、預計派息率0.9%及年度無風險利率1.745%。按照預計股價回報率標準偏差計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。

Report of the Directors 董事會報告

- | | |
|--|--|
| <p>10. The fair value of Options granted under the 2015 Share Option Scheme on 19 July 2018, determined using the Binomial Model valuation model, was approximately RMB70,258,000. The significant inputs into the model were exercise price of HK\$4.6 standard deviation of expected share price returns of 70%, expected life of Options 10 years expected dividend paid out rate of 0% and annual risk-free interest rate 2.13%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.</p> | <p>10. 使用二項式估值模式計算於二零一八年七月十九日根據二零一五年購股權計劃所授出購股權之公平值約為人民幣70,258,000元。輸入該模式之主要參數為行使價4.6港元、預計股價回報率標準偏差70%、購股權預計年期10年、預計派息率0%及年度無風險利率2.13%。按照預計股價回報率標準偏差計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。</p> |
| <p>11. In respect of employees resigned during the period whose Options have not been vested, such Options are lapsed, and the share compensation costs recognised previously are credited to condensed consolidated final statement of comprehensive income.</p> | <p>11. 就於期內辭任而其購股權尚未歸屬之僱員而言，有關購股權均已失效，而過往已確認之股份補償成本則計入全年簡明合併綜合收益表。</p> |
| <p>12. The values of Options recognised in share-based compensation reserves are subject to a number of assumptions and with regard to the limitation of the valuation model.</p> | <p>12. 在以股份支付之補償儲備中確認之購股權價值須受多項假設規限，並與估值模式之限制有關。</p> |
| <p>13. The Options were granted under the 2003 Share Option Scheme.</p> | <p>13. 該等購股權根據二零零三年購股權計劃授出。</p> |
| <p>14. The Options were granted under the 2015 Share Option Scheme.</p> | <p>14. 該等購股權根據二零一五年購股權計劃授出。</p> |
| <p>15. The weighted average closing price of the Shares immediately before the date on which these Options were exercised was approximately HK\$1.61 per Share.</p> | <p>15. 於緊接該等購股權獲行使日期前股份加權平均收市價約為每股1.61港元。</p> |

Save as disclosed, no options were granted, lapsed or cancelled during the Year. Details of the value and movement of the share options during the Year are also set out in note 32(c) to the consolidated financial statements for the Year.

除所披露者外，概無任何購股權於年內授出、失效或註銷。有關本年度購股權之價值及變動亦載列於本年度之合併財務報表附註32(c)。

Report of the Directors

董事會報告

Vesting periods and vesting conditions of the Options (granted on 19 July 2018)

The Options granted shall be vested and exercisable subject to the following vesting periods and conditions:

購股權之歸屬期間及歸屬條件(二零一八年七月十九日授予)

授出購股權將根據以下歸屬期間及條件歸屬及可行使：

	Date when the Options become exercisable	Percentage of Shares comprised in the Option which is vested and exercisable (subject to fulfillment of vesting conditions set out in the next column)	Condition 1	Condition 2	Condition 3
	購股權可行使之日期	已歸屬及可行使的購股權所佔股份百分比(須待下一欄所載之歸屬條件獲達成後，方告作實) (Note) (附註)	條件1	條件2	條件3
First tranche of Options	First anniversary date of the Date of Grant (the "First Anniversary Date")	33.3%	The revenue of the Company for the year 2018 reaches RMB10 billion or above.	The Grantee has achieved the performance targets for the year 2018 set out by the department or business unit where he/she belongs.	The Grantee shall remain as an employee of the Group as at the First Anniversary Date
首批購股權	授出日期之第一週年日期(「第一週年日期」)		本公司於二零一八年之銷售收入達人民幣100億元或以上。	承授人達成其所屬部門或業務單位所定二零一八年之績效目標。	承授人於第一週年日期仍屬本集團之僱員
Second tranche of Options	Second anniversary date of the Date of Grant (the "Second Anniversary Date")	33.3%	The revenue of the Company for the year 2019 reaches RMB20 billion or above.	The Grantee has achieved the performance targets for the year 2019 set out by the department or business unit where he/she belongs.	The Grantee shall remain as an employee of the Group as at the Second Anniversary Date
第二批購股權	授出日期之第二週年日期(「第二週年日期」)		本公司於二零一九年之銷售收入達人民幣200億元或以上。	承授人達成其所屬部門或業務單位所定二零一九年之績效目標。	承授人於第二週年日期仍屬本集團之僱員
Third tranche of Options	Third anniversary date of the Date of Grant (the "Third Anniversary Date")	33.4%	The revenue of the Company for the year 2020 reaches RMB30 billion or above.	The Grantee has achieved the performance targets for the year 2020 set out by the department or business unit where he/she belongs.	The Grantee shall remain as an employee of the Group as at the Third Anniversary Date
第三批購股權	授出日期之第三週年日期(「第三週年日期」)		本公司於二零二零年之銷售收入達人民幣300億元或以上。	承授人達成其所屬部門或業務單位所定二零二零年之績效目標。	承授人於第三週年日期仍屬本集團之僱員

Report of the Directors 董事會報告

Notes:

1. If a Grantee fulfills Condition 1 and Condition 3 set out above in the respective vesting period, the Grantee will be entitled to exercise 40% of the respective tranche of Options.
2. If a Grantee fulfills Condition 2 and Condition 3 set out above in the respective vesting period, the Grantee will be entitled to exercise 40% of the respective tranche of Options.
3. If a Grantee fulfills Condition 3, the Grantee will be entitled to exercise 20% of the respective tranche of Options.
4. All the Options will be automatically cancelled if the Grantee fails to fulfil Condition 3 regardless of whether Condition 1 and/or Condition 2 are achieved.
5. In addition to the above vesting conditions, if performance targets set out in Condition 1 or Condition 2 above cannot be fully achieved, the number of Options corresponding to fulfilment of Condition 1 and/or Condition 2 as referred to in notes 1 and 2 above which can be exercisable in the respective vesting period will be further adjusted in the following manner:

Percentage of performance targets achieved 達成績效目標之百分比

100%

70%-99%
70%至99%

Less than 70%
少於70%

附註：

1. 倘承授人於有關歸屬期間達成上文所載之條件1及條件3，承授人將有權行使該批購股權之40%。
2. 倘承授人於有關歸屬期間達成上文所載之條件2及條件3，承授人將有權行使該批購股權之40%。
3. 倘承授人達成條件3，承授人將有權行使該批購股權之20%。
4. 倘承授人未能達成條件3(不論條件1及/或條件2是否達成)，則全部購股權將自動註銷。
5. 除上述歸屬條件外，倘未能全面達成上文條件1或條件2所載之績效目標，上文附註1及2所述達成條件1及/或條件2相應可於有關歸屬期間行使之購股權數目將以下列方式進一步調整：

Percentage of the Options becoming exercisable 可行使之購股權百分比

100%

Proportionate to the percentage of performance targets actually achieved
與實際達成之績效目標百分比成正比

Nil
零

EMPLOYEES' SHARE AWARD SCHEME

On 17th November 2011, the Board adopted an employees' share award scheme (the "Employees' Share Award Scheme) pursuant to which existing shares of the Company will be acquired by the trustee from the market at the cost of the Company and be held in trust for the selected employees until such shares are vested with the relevant selected employees in accordance with the provision of the Employees' Share Award Scheme. For principal terms of the employees' Employees' Share Award Scheme, please refer to the announcement of the Company dated 17th November 2011.

僱員股份獎勵計劃

於二零一一年十一月十七日，董事會採納僱員股份獎勵計劃(「僱員股份獎勵計劃」)，據此，受託人將自市場購入本公司現有股份(費用由本公司承擔)並以信託形式為經選定僱員持有，直至該等股份根據僱員股份獎勵計劃條文歸屬予相關經選定僱員為止。有關僱員股份獎勵計劃之主要條款，請參閱本公司日期為二零一一年十一月十七日之公佈。

Report of the Directors

董事會報告

On 8 July 2019, after the approval of the Renewed Scheme Limit and pursuant to the Scheme, the Board resolved to grant an aggregate of 28,100,000 Shares, representing approximately 2.51% of the total issued share capital of the Company as at the date of the grant, to 26 selected employees, of which 4,000,000 Shares were granted to Mr. Zhang Yonghong, an executive Director and chief executive officer of the Company, and 2,000,000 Shares were granted to Mr. Liu Xiaodong, an executive Director and president of the Company, subject to following the vesting periods and conditions of the grant of the Awarded Shares.

於二零一九年七月八日，於批准更新計劃上限後，根據計劃，董事會議決向26名經選定僱員授出合共28,100,000股股份（相當於本公司於授出日期已發行股本總額約2.51%），其中4,000,000股股份授予本公司執行董事兼首席執行官張永紅先生，而2,000,000股股份授予本公司執行董事兼總裁劉小東先生，惟須受下列授出獎勵股份之歸屬期及條件所限。

Vesting period	Vesting date	Percentage of Awarded Shares to be vested and released to the Selected Employee (subject to fulfillment of vesting conditions set out in the next column) 將歸屬並發放予經選定僱員之獎勵股份百分比（須待下一欄所載之歸屬條件獲達成後，方告作實）	Condition 1	Condition 2
歸屬期	歸屬日期		條件1 (Note 1) (附註1)	條件2 (Note 2) (附註2)
First period	On or after 8 January 2020	40%	The performance targets of the Company for the year 2019 is fully achieved.	The Selected Employee shall remain as an Employee as at 31 December 2019.
第一期	於二零二零年一月八日或之後		本公司二零一九年之績效目標已全面達成。	經選定僱員於二零一九年十二月三十一日仍屬僱員。
Second period	On or after 8 January 2021	30%	The performance targets of the Company for the year 2020 is fully achieved.	The Selected Employee shall remain as an Employee as at 31 December 2020.
第二期	於二零二一年一月八日或之後		本公司二零二零年之績效目標已全面達成。	經選定僱員於二零二零年十二月三十一日仍屬僱員。
Third period	On or after 8 January 2022	30%	The performance target of the Company for the year 2021 is fully achieved.	The Selected Employee shall remain as an Employee as at 31 December 2021.
第三期	於二零二二年一月八日或之後		本公司二零二一年之績效目標已全面達成。	經選定僱員於二零二一年十二月三十一日仍屬僱員。

Report of the Directors 董事會報告

Notes:

1. 50% of the Awarded Shares in each vesting period shall vest in the Selected Employees only if Condition 1 and Condition 2 set out above are fully achieved. If the performance targets set out in Condition 1 above cannot be fully achieved, the number of Awarded Shares to be vested in the respective vesting period will be further adjusted in the following manner:

Percentage of performance targets achieved 達成績效目標之百分比	Percentage of the Awarded Shares to be vested and released to the Selected Employee 將歸屬並發放予經選定僱員之獎勵股份百分比
100%	100%
70%-99% 70%至99%	Proportionate to the percentage of performance targets actually achieved 與實際已達成之績效目標百分比成正比
Less than 70% 少於70%	Nil 零

2. The remaining 50% of the Awarded Shares to be awarded in each vesting period shall vest in the Selected Employees only if Condition 2 is fulfilled. If the Selected Employee ceases to be an Employee before the vesting date of the relevant vesting period, all of the Awarded Shares granted to the Selected Employee for that vesting period and any vesting periods thereafter shall lapse in full.

附註：

1. 於上文所載之條件1及條件2獲全面達成時，各歸屬期之50%獎勵股份方可歸屬於經選定僱員。倘上述條件1所載之業績目標未能全面達成，將於各自歸屬期內歸屬之獎勵股份數目將以下列方式進一步調整：

2. 倘條件2獲達成，將於各歸屬期內授出之餘下50%獎勵股份將可歸屬於經選定僱員。倘經選定僱員於相關歸屬期之歸屬日期前不再為僱員，於該歸屬期內及此後之任何歸屬期向經選定僱員授出之所有獎勵股份將全面失效。

Report of the Directors

董事會報告

Since the adoption date, a total of 74,981,000 shares has been granted up to the date of this report, representing approximately 5.72% of the issued share capital of the Company as at the date of this report. The awarded Shares that remain outstanding as at 31 December 2020 are set out below:

自接納日期起，截至本報告日期已合共授出74,981,000股股份，相當於本報告日期本公司已發行股本約5.72%。於二零二零年十二月三十一日，尚未過戶之獎勵股份載列如下：

Name of Grantee 承授人姓名	Date of grant 授出日期	As at 1 January 2020 於二零二零年 一月一日	Granted during the year 年內授出	Transferred during the year 年內過戶	As at 31 December 2020 於二零二零年 十二月三十一日
Director					
董事					
Zhang Yonghong 張永紅	8 July 2019 二零一九年七月八日	4,000,000			4,000,000
Liu Xiaodong 劉小東	8 July 2019 二零一九年七月八日	2,000,000			2,000,000
Senior management					
高級管理層					
Wu Lei 吳磊	8 July 2019 二零一九年七月八日	1,800,000		(720,000)	1,080,000
Song Bingchen 宋冰晨	8 July 2019 二零一九年七月八日	1,800,000			1,800,000
Zhao Hong 趙紅	8 July 2019 二零一九年七月八日	1,500,000		(600,000)	900,000
Other employees					
其他僱員					
In aggregate 合計	23 November 2011 二零一一年十一月二十三日	2,128,779		(1,343,335)	785,444
	20 August 2012 二零一二年八月二十日	8,351,000			8,351,000
	8 July 2019 二零一九年七月八日	17,000,000		(4,862,320)	12,137,680
Total 總計		38,579,779		(7,525,655)	31,054,124

Report of the Directors 董事會報告

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

As at 31 December 2020, the interests and short positions of substantial Shareholders (not being Directors and the chief executive of the Company) in the Shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

主要股東及其他人士於本公司股份及相關股份之權益及淡倉

於二零二零年十二月三十一日，主要股東（並非董事或本公司行政總裁）於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部須知會本公司及聯交所之權益及淡倉，並須記入本公司根據證券及期貨條例第336條所存置登記冊之權益及淡倉如下：

Name of Shareholder	Class of Shares	Long position	short position	Capacity	Approximate percentage of shareholding as at 31 December 2020 於二零二零年十二月三十一日之股權概約百分比
股東姓名／名稱	股份類別	好倉	淡倉	身份	
Talent Gain Developments Limited	Ordinary 普通股	253,671,964 (note 1) (附註1)		Beneficial owner and Interest in controlled corporation 實益擁有人及受控制公司 權益	19.37%
Digital China Holdings Limited 神州數碼控股有限公司	Ordinary 普通股	253,671,964 (note 1) (附註1)		Interest in controlled corporation 受控制公司權益	19.37%
Ideal South Limited	Ordinary 普通股	80,000,000 (note 2) (附註2)		Beneficial Owner 實益擁有人	6.11%
Wong Luen Hei 黃聯禧	Ordinary 普通股	129,705,000 (note 2) (附註2)		Beneficial owner and Interest in controlled corporation 實益擁有人及受控制公司 權益	9.90%
Fortune Value Investment Holdings Limited		120,000,000 (note 3) (附註3)		Beneficial Owner 實益擁有人	9.16%
Zhu Lemin 朱樂敏		120,000,000 (note 3) (附註3)		Interest in controlled corporation 受控制公司權益	9.16%

Report of the Directors

董事會報告

Notes:

- Such interests in the Company comprise: (1) 230,263,964 Shares held by Talent Gain Developments Limited; and (2) 23,408,000 Shares held by and Unique Golden Limited. Unique Golden Limited is wholly and beneficially owned by Talent Gain Developments Limited, which in turn is wholly and beneficially owned by Digital China (BVI) Limited and indirectly wholly and beneficially owned by Digital China Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 861). Therefore, Talent Gain Developments Limited is deemed to be interested in the Shares held by Unique Golden Limited, and each of Digital China (BVI) Limited and Digital China Holdings Limited is deemed to be interested in the Shares held by Talent Gain Developments Limited and Unique Golden Limited.
- Ideal South Limited is wholly and beneficially owned by Mr. Wong Luen Hei.
- Fortune Value Investment Holdings Limited is wholly and beneficially owned by Mr. Zhu Lemin.

Save as disclosed above, as at 31 December 2020, the Company had not been notified of any interests or short positions of substantial Shareholders or other persons in the shares and underlying shares of the Company which are required to be kept under Section 336 of the SFO.

附註：

- 該等於本公司之權益包括：(1)由 Talent Gain Developments Limited持有之230,263,964股股份；及(2)由 Unique Golden Limited持有之23,408,000股股份。Unique Golden Limited由 Talent Gain Developments Limited全資實益擁有，而Talent Gain Developments Limited則由Digital China (BVI) Limited全資實益擁有並由神州數碼控股有限公司(其股份於聯交所上市(股份代號：861))間接全資實益擁有。因此，Talent Gain Developments Limited被視作於 Unique Golden Limited所持有之股份中擁有權益，而Digital China (BVI) Limited及神州數碼控股有限公司各自被視作於Talent Gain Developments Limited及 Unique Golden Limited所持有之股份中擁有權益。
- Ideal South Limited由黃聯禧先生全資實益擁有。
- Fortune Value Investment Holdings Limited由朱樂敏先生全資實益擁有。

除上文披露者外，於二零二零年十二月三十一日，本公司並不知悉主要股東或其他人士於本公司股份及相關股份中擁有須記入根據證券及期貨條例第336條所存置登記冊之任何權益或淡倉。

Report of the Directors 董事會報告

CONNECTED TRANSACTION/CONTINUING CONNECTED TRANSACTION

The connected transactions of the Company are set out on page 70 in the section headed “Management’s Discussion and Analysis” in this report.

Save as the connected transactions disclosed in this report, all the related party transactions as disclosed in note 45 to the consolidated financial statement did not constitute connected transactions or continuing connected transactions of the Company which are subject to the reporting, announcement or independent shareholders’ approval requirements under chapter 14A of the Listing Rules.

The transactions in note 45(a) to the consolidated financial statement were provided under the service contracts of relevant management and thus were all fully exempted pursuant to Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules from time to time in respect of the aforementioned connected transactions.

There is no continuing connected transactions undertaken by the Group during the year ended 31 December 2020 which is subject to annual review and disclosure requirements pursuant to Chapter 14A of the Listing Rules.

關連交易／持續關連交易

本公司之關連交易載於本報告「管理層討論和分析」一節第70頁。

除於本報告所披露的關連交易外，所有在合併財務報表附註45所披露的關聯人士交易並不構成本公司須按上市規則第14A章遵守申報、公告或獨立股東批准之規定的關連交易或持續關連交易。

合併財務報表附註45(a)中之交易乃根據相關管理層之服務合約提供，故根據上市規則第14A章，有關交易均獲全面豁免。

本公司已就上述關連交易遵守上市規則第14A章項下不時訂立之披露規則。

概無本集團於截至二零二零年十二月三十一日止年度進行之持續關連交易須遵守上市規則第14A章項下年度審閱及披露規定。

Report of the Directors 董事會報告

MAJOR SUPPLIERS AND CUSTOMERS

The Group's customers are mostly small and medium sized enterprises in the PRC and certain well-known companies. The five largest customers of the Group together accounted for less than 30% of the Group's total turnover for the Year. Most of the Group's revenue is derived from B2B trading platform and online products. The major customers of trading platforms include a large number of small and medium sized enterprises and factories. The sales contracts are entered according to orders. Online products mainly consist of B2B member service and online advertising. The sale agreements have a term of one or two years, which, depending on different contracts, shall be renewed by the customers upon such sale agreements expired. As the price of each online product is not significant and the online products are sold to a large number of customers, each customer's contribution towards the Group's revenue is relatively small. Therefore, the Company merely relies on individual customers.

The Group's major suppliers are as follows: (i) the major suppliers of B2B trading platform are large-scale factories and traders; (ii) the suppliers of online products provide search engine and promotion services, allowing our paid members to have a higher exposure of their products by getting more search engine hits and promoting their products and achieving transactions. The five largest suppliers of the Group together accounted for less than 30% of the Group's total purchases for the Year. We currently have four search product suppliers which are leading search engine providers like Baidu and 360 Search and the respective service contracts with them are renewed on a yearly basis.

Save as disclosed in this report, none of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has an interest in the major suppliers or customers noted above.

主要供應商及客戶

本集團之客戶多為中國中小型企業及部分知名品牌公司。本集團五大客戶於本年度合共佔本集團總營業額少於30%。本集團大部分銷售收入來自B2B交易平台及線上產品。交易平台主要客戶大多數屬中小型企業及工廠。依據訂單簽訂銷售合約。線上產品主要包括B2B會員服務及線上廣告。銷售協議之年限期分為一年或兩年，或依不同合約而定，待銷售協議到期後，客戶可重新續簽。由於各線上產品之價格並不高昂且線上產品售予大量客戶，因此各客戶佔本集團銷售收入之比重相對較小。因此，本公司對於單一客戶之依賴程度不高。

本集團之主要供應商為：(i) B2B交易平台主要供應商為大型工廠及貿易商；(ii)線上產品供應商提供搜索引擎及推廣服務，讓我們繳費會員之產品獲得更多搜索引擎點擊次數，從而取得更高曝光率，並可推廣彼等之產品及促成交易。本集團五大供應商於本年度合共佔本集團總採購額少於30%。我們目前有四名搜索產品供應商，該等公司均為首屈一指之搜索引擎供應商，如百度及360搜索等，而我們與該等供應商訂立之相關服務合約乃按年重續。

除本報告內披露者外，概無董事、彼等之聯繫人士或任何股東(就董事所知擁有超過本公司已發行股本5%)於上述主要供應商或客戶擁有權益。

Report of the Directors 董事會報告

AUDIT COMMITTEE

The Company established the Audit Committee on 24 July 2003 with written terms of reference based on the guidelines set out in "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee comprises two independent non-executive Directors, Mr. Zhang Ke and Ms. Qi Yan and a non-executive Director, Mr. Guo Fansheng. Mr. Zhang Ke is the chairman of the Audit Committee.

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, the internal control procedures, the annual results of the Company for the year ended 31 December 2020 and has met with external auditors and discussed the financial matters of the Group that arose during the course of audit for the year ended 31 December 2020. The Audit Committee held 3 meetings during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2020, the Company had complied with the code provisions of the Code.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company total issued share capital was held by the public as at the date of this annual report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors and their respective close associates (as defined in the Listing Rules) has confirmed that none of them had any business or interest in any company that materially competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the year ended 31 December 2020.

審核委員會

本公司已於二零零三年七月二十四日成立具備書面職權範圍之審核委員會。書面職權範圍乃根據香港會計師公會頒佈之「審核委員會有效運作指引」所載指引制定。

審核委員會之主要職責為檢討及監察本集團之財務申報過程及內部監控程序。審核委員會由兩名獨立非執行董事張克先生及祁燕女士以及非執行董事郭凡生先生組成。審核委員會主席由張克先生擔任。

審核委員會已聯同本公司管理層審閱本集團採納之會計原則及常規、內部監控程序、本公司截至二零二零年十二月三十一日止年度之年度業績，以及與外聘核數師會面並討論就截至二零二零年十二月三十一日止年度進行審核期間發現之本集團財務事項。審核委員會於年內共舉行三次會議。

企業管治常規守則

截至二零二零年十二月三十一日止年度，本公司已遵守守則之守則條文。

足夠公眾持股量

根據本公司所得公開資料及就董事所知，直至本年報日期，本公司已發行股本總額至少25%由公眾持有。

董事於競爭業務之權益

截至二零二零年十二月三十一日止年度，各董事及彼等各自之緊密聯繫人士(定義見上市規則)均已確認，彼等概無在與本集團業務構成或可能構成任何重大競爭之任何公司中擁有任何業務或權益，而任何該等人士與本集團利益亦無任何其他利益衝突。

Report of the Directors 董事會報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors a written confirmation or an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the independent non-executive Directors are or have been remained independent.

PERMITTED INDEMNITY

Pursuant to Article 167 of the Articles of Association of the Company, the Directors and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. This indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. Such provisions were in force during the financial year ended 31 December 2020 and remained in force as of the date of this annual report. The Company has also arranged appropriate directors and officers liability insurance in respect of potential legal action against Directors and other officers.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Save for the Huijia Buy-back and as disclosed in this annual report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the shares of the Company during the year ended 31 December 2020.

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. There has been no change in the auditors of the Company for the preceding three years.

獨立非執行董事

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性發出之書面確認函或年度確認函，且本公司認為獨立非執行董事屬或仍屬獨立人士。

准許彌償

根據本公司組織章程細則第167條，董事及本公司其他高級職員可自本公司資產及溢利中獲得彌償及擔保無害，使彼等不會因在各自職位履行其職責或建議職責而作出、應允或遺漏或與之相關之任何行為而理應或可能引致或蒙受之所有訴訟、成本、費用、損失、損害及開支而蒙損，惟此項彌償不得延伸至任何上述人士可能因欺詐或不誠實有關之任何事宜。該等條文於截至二零二零年十二月三十一日止財政年度生效，並於本年報日期維持效力。本公司亦已就董事及其他高級職員可能面臨之法律行動安排適當之董事及高級職員責任險。

優先購股權

本公司組織章程細則或開曼群島法例概無優先購股權之條文，以規定本公司須按比例向本公司現有股東發售新股份。

購買、出售或贖回證券

除慧嘉購回事項外及誠如本年報所披露者，截至二零二零年十二月三十一日止年度，本公司及其任何附屬公司並無購買、出售或贖回本公司任何股份。

核數師

財務報表由羅兵咸永道會計師事務所審計，羅兵咸永道會計師事務所將任滿告退，惟合資格並願意膺選連任。於過去三年，本公司之核數師並無變動。

By Order of the Board
HC Group Inc.
Liu Jun
Chairman

承董事會命
慧聰集團有限公司
 主席
劉軍

Hong Kong, 25 March 2021

香港，二零二一年三月二十五日

Corporate Governance Report

企業管治報告

INTRODUCTION

Maintaining high standards of business ethics and corporate governance practices has always been one of the Company's goals. This corporate governance report describes its corporate governance practices, explains the applications of the principles of the Code on Corporate Governance contained in Appendix 14 of the Listing Rules (the "Code") and deviations, if any.

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2020, the Company has complied with the code provisions of the Code. The Company believes that by achieving high standard of corporate governance, the corporate value and accountability of the Company can be enhanced and the shareholders' interests can be maximised. The Board has continued to monitor and review the Company's progress in respect of corporate governance practices to ensure compliance. Meetings were held throughout the year and where appropriate, circulars and other guidance notes were issued to the Directors and senior management of the Company to ensure awareness to issues regarding corporate governance practices.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions set out in code provision D3.1 of the Code. As at the date of this report, the Board has reviewed and monitored: (a) the Company's corporate governance policies and practices; (b) training and continuous professional development of directors and senior management; (c) the Company's policies and practices on compliance with legal and regulatory requirements; (d) the Company's code of conduct; and (e) the Company's compliance with the Code disclosures requirements.

DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms not less than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the year ended 31 December 2020.

On 20 March 2006, the Board also adopted written guidelines on terms not less than the required standard of dealings for relevant employees in respect of their dealings in the securities of the Company. Prior to the adoption of such an internal code of conduct regarding securities transactions by employees, relevant employees who had in their possession of price-sensitive information were formally briefed on the dealing restrictions in relation to the securities of the Company at management meetings during the reporting period.

序言

本公司一直以維持高水準之商業道德與企業管治常規為目標。本企業管治報告描述其企業管治常規，並解釋上市規則附錄14所載企業管治守則（「守則」）之應用與偏離情況（如有）。

企業管治常規

截至二零二零年十二月三十一日止年度，本公司已遵守守則之守則條文。本公司深信通過維持高水準之企業管治，可以提高本公司之企業價值與問責性，並將股東利益最大化。董事會持續監察並檢討本公司之企業管治常規之合規情況，以保證遵守守則。董事會全年均有召開且於適當之情況下向本公司董事及高級管理人員發出通告與其他指引，以確保其注意企業管治常規相關之事項。

企業管治職能

董事會負責履行守則第D3.1條守則條文所載企業管治職能。於本報告日期，董事會已審閱及監控：(a)本公司企業管治政策及常規；(b)董事及高級管理層人員之培訓及持續專業發展；(c)本公司遵守法律及規管規定之政策及常規；(d)本公司操守守則；及(e)本公司遵守守則披露規定。

董事及僱員之證券交易

本公司已採納有關董事進行證券交易之書面指引，其條款不遜於上市規則附錄10所載買賣準則。本公司經向全體董事明確查詢後，董事於截至二零二零年十二月三十一日止年度一直遵守操守守則與所規定之買賣準則，以及董事進行證券交易之操守守則。

於二零零六年三月二十日，董事會亦採納相關僱員買賣本公司證券之書面指引，其條款不遜於所規定買賣準則。於採納僱員進行證券交易之內部操守守則前，掌握股價敏感資料之相關僱員已於報告期間之管理層會議上獲得正式簡介，得以瞭解關於本公司證券之交易限制。

Corporate Governance Report 企業管治報告

THE BOARD OF DIRECTORS

Composition

As at 31 December 2020 and as at the date of this report, the Board comprises nine (9) Directors, of whom three are executive Directors, three are non-executive Directors and three are independent non-executive Directors. The participation of non-executive Directors in the Board provides the Company with a wide range of expertise and experience, and plays an important role in the work of the Board and brings independent judgement on issues relating to the Company's strategy, performance, conflicts of interest and management process to ensure that the interests of all shareholders of the Company have been duly considered. All Directors have given sufficient time and attention to the affairs of the Company. Each executive Director has sufficient experience to hold the position so as to carry out his/her duties effectively and efficiently.

In full compliance with Rules 3.10(1) and (2), and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with each and every guideline set out in Rule 3.13 of the Listing Rules.

Pursuant to the Code, the Board adopted a board diversity policy (the "Board Diversity Policy"). The Company recognises the benefits of diversity of Board members, and will ensure that the Board has a balance of skills, experiences and diversity of prospect appropriate to the Company's business need prospectus.

The Board as at 31 December 2020 comprised:

Executive Directors

Liu Jun (Chairman), Zhang Yonghong (Chief Executive Officer), Liu Xiaodong (President)

Non-executive Directors

Guo Fansheng, Sun Yang, Lin Dewei

Independent non-executive Directors

Zhang Ke, Zhang Tim Tianwei, Qi Yan

All independent non-executive Directors are identified as such in all corporate communications containing the names of the Directors.

There is no financial, business, family or other material/relevant relationship among any members of the Board.

董事會

組成

於二零二零年十二月三十一日及於本報告日期，董事會由九(9)名董事組成，其中三名為執行董事、三名為非執行董事及三名為獨立非執行董事。董事會中非執行董事之參與為本公司帶來廣泛專業知識及豐富經驗，並在董事會工作中擔當重要角色，且為本公司策略、表現、利益衝突、管理過程等事項提供獨立判斷，以確保充分考慮本公司全體股東之利益。全體董事均能付出足夠時間及精力處理本公司之事務。各執行董事均有足夠之經驗任職，以充分且有效地履行其職責。

為充分遵守上市規則第3.10(1)及(2)條以及3.10A條，本公司已委任三名獨立非執行董事，其中至少一名具備適當之專業資格或會計或相關之財務管理專業知識。本公司已從各獨立非執行董事收到有關獨立性之年度確認函，而本公司認為該等董事均符合上市規則第3.13條所列各項關於獨立性之指引。

根據守則，董事會已採納董事會多元化政策（「董事會多元化政策」）。本公司認同董事會成員多元化之裨益，並將確保董事會擁有均衡技能、經驗及多元化展望，以符合本公司業務所需。

於二零二零年十二月三十一日，董事會成員為：

執行董事

劉軍(主席)、張永紅(首席執行官)、劉小東(總裁)

非執行董事

郭凡生、孫洋、林德偉

獨立非執行董事

張克、張天偉、祁燕

所有載有董事姓名之公司通訊中，已說明全體獨立非執行董事身份。

董事會成員之間概不存在財務、業務、家族或其他重大／相關關係。

Corporate Governance Report 企業管治報告

Board meetings and general meetings

The Board meets in person or through other electronic means of communication at least four times every year. At least 14 days' notice of all board meetings were given to all Directors (unless waived in accordance with the Articles of Association of the Company), who were all given an opportunity to include matters in the agenda for discussion. The Board secretary of the Company (the "Board Secretary") assists the Chairman in preparing the agenda for the meeting, and ensures that all applicable rules and regulations regarding the meetings are observed. The meeting agenda and accompanying board papers are sent to all Directors prior to meetings. During the financial year ended 31 December 2020, 7 Board meetings and 1 general meeting were held and the attendance record of the meetings by each Director is as follows:

	Attendance	
	Board Meetings	General Meetings
Executive Directors		
Liu Jun	7/7	1/1
Zhang Yonghong	7/7	1/1
Liu Xiaodong	7/7	1/1
Non-executive Directors		
Guo Fansheng	5/7	0/1
Li Jianguang	4/4	1/1
Sun Yang	6/7	1/1
Lin Dewei	3/3	N/A
Independent non-executive Directors		
Zhang Ke	7/7	1/1
Zhang Tim Tianwei	7/7	1/1
Qi Yan	6/7	1/1

Notes:

- Two general meetings of the Company were held during the financial year ended 31 December 2020.
- Non-executive Directors (including independent non-executive Directors) have been invited by the Company but some of them were unable to attend the general meetings held during the year due to other engagements. The non-executive Directors actively participates in the Board and will attend the general meetings of the Company if possible.
- Board meetings at which relevant Director is required to abstain pursuant to the Listing Rules and/or the Articles of Association of the Company are excluded.

董事會會議及股東大會

董事會會議每年召開至少四次。董事均親身出席或透過其他電子通訊方法參與。全體董事至少14天前就全部董事會會議接獲通知(惟根據本公司組織章程細則予以豁免者除外)，全體董事均有機會提出商討事項列入會議議程。本公司之董事會秘書(「董事會秘書」)協助主席為會議準備議程，以確保遵守所有有關會議之適用規則及規例。會議議程及相關會議文件均於會議舉行前送交全體董事。截至二零二零年十二月三十一日止財政年度，共召開七次董事會會議及一次股東大會，各董事出席會議之記錄如下：

	出席次數	
	董事會會議	股東大會
執行董事		
劉軍	7/7	1/1
張永紅	7/7	1/1
劉小東	7/7	1/1
非執行董事		
郭凡生	5/7	0/1
李建光	4/4	1/1
孫洋	6/7	1/1
林德偉	3/3	不適用
獨立非執行董事		
張克	7/7	1/1
張天偉	7/7	1/1
祁燕	6/7	1/1

附註：

- 本公司於截至二零二零年十二月三十一日止財政年度舉行兩次股東大會。
- 本公司已邀請非執行董事(包括獨立非執行董事)，惟部分董事因其他事務未能出席年內舉行之股東大會。非執行董事積極參與董事會並將可能在可能情況下出席本公司股東大會。
- 不包括相關董事根據上市規則及/或本公司組織章程細則須放棄表決之董事會會議。

Corporate Governance Report 企業管治報告

During regular meetings of the Board, the Directors discuss and formulate the overall strategies of the Company, monitor financial performances and discuss the annual and interim results, set annual budgets, as well as discuss and decide on other significant matters.

The Board Secretary records the proceedings of each Board meeting in detail by keeping detailed minutes, including all decisions made by the Board together with concerns raised and dissenting views expressed (if any) in the meeting. Drafts of board minutes are circulated to all Directors for comments and approval as soon as practicable after the meeting. All minutes are open for inspection at any reasonable time on request by any Director. All Directors have access to relevant and timely information at all times as the Chairman ensures that management will supply the Board and its committees with all relevant information in a timely manner. The Directors acknowledge their responsibility for preparing the accounts and statement.

Delegation by the Board

The Company has set out the respective functions and responsibilities reserved to the Board and those delegated to management. The Board delegates day to day operations of the Group to executive Directors and senior management while reserving certain key matters for its approval. The Board is responsible for the approval and monitoring of the Company's overall strategies and policies; approval of business plans; evaluating the performance of the Company and oversight of management. It is also responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs.

Decisions of the Board are communicated to the management through executive Directors who have attended the board meetings.

INDUCTION AND PROFESSIONAL DEVELOPMENT

Newly appointed Directors will receive guideline and reference materials to enable them to familiarise with the Group's business operations and the Board's policies.

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills. The Company has circulated to Directors training materials relevant to the directors duties and responsibilities and prepared a training record and the Directors have reviewed the training materials.

在董事會定期會議中，董事商討並制定本公司之整體策略、監察財務表現及商討全年及中期業績、設定年度預算以及商討及作出其他重大決定。

董事會秘書就各董事會會議作出詳細會議記錄，以記錄議程，包括董事會作出之所有決策，以及於會議上提出之任何疑慮及表達之反對意見(如有)。於會議結束後，董事會秘書將於實際可行情況下儘快將董事會會議記錄送交全體董事傳閱，以聽取意見及取得批准。任何董事可在任何合理時段查閱所有會議記錄。主席促使管理層向董事會及其轄下委員會適時提供一切相關資料，以使全體董事能夠在任何情況下均掌握有關及時資料。董事知悉彼等有關編製賬目及報表之責任。

董事會權利之授權

本公司已規定董事會與授予管理層各自職能與職責。董事會委派本集團之日常營運工作予執行董事及高級管理層，同時保留若干主要事項由董事會批准。董事會負責批准及監察本公司之整體策略及政策；批准業務計劃；評估本公司之表現及管理層之監管。董事會亦負責透過指導及監察本公司之事務，促進本公司及其業務之成功。

董事會會透過出席董事會會議之執行董事向管理層傳達其決策。

入職簡報及專業發展

新委任董事將獲發指引及參考資料，以便其熟識本集團業務運作及董事會政策。

本公司鼓勵董事參加持續專業發展，以發展並更新董事之知識和技能。本公司已將與董事職務及職責相關之培訓材料供董事傳閱，並編製培訓記錄，而董事已審閱有關培訓材料。

Corporate Governance Report 企業管治報告

During the reporting period, all Directors have participated in continuous professional development by attending training courses or reading relevant materials on the topics related to corporate governance and regulations, and the individual training record is summarised below:

於報告期間，全體董事已透過出席培訓課程或閱覽主題與企業管治及法規有關之相關材料參與持續專業發展，而個別培訓記錄概述如下：

Attending seminar(s)/ relevant materials		出席會議/ 相關材料	
Executive Directors			
Liu Jun	YES	執行董事 劉軍	是
Zhang Yonghong	YES	張永紅	是
Liu Xiaodong	YES	劉小東	是
Non-executive Directors			
Guo Fansheng	YES	非執行董事 郭凡生	是
Sun Yang	YES	孫洋	是
Lin Dewei	YES	林德偉	是
Independent non-executive Directors			
Zhang Ke	YES	獨立非執行董事 張克	是
Zhang Tim Tianwei	YES	張天偉	是
Qi Yan	YES	祁燕	是

Term of Appointment and Re-election

Under the code provision A.4.1, non-executive Directors should be appointed for a specific term, subject to re-election. Each of the existing non-executive Directors, namely Mr. Guo Fansheng, Mr. Li Jianguang, Mr. Sun Yang, Mr. Zhang Ke, Mr. Zhang Tim Tianwei and Ms. Qi Yan was appointed for a fixed term of one year, subject to rotation and/or re-election at the annual general meeting of the Company, as specified by the Articles of Association of the Company. Under the code provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

任期與重選

根據守則條文A.4.1條規定，非執行董事之委任應有指定任期，並可予重選。各現任非執行董事（即郭凡生先生、李建光先生、孫洋先生、張克先生、張天偉先生及祁燕女士）獲委任一年之固定任期，並根據本公司組織章程細則之規定於本公司股東週年大會上輪值告退及／或重選。守則條文A.4.2條規定，所有為填補臨時空缺而獲委任之董事應在接受委任後之首次股東大會上接受股東選舉，而各董事（包括有指定任期之董事）須最少每三年輪值告退一次。

On 10 November 2006, a special resolution was passed by the shareholders of the Company to approve the amendments to the Company's Articles of Association to ensure compliance with the Code. Pursuant to the amended provisions of the Articles of Associations of the Company, any Director appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

於二零零六年十一月十日，本公司股東通過特別決議案，批准修訂本公司章程細則，以確保遵守守則。根據本公司組織章程細則之經修訂條文，獲董事會委任之董事任期僅至本公司下屆股東大會止（填補空缺之情況下）或直至本公司下屆股東週年大會（為增加董事會席位之情況下），惟屆時合資格於該大會膺選連任。在每屆股東週年大會上，當時三分之一之董事（或倘人數並非三(3)之倍數，則以最接近但不少於三分之一之人數為準）須輪值告退，惟各董事（包括按指定任期委任之董事）須最少每三年輪值告退一次。

Corporate Governance Report 企業管治報告

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Chairman is responsible for ensuring that the Board functions effectively and smoothly. In doing so, the Chairman ensures that good corporate governance practices and procedures are established and followed, and that all Directors are properly briefed and have received all relevant information prior to each meeting.

The Chairman is responsible for overseeing the implementation of corporate strategies of the Company. The chief executive officer of the Company is responsible for overseeing the day-to-day operations of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 March 2006. As at 31 December 2020 and as at the date of this report, the chairman of the Remuneration Committee is Mr. Zhang Ke (independent non-executive Director) and other members include Mr. Liu Jun (executive Director), Mr. Sun Yang (non-executive Director), Mr. Zhang Tim Tianwei (independent non-executive Director) and Ms. Qi Yan (independent non-executive Director).

During the year, the Remuneration Committee was responsible for formulating and recommending the Board in relation to the remuneration policy, determining the remunerations of executive Directors and members of the senior management of the Company, and reviewing and making recommendations on the Company's share option scheme and share award scheme, bonus structure, provident fund and other compensation-related issues. The Remuneration Committee consulted with the Chairman and/or the chief executive officer of the Company on its proposals and recommendations.

主席與首席執行官

守則之守則條文第A.2.1條規定，主席與行政總裁之角色應予區分，不應由一人同時兼任。

主席負責確保董事會有效及順利地運作。主席可藉此確保本公司制定及遵守良好之企業管治常規及程序，及確保全體董事於每次會議前獲悉並收到一切有關資料。

主席負責監督本公司企業策略實施。本公司首席執行官則負責監督本公司日常營運。

薪酬委員會

薪酬委員會於二零零六年三月二十日成立。於二零二零年十二月三十一日及於本報告日期，張克先生(獨立非執行董事)擔任薪酬委員會主席，其他成員包括劉軍先生(執行董事)、孫洋先生(非執行董事)、張天偉先生(獨立非執行董事)及祁燕女士(獨立非執行董事)。

年內，薪酬委員會負責制定薪酬政策及就薪酬政策向董事會提出建議，釐定本公司執行董事及高級管理人員之薪酬，以及檢討本公司之購股權計劃及股份獎勵計劃、分紅機制、公積金與其他薪酬相關事宜，並就此提出建議。薪酬委員會就其建議及推薦意見諮詢本公司主席及／或首席執行官之意見。

Corporate Governance Report 企業管治報告

The Remuneration Committee is provided with other resources enabling it to discharge its duties such as the access to professional advice if and when necessary. For the financial year ended 31 December 2020, the Remuneration Committee held 1 meeting. The individual attendance record of each member is as follows:

Members	Attendance
Liu Jun	1/1
Zhang Ke	1/1
Zhang Tim Tianwei	1/1
Qi Yan	1/1
Sun Yang	1/1

Full minutes of the Remuneration Committee's meetings are properly kept by the Company. In line with practices consistent with meetings of the Board and other committee meetings, draft and final versions of Remuneration Committee meeting minutes are circulated to all members of the Remuneration Committee for comments, approval and record as soon as practicable after each meeting.

At the meetings of the Remuneration Committee held in the period under review, the members of the Remuneration Committee have reviewed the Group's remuneration policy and discussed the remuneration packages of Directors and senior management for the forthcoming financial year.

The emoluments of the Directors and the management are determined based on the operating results of the Company, individual performance and/or prevailing market conditions. The Company has also adopted the share option scheme and share award scheme as an incentive to Directors and senior management.

薪酬委員會獲提供額外資源以履行其職責，包括在需要時諮詢專業意見。截至二零二零年十二月三十一日止財政年度，薪酬委員會共舉行一次會議，各成員之出席記錄如下：

成員	出席次數
劉軍	1/1
張克	1/1
張天偉	1/1
祁燕	1/1
孫洋	1/1

本公司妥為保存薪酬委員會之完整會議記錄。根據董事會及其他委員會會議之慣例，薪酬委員會會議記錄草稿及最終定稿在每次會議後於實際可行情況下儘快送交全體薪酬委員會成員傳閱，以作表達意見、批准及記錄之用。

於回顧期內舉行之薪酬委員會會議上，薪酬委員會成員已檢閱本集團之薪酬政策，並討論下一財政年度董事及高級管理人員之薪酬組合。

董事及管理人員之酬金水平乃根據本公司經營業績、個人表現及／或當時市況釐定。本公司亦已採納購股權計劃及股份獎勵計劃以激勵董事及高級管理人員。

Corporate Governance Report 企業管治報告

NOMINATION COMMITTEE

With effect from 20 March 2012, the Company established the Nomination Committee and written terms of reference of the Nomination Committee have been adopted. As at 31 December 2020 and the date of this report, the chairman of the Nomination Committee was Mr. Liu Jun (executive Director) and other members include Mr. Zhang Ke (independent non-executive Director) and Mr. Zhang Tim Tianwei (independent non-executive Director). The Nomination Committee is responsible for reviewing the structure, size, diversity and composition of the Board, identifying individual suitably qualified to become Board members, selecting or making recommendation to the Board on selection of individuals nominated for directorship, assessing the independence of independent non-executive Directors and making recommendation to the Board on the appointment or reappointment of Directors and succession planning for Directors. During the year ended 31 December 2020, the Nomination Committee also reviewed the structure and composition of the Board.

In August 2013, amendments to the written terms of reference of the nomination committee have been adopted. In deciding the composition of the Board, the Company will consider the Board diversity from various perspectives, including but not limited to sex, age, cultural and academic background, race, professional experience, skills, knowledge and terms of services.

Board nomination policy

The Company has also adopted a Directors nomination policy (“Nomination Policy”) in compliance with the Code, which establishes criteria and procedures for the Nomination Committee to identify and consider individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant skills, experience and diversity of perspectives critical to the Group’s business to enable the Board to make sound and well considered decisions.

Nomination Process

When receiving the proposal to appoint a new Director, the Nomination Committee shall (i) assess the candidate with reference to the selection criteria as set out in the Nomination Policy to determine the eligibility of the candidate to serve as a Director; (ii) if there are more than one desirable candidates, rank them in accordance with the needs of the Company and the merits of each candidate; and (iii) make recommendations to the Board on the appointment of a suitable candidate to serve as a Director (if applicable).

提名委員會

自二零一二年三月二十日起，本公司成立提名委員會，並採納提名委員會之書面職權範圍。於二零二零年十二月三十一日及本報告日期，提名委員會主席為劉軍先生（執行董事），其他成員包括張克先生（獨立非執行董事）及張天偉先生（獨立非執行董事）。提名委員會負責檢討董事會之架構、人數、多元化及組成、識別合資格人士出任董事會成員、挑選及向董事會建議供挑選提名為董事之人士、評核獨立非執行董事之獨立性及就委任或重新委任董事以及董事繼任計劃向董事會作出建議。於截至二零二零年十二月三十一日止年度，提名委員會亦曾檢討董事會之架構及組成。

於二零一三年八月，提名委員會書面職權範圍之修訂已予採納。於釐定董事會組成時，本公司將從多個角度考慮董事會之成員多元化，包括但不限於性別、年齡、文化及學歷背景、種族、專業經驗、技能、知識及服務年期。

董事會提名政策

本公司亦已採納一項董事提名政策（「提名政策」），以遵守守則，其為提名委員會制訂標準及程序，以物色及考慮適當之合資格人士出任董事會成員，並參考已制訂的準則就甄選獲提名擔任董事之人選向董事會作出建議。董事會就甄選及委任新董事負有最終責任。

董事會通過轉授其權力予提名委員會，已盡最大努力確保獲委任至董事會之董事擁有對本集團之業務至關重要之相關技能、經驗及多元化視野，使董事會可作出合理及經深思熟慮之決定。

提名程序

當接獲委任新董事之建議，提名委員會將(i)根據提名政策所載甄選標準釐定候選人是否適合擔任董事，從而對候選人作出評估；(ii)倘有多於一名合適候選人，則根據本公司之需求及各候選人之優點進行排名；及(iii)就委任合適候選人出任董事向董事會提出建議（倘適用）。

Corporate Governance Report 企業管治報告

When a retiring Director, being eligible, offers himself for re-election, the nomination committee shall (i) review the overall contribution and services of the retiring Director and the performance and level of participation of the retiring Director; (ii) assess whether the retiring Director satisfy the selection criteria as set out in the Nomination Policy; and (iii) if considered appropriate make recommendations to the Board, which may make a recommendation to the Shareholders to re-elect the retiring Director at a general meeting.

Selection Criteria

The Nomination Committee will take into account the Board Diversity Policy, a candidate's: (i) character (in terms of his/her honesty, integrity, motivation or reputation); (ii) merits (in terms of his/her qualifications (including professional qualifications)), skills, knowledge, accomplishment and experience related to the business and strategy of the Company and the diversity in gender, age, ethnicity, length of service and skill set of the Board in accordance with Board Diversity Policy of the Company); (iii) business expertise; (iv) whether sufficient time can be devoted to properly discharge its duties as a member of the Board and a member of the board committees; and (v) his/her independence (if an independent non-executive director is being considered).

As at the date of this report, the Board comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors, who come from diversified professional and education backgrounds and one of them is a woman. The Company considers that the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business. The Nomination Committee had reviewed the diversity of the Board during the year ended 31 December 2020 and will continue to review the Board Diversity Policy from time to time to ensure that the Board Diversity Policy is implemented effectively.

The Board shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

For the financial year ended 31 December 2020, the Nomination Committee held 2 meetings. The Individual attendance record of each members is as follows:

Members	Attendance
Liu Jun	2/2
Zhang Ke	2/2
Zhang Tim Tianwei	2/2

當退任董事符合資格並願意重選連任，提名委員會將 (i) 審視退任董事之整體貢獻及服務以及退任董事之表現及參與程度；(ii) 評估退任董事是否符合提名政策所載之甄選標準；及(iii)倘視為合適，則向董事會提出建議，而董事會可就於股東大會上重選退任董事向股東提出建議。

甄選準則

提名委員會將考慮董事會多元化政策、候選人之(i)性格(有關其是否誠實、其誠信、熱誠或聲譽)；(ii)優點(其與本公司業務及策略有關之資格(包括專業資格))、技能、知識、成就及經驗以及根據本公司董事會多元化政策，董事會成員之性別、年齡、種族、服務年期及技能組合是否多元化；(iii)業務專長；(iv)是否可投入足夠時間妥為履行其作為董事會成員及董事委員會成員之職責；及(v)其獨立性(倘考慮一名獨立非執行董事)。

於本報告日期，董事會由九名董事組成，包括三名執行董事、三名非執行董事及三名獨立非執行董事，彼等來自各個不同之專業及教育背景，其中一名為女性。本公司認為董事會擁有均衡之技能、經驗、專長及多元化觀點，以配合本公司業務所需。提名委員會已檢討截至二零二零年十二月三十一日止年度董事會之多元化，並將繼續不時檢討董事會多元化政策，以確保董事會多元化政策得到有效執行。

董事會須定期或按要求檢討及重新評估提名政策及其成效。

截至二零二零年十二月三十一日止財政年度，提名委員會曾舉行兩次會議。各成員之出席記錄如下：

成員	出席次數
劉軍	2/2
張克	2/2
張天偉	2/2

Corporate Governance Report 企業管治報告

AUDIT COMMITTEE AND ACCOUNTABILITY

Management of the Company provides all relevant information and records to the Board enabling the Board to make assessment and to prepare the financial statements and other financial disclosures. In full compliance with Rules 3.21 and 3.23 of the Listing Rules, the audit committee of the Company (“Audit Committee”) was established in July 2003 and is currently chaired by Mr. Zhang Ke (independent non-executive Director). Other members of the Audit Committee include Ms. Qi Yan (independent non-executive Director) and Mr. Guo Fansheng (non-executive Director).

During the year, the Audit Committee’s primary duties include ensuring the Company’s financial statements, annual and interim reports, and the auditor’s report present a true and balanced assessment of the Company’s financial position; reviewing the Company’s financial control, internal control and risk management systems; and reviewing the Company’s financial and accounting policies and practices.

The Audit Committee is provided with sufficient resources enabling it to discharge its duties. For the financial year ended 31 December 2020, the Audit Committee held 3 meetings. The individual attendance record of each member is as follows:

Members	Attendance
Zhang Ke	3/3
Li Jianguang	2/2
Qi Yan	2/3
Guo Fansheng	1/1

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, the internal control procedures, the financial results of the Group during the year ended 31 December 2020 and met with external auditors and discussed the financial matters of the Group that arose during the course of audit during the year ended 31 December 2020. In the opinion of the Audit Committee, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or discussion of the external auditors.

Full minutes of all Audit Committee meetings are properly kept by the Company. In line with practices consistent with meetings of the Board and other committee meetings, draft and final versions of Audit Committee meeting minutes are circulated to all members of the Audit Committee for comments, approval and record as soon as practicable after each meeting.

審核委員會與問責

本公司管理層向董事會提供所有相關資訊與記錄，致使董事會進行評估並編製財務報表及其他財務披露資料。為充分遵守上市規則第3.21及3.23條，本公司於二零零三年七月成立審核委員會（「審核委員會」），目前由張克先生（獨立非執行董事）擔任主席。審核委員會之其他成員包括祁燕女士（獨立非執行董事）及郭凡生先生（非執行董事）。

年內，審核委員會之主要職責包括確保本公司之財務報表、年報及中期報告以及核數師報告真實公平地呈列本公司之財務狀況；檢討本公司之財務監控、內部監控及風險管理制度；及檢討本公司之財務及會計政策以及常規。

審核委員會獲提供足夠資源以履行其職責。截至二零二零年十二月三十一日止財政年度，審核委員會共舉行三次會議。各成員之出席記錄如下：

成員	出席次數
張克	3/3
李建光	2/2
祁燕	2/3
郭凡生	1/1

審核委員會已與本公司管理層一併審閱本集團採納之會計原則及常規、內部監控程序以及本集團截至二零二零年十二月三十一日止年度之財務業績，以及與外聘核數師會面並討論就截至二零二零年十二月三十一日止年度進行審核期間發現之本集團財務事項。審核委員會認為，概無重大不確定事件或情況，可能令本集團持續經營能力嚴重成疑。董事會及審核委員會概無就外聘核數師之甄選、委任、辭任或討論產生爭議。

本公司妥為保存審核委員會之完整會議記錄。根據董事會及其他委員會會議之慣例，審核委員會會議記錄草稿及最終定稿在每次會議後於實際可行情況下儘快送交全體審核委員會成員傳閱，以作表達意見、批准及記錄之用。

Corporate Governance Report 企業管治報告

The Directors' responsibilities for the financial statements and the responsibilities of the external auditors to the shareholders are set out on pages 114 to 122 of this report.

AUDITOR'S REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditors and reviewing any non-audit function performed by external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Company. The Group's external auditor is PricewaterhouseCoopers. The remuneration paid or payable to the external auditor of the Group in relation to the year ended 31 December 2020 comprised fees for audit services of HK\$6,350,000 and non-audit services of HK\$1,400,000.

COMPANY SECRETARY

The Company engages an external service provider to provide company secretarial services and Ms. Kwong Yin Ping Yvonne is appointed as the Company Secretary. The primary contact person in the Company for Ms. Kwong in relation to corporate secretarial matters is Mr. Lu Qingguo, the Board Secretary and the General Counsel of the Company.

Ms. Kwong Yin Ping Yvonne has complied with Rule 3.29 of the Listing Rules in relation to the professional training requirements during the year ended 31 December 2020.

SENIOR MANAGEMENT REMUNERATION

Senior management remuneration by band

The emoluments fell within the following bands:

	No. of individuals 人數	
	2020 二零二零年	2019 二零一九年
HKD2,000,001 to HKD2,500,000 2,000,001港元至2,500,000港元	2	2
HKD2,500,001 to HKD3,000,000 2,500,001港元至3,000,000港元	1	–
HKD3,000,001 to HKD3,500,000 3,000,001港元至3,500,000港元	1	–
HKD5,000,001 to HKD5,500,000 5,000,001港元至5,500,000港元	–	1
HKD5,500,001 to HKD6,000,000 5,500,001港元至6,000,000港元	–	1

董事對財務報表之責任，以及外聘核數師對股東之責任載於本報告第114至122頁。

核數師薪酬

審核委員會負責考慮外聘核數師之委任及審查外聘核數師進行之任何非核數工作，包括有關非核數工作會否對本公司構成任何潛在重大不利影響。本集團外聘核數師為羅兵咸永道會計師事務所。截至二零二零年十二月三十一日止年度，已付或應付本集團外聘核數師之薪酬包括核數服務費用6,350,000港元及非核數服務1,400,000港元。

公司秘書

本公司委任外部服務供應商提供公司秘書服務，鄭燕萍女士獲委任為公司秘書。本公司與鄭女士就公司秘書事宜之主要連絡人士為本公司董事會秘書兼首席法律顧問盧慶國先生。

截至二零二零年十二月三十一日止年度，鄭燕萍女士已遵守上市規則第3.29條有關專業培訓之規定。

高級管理人員薪酬

按組別劃分之高級管理人員酬金
酬金範圍如下：

Corporate Governance Report 企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective risk management and internal control systems for the Group to safeguard the Company's assets and shareholders' interests, as well as for reviewing such systems' effectiveness. The Board conducts review of the Company's internal control systems annually, covering financial, operational and compliance controls and risk management functions. In such review, the Board has considered factors such as changes since the last review; scope and quality of management's monitoring of risks; incidence of significant control failings and weaknesses identified; and effectiveness relating to financial reporting and compliance with the Listing Rules.

On 28 December 2015, the Company adopted the new terms of reference of the Audit Committee in accordance with the amendments to the Corporate Governance Code and Corporate Governance Report made by the Stock Exchange, which is applicable to the accounting period beginning from 1 January 2016. In addition, the Company set up a Group Audit Department in order to enhance the internal control and risk management of the Company.

Each year, external auditors will also report on issues in the Group's internal control and accounting procedure which have come to their attention during the course of their audit, if any.

The Audit Committee periodically considers the risk management and internal control issues raised by the Company's management, if any. The Audit Committee will then review the remedial plans proposed by the management in addressing the issues and will then be submitted to the Board for consideration.

For the year of 2020, having reviewed the effectiveness of the internal control systems, no critical internal control issues have been identified and the internal control systems is considered effective and adequate.

風險管理及內部監控

董事會負責維持本集團穩健及有效之風險管理及內部監控制度，以保障本公司資產及股東之利益，以及檢討該等制度之成效。董事會每年檢討本公司之內部監控制度，包括財務、運作、合規監控及風險管理功能。在該檢討中，董事會考慮到許多因素，包括自上一次檢討後之轉變；管理層監察風險之工作範疇及素質；發生重大監控失誤及發現重大監控弱項之次數；及有關財務報告及遵守上市規則之規定是否有效。

於二零一五年十二月二十八日，本公司根據聯交所制訂之企業管治守則及企業管治報告之修訂本採納審核委員會之新訂職權範圍，該職權範圍適用於自二零一六年一月一日起開始之會計期間。此外，本公司成立集團審核部門，從而加強本公司內部監控及風險管理。

每年，外聘核數師亦將匯報彼等於審核過程中所發現本集團內部監控及問責過程之弱點(如有)。

審核委員會定期考慮本公司管理層所提出的風險管理及內部監控問題(如有)。審核委員會屆時將會審閱管理層就解決有關問題所提出的補救計劃並會將其呈交董事會考慮。

於二零二零年，經檢討內部控制系統之成效，並無發現任何重要內部監控問題，故內部控制系統被視為有效及充分。

Corporate Governance Report 企業管治報告

DIVIDEND POLICY

Pursuant to provision E.1.5 of the Code, the Company should have a policy on payment of dividends.

The Board has adopted a dividend policy (the “Dividend Policy”) to enhance the transparency of dividends distributed by the Company and to facilitate the Shareholders and potential investors to make informed investment decisions.

There is no guarantee or assurance that dividends of any amount will be declared or distributed in any given period and the Company does not have a predetermined dividend payout ratio.

The declaration, payment and form of dividends is at the absolute discretion of the Board, and the final dividend to be declared shall be subject to the approval of the Shareholders, memorandum and articles of association (the “Articles”) of the Company, the laws of Cayman Islands, any other applicable laws and regulations and the provision of this Dividend Policy.

The Board in determining the level of dividends will consider factors including:

1. distributable profits;
2. earnings;
3. current financial position;
4. capital requirements and expense planning;
5. past financial performance;
6. past and forecasted cash flows;
7. business status and strategies;
8. future operations and profitability;
9. shareholder interests; and
10. restrictions on dividend payments (including contractual restrictions, such as restrictions stipulated in any financing agreements).

Subject to Shareholders’ approval at a general meeting and to the relevant laws and regulations of the PRC, any applicable rules and regulations, the Articles and after consideration on the factors above, the Company may also declare interim dividends, final dividends, special dividends and/or any distributions that is considered appropriate by the Board in addition to the annual distributions.

The Board will review the Dividend Policy from time to time.

股息政策

根據守則之守則條文第E.1.5條，本公司應擁有派發股息之政策。

本公司已採納股息政策（「股息政策」）以提高本公司分派股息之透明度，並協助股東及潛在投資者作出知情投資決定。

概不擔保或保證將於任何特定時期建議或宣派任何金額之股息，且本公司並無預設之派息比率。

董事會對宣派、派發及股息之形式擁有絕對酌情權，而末期股息之宣派將須獲股東批准，並受限於本公司之組織章程大綱及細則（「細則」）、開曼群島法律、任何其他適用法律及法規以及本股息政策條文。

董事會釐定股息水平時將考慮以下因素：

1. 可供分派溢利；
2. 盈利；
3. 當前財務狀況；
4. 資金需求及開支計劃；
5. 過往財務表現；
6. 過往及預計現金流量；
7. 業務狀況及策略；
8. 未來營運及盈利能力；
9. 股東權益；及
10. 派發股息之限制（包括合約限制，例如任何融資合同訂明之限制）。

受限於股東大會上之股東批准及相關中國法律及法規、任何適用規則及規例、細則及經考慮上述因素，除年度分派外，本公司亦可能宣派中期股息、末期股息、特別股息及／或任何董事會認為合適之分派。

董事會將不時審閱股息政策。

Corporate Governance Report 企業管治報告

INVESTOR RELATIONS

The Company discloses all necessary information to the shareholders in compliance with the Listing Rules. The Directors host the annual general meeting each year to meet the shareholders of the Company and answer their enquiries (if any). The Directors make their efforts to attend annual general meetings so that they may answer any question raised by the shareholders of the Company.

Save as disclosed in this report, there is no significant change in the memorandum of association and articles of association of the Company during the year ended 31 December 2020.

The proceedings of the annual general meetings are reviewed from time to time to ensure the Company conforms to the best practices regarding corporate governance.

The Company also communicates with its shareholders through its annual, interim and quarterly reports. The Directors, company secretary or other appropriate members of senior management also respond to inquiries from Shareholders and investors promptly.

A Shareholders' communication policy was reviewed and updated on 20 March 2012 to comply with code provision E.1.4 of the Code.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Investor Relations Department of the Company whose contact details are as follows:

7/F, Tower A1, Junhao Central Park Plaza
No. 10 Chaoyang Park South Road
Chaoyang District
Beijing 100026
The People's Republic of China
Email: ir@hcgrou.com
Tel No: (8610) 6592 0059
Fax No: (8610) 6592 0068

Investor Relations Department of the Company handles both telephone and written enquiries from Shareholders from time to time.

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the Shareholders' questions.

投資者關係

為遵守上市規則，本公司向股東披露所有必要資料。董事每年於股東週年大會上會見本公司股東並回答股東詢問(如有)。董事均盡其最大努力出席股東週年大會，以便回答本公司股東之任何提問。

除於本報告披露者外，截至二零二零年十二月三十一日止年度，本公司之組織章程大綱及組織章程細則概無任何重大變動。

本公司不時檢討股東週年大會之程序，以確保本公司已遵守最佳之企業管治守則。

本公司亦透過其年度、中期及季度報告與其股東溝通。董事、公司秘書或其他合適之高級管理人員均會就股東及投資者之問題作出迅速回應。

股東溝通政策已根據守則之守則條文第E.1.4條進行檢討並已於二零一二年三月二十日更新。

股東向董事會提出查詢之程序

股東可隨時以書面透過本公司投資者關係部向董事會提出查詢及疑問，投資者關係部之聯絡詳情如下：

中華人民共和國
北京市
朝陽區
朝陽公園南路10號院
駿豪中央公園廣場A1樓7層(100026)
電郵：ir@hcgrou.com
電話：(8610) 6592 0059
傳真：(8610) 6592 0068

本公司投資者關係部不時處理股東之來電及書面查詢。

在適當情況下，股東之查詢及疑問將轉交董事會及／或本公司相關董事會委員會，以解答股東之提問。

Corporate Governance Report 企業管治報告

Shareholders' right to convene an extraordinary general meeting

Pursuant to Article 58 of the Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for putting Forward Proposals at General Meetings by Shareholders

Pursuant to Article 88 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

The procedures for Shareholders to propose a person for election as a Director is posted on the Company's website at <http://www.hcgroup.com>.

股東召開股東特別大會之權利

根據組織章程細則第58章，董事會可酌情召開股東特別大會。於遞交書面要求日期持有不少於附帶本公司股東大會表決權之本公司實繳股本十分之一之任何一名或以上股東，於任何時間均有權向董事會或公司秘書發出書面要求，以要求董事會召開股東特別大會處理有關要求內所訂明之任何事項；且有關大會應於遞交有關要求後兩(2)個月內舉行。倘於遞交要求後二十一(21)日內董事會未能召開大會，遞交要求人士可以相同形式自行召開有關大會。遞交要求人士因董事會未能召開大會而產生之所有合理費用應由本公司向遞交要求人士償付。

股東於股東大會上提出動議之程序

根據組織章程細則第88條，除非獲董事推薦參選，否則除會上退任董事外，概無任何人士合資格於任何股東大會上參選董事，除非由正式合資格出席大會並於會上投票之股東(並非擬參選人士)簽署通告，其內表明建議提名該人士參選之意向，另外，由獲提名人士簽署通告，表明願意參選。該等通告須呈交總辦事處或過戶登記處，惟該等通告之最短通告期限為至少七(7)日，而呈交該等通告之期間由寄發就該推選所指定之股東大會通告日期起計至不遲於該股東大會舉行日期前七(7)日止。

股東建議人選參選董事之程序於本公司網站 <http://www.hcgroup.com> 刊載。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

Independent Auditor's Report
To the Shareholders of HC Group Inc.
(incorporated in the Cayman Islands with limited liability)

獨立核數師報告
 致慧聰集團有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

What we have audited

The consolidated financial statements of HC Group Inc. (the "Company") and its subsidiaries (the "Group") set out on pages 123 to 312, which comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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 2020, 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.

意見

我們已審計的內容

慧聰集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第123至312頁的綜合財務報表，包括：

- 於二零二零年十二月三十一日的合併財務狀況表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零二零年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

Independent Auditor's Report 獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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.

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

- Impairment assessment of goodwill and other intangible assets
- Measurement of expected credit losses on loans to customers

意見的基礎

我們已根據香港會計師公會頒布的《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「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

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布的《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，認為對本期合併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合併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。

我們在審計中識別的關鍵審計事項概述如下：

- 商譽及其他無形資產減值評估
- 客戶貸款預期信貸虧損計量

Independent Auditor's Report 獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Impairment assessments of goodwill and other intangible assets</p> <p>商譽及其他無形資產減值評估</p> <p>Refer to note 2.12, note 4.1(a) and note 20 to the consolidated financial statements. 請參閱合併財務報表附註2.12、附註4.1(a)及附註20。</p> <p>The Group's goodwill and other intangible assets were allocated to eight cash-generating units "(CGUs)", namely (i) anti-counterfeiting products and services; (ii) online services – B2B2C business; (iii) online services – garment industry; (iv) integrated marketing and advertising services; (v) financing services; (vi) trading services – cotton industry; (vii) electronic appliance e-business; and (viii) new technology retails solution. 貴集團之商譽及其他無形資產已分配至八個現金產生單位(「現金產生單位」)，即(i)防偽產品及服務；(ii)線上服務—B2B2C業務；(iii)線上服務—服裝行業；(iv)整合營銷及廣告服務；(v)融資服務；(vi)交易服務—棉花行業；(vii)電器電子商務；及(viii)新技術零售解決方案。</p> <p>As described in the accounting policies in Note 2.12 to the consolidated financial statements, the Group is required to, at least annually, test goodwill for impairment; and for other intangible assets, the Group is required to test for impairment when there are impairment indicators. 誠如合併財務報表附註2.12之會計政策所述，貴集團須至少每年為商譽進行減值測試；而對於其他無形資產而言，貴集團須於存在減值跡象時，進行減值測試。</p> <p>Management performs the impairment assessments, with support from external valuers, and determines the recoverable amount of each CGU by using value in use calculation ("VIU"). These assessments involved significant management judgements and estimates in the determination of valuation model and the application of assumptions in the model, including forecast revenue growth rate, gross profit margin, terminal growth rate, and cost of equity for discount rate used in the projection period. 在外聘估值師之協助下，管理層進行減值評估並按使用價值法計算(「使用價值」)釐定每個現金產生單位之可收回金額。該等評估涉及管理層於釐定估值模式及於該模式中所應用的假設之重大判斷及估計，包括於預測期間所用之預測銷售收入增長率、毛利率、最終增長率及貼現率之股本成本。</p>	<p>In the evaluation of management's impairment assessments over the goodwill and other intangible assets balance, we have performed the following: 於評價管理層對商譽及其他無形資產結餘所作之減值評估時，我們已進行以下工作：</p> <ul style="list-style-type: none"> • Evaluated the composition of the Group's future cash flow forecasts in developing the VIU calculations of all the CGUs, and the process by which they were drawn up, including testing the underlying calculations and comparing the forecasts to the latest budgets approved by the board of directors; • 評價 貴集團就所有現金產生單位進行使用價值法計算之未來現金流量預測之組成部分及其擬備之過程，包括測試相關計算及將預測與董事會批准之最新預算作出比較； • Understood the impairment triggering events through discussions with management and corroborated management's assessment with supporting • 透過與管理層討論及以證據證實管理層之評估，瞭解導致出現減值之事件 • Assessed the key assumptions including the revenue growth rate and gross profit margin in the forecast with reference to management's development plans and past results of operation of the CGUs; • 參考管理層之發展計劃及現金產生單位之過往經營業績，評估作出的主要假設，包括預測之銷售收入增長率及毛利率； • Assessed the discount rate used in the forecast by comparing to relevant external sources of market data with the assistance of our internal valuation specialists; • 透過內部估值專家之協助，比較相關外部市場數據來源，評估預測所用之貼現率；

Independent Auditor's Report 獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>As a result of the impairment assessment, the Group recognised impairment for the goodwill and other intangible assets over (i) online services – garment industry CGU, (ii) integrated marketing and advertising services CGU and (iii) financing services CGU of RMB37,645,000, RMB47,185,000 and RMB540,693,000 respectively.</p> <p>由於進行減值評估，貴集團就(i)線上服務－服裝行業之現金產生單位、(ii)整合營銷及廣告服務之現金產生單位及(iii)融資服務之現金產生單位確認商譽及其他無形資產減值，分別為人民幣37,645,000元、人民幣47,185,000元及人民幣540,693,000元。</p> <p>For the online services of garment industry CGU and integrated marketing and advertising services CGU, due to fierce competition in the e-commerce industry and the outbreak of COVID, the business transformation plans in these two CGUs cannot be implemented successfully as expected, leading to a substantial decline in the revenue as compared to the prior financial budget. For financing services CGU, due to stricter regulatory requirement and uncertainties in pose, the Group revised the financial budgets after considering the revised business development plan, working capital injection plans, products offering and other risk factors faced by the financing services sector.</p> <p>就服裝行業線上服務之現金產生單位及整合營銷及廣告服務之現金產生單位而言，由於電商行業競爭激烈及COVID爆發，該兩項現金產生單位之業務轉型計劃未能如預期成功實施，導致收入較過往財政預算大幅下降。就融資服務之現金產生單位而言，由於監管規定更加嚴格及存在不確定因素，貴集團考慮到經修訂業務發展計劃、營運資金注資計劃、產品供應及融資服務分部之其他風險因素，貴集團已修改財務預算。</p> <p>After the impairment losses recognised during the year, the Group had goodwill and other intangible assets of RMB1,506,825,000 and RMB320,350,000 respectively as at 31 December 2020. Management concluded that no further impairment would be necessary.</p> <p>於年內確認減值虧損後，於二零二零年十二月三十一日，貴集團之商譽及其他無形資產分別為人民幣1,506,825,000元及人民幣320,350,000元。管理層認為毋須作出進一步減值。</p> <p>We focused on this area because the size of impairment losses recognised during the year was significant and the management's impairment assessments involved significant judgements and estimates.</p> <p>我們專注於此範疇，乃由於本年度確認之減值虧損金額重大，而減值評估過程涉及管理層的重大判斷及估計。</p>	<ul style="list-style-type: none"> Evaluated management's sensitivity analysis on key assumptions to which recoverable amount are most sensitive; and 評價管理層對就大可能對可收回金額構成影響之主要假設所進行之敏感度分析；及 Assessed the competency, capabilities and objectivity of the independent external valuer engaged by management. 評估管理層委任之獨立外聘估值師是否具資格、有能力及立場客觀。 <p>We found management's judgements and estimates applied on the impairment assessments in respect of the goodwill and other intangible assets were supported by available evidence. 我們認為管理層就商譽及其他無形資產所作減值評估的判斷及估計均有證據支持。</p>

Independent Auditor's Report 獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Measurement of expected credit losses on loans to customers 客戶貸款預期信貸虧損計量</p> <p>Refer to note 3.1(b)(iii), note 4.1(e) and note 22 to the consolidated financial statements. 請參閱合併財務報表附註 3.1(b)(iii)、附註4.1(e)及附註22。</p> <p>As at 31 December 2020, the Group had gross loans to customers of financing services business of RMB1,601,442,000 and loss allowance of RMB184,149,000 was recognised. 於二零二零年十二月三十一日，貴集團貸款予融資服務業務客戶之總額為人民幣1,601,442,000元，並已確認虧損撥備人民幣184,149,000元。</p> <p>HKFRS 9 requires the Group to apply a forward-looking expected credit losses (“ECL”) approach. The measurement of ECL requires the application of significant judgement and increased complexity which include the identification of exposures with a significant deterioration in credit quality, and assumptions used in the ECL models. 香港財務報告準則第9號要求貴集團採用前瞻性預期信貸虧損(「預期信貸虧損」)法。預期信貸虧損之計量需要運用重大判斷及更高之複雜性，包括識別信貸質素顯著惡化之風險及於預期信貸虧損模式所用之假設。</p> <p>We focused on this area as to the size of the balance of loans to customer is significant to the consolidated financial statements and the measurement of ECL involved significant judgements and estimates. 我們專注於此範疇，乃由於客戶貸款結餘金額於合併財務報表中屬重大，而預期信貸虧損之計量涉及重大判斷及估計。</p>	<p>In the evaluation of management’s measurement of ECL on loans to customers, we have performed the following: 於評價管理層對客戶貸款之預期信貸虧損計量時，我們已進行以下程序：</p> <ul style="list-style-type: none"> Understood, evaluated and validated the design, implementation and operating effectiveness of key internal controls over the approval, recording and monitoring of loan receivables; 瞭解、評價並核證有關批准、記錄及監控應收貸款之關鍵內部控制之設計、實施及運作成效； Understood, evaluated and validated the design and operating effectiveness of the controls over measurement of ECL of loan receivables, which relate to management’s identification of loss stages and estimation of the amount of provisions; 瞭解、評價並核證應收貸款預期信貸虧損計量控制之設計及運作成效，其涉及管理層識別虧損階段以及就撥備金額作出估算； Obtained and evaluated management’s assessment on the expected credit loss allowance of loan receivables, and assessed the reasonableness of the expected loss rates. We corroborated and validated management’s assessment based on the historical settlement pattern from past years and market research regarding the relevant forward-looking estimate; 取得及評價管理層就應收貸款預期信貸虧損撥備之評估，並評估預期虧損率之合理性。我們按照過往年度之歷史結算方式及就相關前瞻性估計之市場研究，驗證及核證管理層之評估；

Independent Auditor's Report 獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
	<ul style="list-style-type: none"> • Carried out procedures, on a sample basis, to test the accuracy of the aging of loan receivables as at the reporting date used in management's assessment; • 以抽樣方式執程序，測試管理層評估中所用於報告日期之應收貸款賬齡之準確性； • For forward-looking measurement, we assessed the appropriateness of economic indicators selection, economic scenarios and weightings application; and assessed the reasonableness of the estimate by comparing them with industry data; and • 就前瞻性計量而言，我們評估經濟指標選擇、經濟狀況及加權應用之合理性，通過與行業數據進行比較而評估估計之合理性；及 • Checked major data inputs used in the expected credit loss models on sample basis to the Group's record. • 對 貴集團記錄抽樣檢查預期信貸虧損模式所使用的主要數據輸入。 <p>We found the judgements made by the management in relation to the measurement of ECL of loans to customers were supported by available evidence. 我們認為，管理層就客戶貸款預期信貸虧損計量作出之判斷均有證據支持。</p>

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 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.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

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

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

Independent Auditor's Report 獨立核數師報告

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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及審計委員會就合併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布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審計委員會須負責監督 貴集團的財務報告過程。

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併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）報告我們的意見，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合併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 獨立核數師報告

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

(Continued)

As part of an audit in accordance with HKSAAs, 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.
 - 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.
- 核數師就審計合併財務報表承擔的責任(續)
 - 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合併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合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
 - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

Independent Auditor's Report 獨立核數師報告

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

(Continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is KONG Ling Yin, Raymond.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2021

核數師就審計合併財務報表承擔的責任(續)

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是江令言。

羅兵咸永道會計師事務所
執業會計師

香港，二零二一年三月二十五日

Consolidated Statement of Comprehensive Income

合併綜合收益表

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

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
		Note 附註		
Continuing operations	持續經營業務			
Revenue	銷售收入	5	14,392,567	14,628,552
Interest income from financing services	融資服務所得利息收入	5	138,754	119,863
			14,531,321	14,748,415
Cost of revenue	銷售成本	8	(13,741,173)	(13,817,992)
Other income	其他收入	6	15,868	16,240
Other gains, net	其他收益淨額	7	69,784	272,453
Selling and marketing expenses	銷售及市場推廣費用	8	(474,295)	(621,491)
Administrative expenses	行政費用	8	(330,798)	(346,302)
Impairment losses on goodwill and intangible assets	商譽及無形資產減值虧損	20	(578,338)	(38,426)
Net impairment losses of financial assets	金融資產減值虧損淨額	8	(160,691)	(71,683)
Operating (loss)/profit	經營(虧損)/溢利		(668,322)	141,214
Finance cost, net	財務成本淨額	11	(123,532)	(129,661)
Share of post-tax (losses)/profits of associates	分佔聯營公司除稅後(虧損)/溢利	24	(81,181)	13,593
Share of post-tax losses of a joint venture	分佔一間合營企業除稅後虧損	24	(1,537)	(5)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	8	(874,572)	25,141
Income tax credit/(expense)	所得稅抵免/(開支)	12	127,542	(10,069)
(Loss)/profit from continuing operations	持續經營業務的(虧損)/溢利		(747,030)	15,072
Discontinued operations	已終止經營業務			
Loss from discontinued operations	已終止經營業務之虧損	13	(126,238)	(474,837)
Loss for the year	本年度虧損		(873,268)	(459,765)
Other comprehensive (loss)/income: <i>Items that may be reclassified to profit or loss</i>	其他全面(虧損)/收入： 可重新分類至損益之項目			
Currency translation differences	貨幣匯兌差異	33	(621)	2,090
<i>Items that will not be reclassified to profit or loss</i>	將不會重新分類至損益之項目			
Fair value gain/(loss) on financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產之公平值收益/(虧損)			
– Group	– 本集團	33	17,031	1,100
– Associate	– 聯營公司	33	(9,977)	6,716
Currency translation differences for financial assets through other comprehensive income	計入其他全面收入之金融資產之貨幣匯兌差異	33	(4,232)	1,423
Total comprehensive loss for the year, net of tax	本年度全面虧損總額，扣除稅項		(871,067)	(448,436)

Consolidated Statement of Comprehensive Income

合併綜合收益表

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

	Note 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
Loss for the year attributable to: Equity holders of the Company	下列人士應佔本年度虧損： 本公司權益持有人	(745,537)	(376,490)
Non-controlling interests	非控股權益	(127,731)	(83,275)
		(873,268)	(459,765)
Loss for the year attributable to the equity holders of the Company arises from:	來自下列業務之本公司權益 持有人應佔本年度虧損：		
Continuing operations	持續經營業務	(623,473)	(16,529)
Discontinued operations	已終止經營業務	(122,064)	(359,961)
		(745,537)	(376,490)
Total comprehensive loss for the year attributable to:	下列人士應佔本年度全面 虧損總額：		
Equity holders of the Company	本公司權益持有人	(743,336)	(365,161)
Non-controlling interests	非控股權益	(127,731)	(83,275)
		(871,067)	(448,436)
Total comprehensive loss for the year attributable to the equity holders of the Company arises from:	來自下列業務之本公司權益 持有人應佔本年度全面虧 損總額：		
Continuing operations	持續經營業務	(621,272)	(5,200)
Discontinued operations	已終止經營業務	(122,064)	(359,961)
		(743,336)	(365,161)
Loss per share for loss from continuing operations attributable to the equity holders of the Company (expressed in RMB per share)	本公司權益持有人應佔持續 經營業務的每股虧損 (以每股人民幣列值)		
Basic loss per share	每股基本虧損	(0.5033)	(0.0148)
Diluted loss per share	每股攤薄虧損	(0.5033)	(0.0148)
Loss per share for loss attributable to the equity holders of the Company (expressed in RMB per share)	本公司權益持有人應佔 每股虧損 (以每股人民幣列值)		
Basic loss per share	每股基本虧損	(0.6018)	(0.3360)
Diluted loss per share	每股攤薄虧損	(0.6018)	(0.3360)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述合併綜合收益表應與隨附附註一併閱讀。

Consolidated Statement of Financial Position

合併財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

		As at 31 December 於十二月三十一日	
		2020 二零二零年	2019 二零一九年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
Assets	資產		
Non-current assets	非流動資產		
Investment properties	投資物業	17	134,348
Property, plant and equipment	物業、廠房及設備	19	40,808
Right-of-use assets	使用權資產	16(a)	44,630
Intangible assets	無形資產	20	1,827,175
Long term deposits and prepayments	長期按金及預付款項	21	884
Loans and interest receivables	應收貸款及利息	22	571,438
Deferred income tax assets	遞延所得稅資產	38	50,692
Investments accounted for using equity method	採用權益法列賬之投資	24	896,390
Finance lease receivables	融資租賃應收款項	29	79,994
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	27	80,716
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	27	20,234
Total non-current assets	非流動資產總值	3,747,309	4,926,188
Current assets	流動資產		
Completed properties held for sale	持作銷售竣工物業	18	-
Finance lease receivables	融資租賃應收款項	29	297,641
Loans and interest receivables	應收貸款及利息	22	945,377
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	21	731,720
Trade receivables	應收賬款	21	478,284
Contract related assets	合約相關資產	5(b)	2,802
Inventories	存貨	30	153,455
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	27	-
Restricted bank deposit	受限制銀行存款	31	25,848
Cash and cash equivalents	現金及現金等值物	31	254,301
Total current assets	流動資產總值	2,889,428	3,500,285
Total assets	總資產	6,636,737	8,426,473
Equity	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Share capital	股本	32	120,977
Other reserves	其他儲備	33	3,366,441
Retained earnings	留存收益		31,404
Non-controlling interests	非控股權益		3,518,822
Total equity	總權益		506,957
			4,023,171
			706,541
			4,729,712

Consolidated Statement of Financial Position

合併財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

		As at 31 December	
		於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note		
	附註		
Liabilities	負債		
Non-current liabilities	非流動負債		
Non-current portion of bank borrowings	銀行借貸之非流動部分	36	280,228
Non-current portion of other borrowings	其他借貸之非流動部分	36	-
Lease liabilities	租賃負債	16(a)	17,599
Deferred government grants	遞延政府補助	34	-
Deferred income tax liabilities	遞延所得稅負債	38	73,581
Total non-current liabilities	非流動負債總額		371,408
Current liabilities	流動負債		
Trade payables	應付賬款	35	478,940
Accrued expenses and other payables	應計費用及其他應付款項	35	166,059
Contract liabilities	合約負債	5(b)	552,039
Current portion of bank borrowings	銀行借貸之流動部分	36	615,080
Current portion of other borrowings	其他借貸之流動部分	36	340,959
Lease liabilities	租賃負債	16(a)	15,050
Deferred government grants	遞延政府補助	34	1,600
Convertible bonds – liabilities portion	可換股債券 – 負債部分	37	-
Other taxes payables	其他應繳稅項	39	2,980
Income tax payables	應繳所得稅	39	66,843
Total current liabilities	流動負債總額		2,239,550
Total liabilities	總負債		2,610,958
Total equity and liabilities	總權益及負債		6,636,737

The consolidated financial statements on pages 123 to 312 were approved by the Board of Directors on 25 March 2021 and were signed on its behalf.

第123至312頁之合併財務報表於二零二一年三月二十五日獲董事會批准並由下列董事代表董事會簽署。

LIU Jun
Director
劉軍
董事

ZHANG Yonghong
Director
張永紅
董事

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

上述合併財務狀況表應與隨附附註一併閱讀。

Consolidated Statement of Changes in Equity

合併權益變動表

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

		Attributable to the equity holders of the Company					Non-controlling interests	Total
		本公司權益持有人應佔						
		Share capital	Other reserves	Retained earnings	Sub-total			
		股本	其他儲備	留存收益	小計	非控股權益	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	103,625	3,092,149	1,141,955	4,337,729	883,895	5,221,624	
Effect on adoption of HKFRS 16	採納香港財務報告準則第16號之影響	-	-	(2,146)	(2,146)	(4,589)	(6,735)	
Balance at 1 January 2019	於二零一九年一月一日之結餘	103,625	3,092,149	1,139,809	4,335,583	879,306	5,214,889	
Comprehensive loss	全面虧損							
Loss for the year	本年度虧損	-	-	(376,490)	(376,490)	(83,275)	(459,765)	
Other comprehensive income	其他全面收入							
Fair value loss on financial assets at fair value through other comprehensive income, net of deferred tax	按公平值計入其他全面收入之金融資產之公平值虧損，扣除遞延稅項	-	7,816	-	7,816	-	7,816	
Currency translation differences	貨幣匯兌差異	-	3,513	-	3,513	-	3,513	
Total comprehensive loss	全面虧損總額	-	11,329	(376,490)	(365,161)	(83,275)	(448,436)	
Transactions with owners	與權益持有人進行之交易							
Buy-back of shares	購回股份	(97)	(2,840)	(97)	(3,034)	-	(3,034)	
Exercise of share options	行使購股權	110	785	-	895	-	895	
Share based compensation	以股份支付之補償	-	80,685	-	80,685	-	80,685	
Share purchase under share award scheme	股份獎勵計劃下的股份購買	-	(21,247)	-	(21,247)	-	(21,247)	
Redemption of convertible bonds – equity	贖回可換股債券－股權部分	-	(3,364)	3,364	-	-	-	
Contribution from non-controlling shareholders of subsidiaries	附屬公司非控股股東之注資	-	-	-	-	7,158	7,158	
Transactions with non-controlling interests	與非控股權益進行之交易	-	(4,550)	-	(4,550)	(5,164)	(9,714)	
Dividend paid to non-controlling interests of a subsidiary	向一間附屬公司之非控股權益派付之股息	-	-	-	-	(2,554)	(2,554)	
Deregistration of subsidiaries	註銷附屬公司	-	-	-	-	(3,204)	(3,204)	
Deemed disposal of Zhongmo Group (note 26(c))	視作出售中模集團(附註26(c))	-	-	-	-	(85,726)	(85,726)	
Total transactions with owners	與權益持有人進行之交易總額	13	49,469	3,267	52,749	(89,490)	(36,741)	
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	103,638	3,152,947	766,586	4,023,171	706,541	4,729,712	

Consolidated Statement of Changes in Equity

合併權益變動表

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

		Attributable to the equity holders of the Company				Non-controlling	
		本公司權益持有人應佔					
		Share capital	Other reserves	Retained earnings	Sub-total	interests	Total
		股本	其他儲備	留存收益	小計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2020	於二零二零年一月一日之結餘	103,638	3,152,947	766,586	4,023,171	706,541	4,729,712
Comprehensive loss	全面虧損						
Loss for the year	本年度虧損	-	-	(745,537)	(745,537)	(127,731)	(873,268)
Other comprehensive income/(loss)	其他全面收入/(虧損)						
Fair value gain on financial assets at fair value through other comprehensive income, net of deferred tax	按公平值計入其他全面收入之金融資產之公平值收益，扣除遞延稅項	-	7,054	-	7,054	-	7,054
Currency translation differences	貨幣匯兌差異	-	(4,853)	-	(4,853)	-	(4,853)
Total comprehensive loss	全面虧損總額	-	2,201	(745,537)	(743,336)	(127,731)	(871,067)
Transactions with owners	與權益持有人進行之交易						
Issuances of new shares	發行新股份	18,310	200,116	-	218,426	-	218,426
Buy-back of shares	購回股份	(997)	(12,360)	(997)	(14,354)	-	(14,354)
Exercise of share options	行使購股權	26	214	-	240	-	240
Share based compensation	以股份支付之補償	-	60,496	-	60,496	-	60,496
Share purchase under share award scheme	股份獎勵計劃下的股份購買	-	(17,577)	-	(17,577)	-	(17,577)
Early redemption of convertible bonds – equity portion	提早贖回可換股債券－股權部分	-	(12,359)	11,352	(1,007)	-	(1,007)
Contribution from non-controlling shareholders of subsidiaries	附屬公司非控股股東之注資	-	-	-	-	27,817	27,817
Transactions with non-controlling interests	與非控股權益進行之交易	-	(7,237)	-	(7,237)	9,128	1,891
Dividend paid to non-controlling interests of a subsidiary	向一間附屬公司之非控股權益派付之股息	-	-	-	-	(308)	(308)
Partial disposal of JDSJ Group (note 26(a))	部分出售家電世界集團(附註26(a))	-	-	-	-	(5,269)	(5,269)
Disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團(附註26(b))	-	-	-	-	(101,728)	(101,728)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	(1,493)	(1,493)
Total transactions with owners	與權益持有人進行之交易總額	17,339	211,293	10,355	238,987	(71,853)	167,134
Balance at 31 December 2020	於二零二零年十二月三十一日之結餘	120,977	3,366,441	31,404	3,518,822	506,957	4,025,779

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

上述合併權益變動表應與隨附附註一併閱讀。

Consolidated Cash Flow Statement

合併現金流量表

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

			2020	2019
		Note	二零二零年	二零一九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Cash flows from operating activities	經營業務之現金流量			
Cash generated from operations	經營產生之現金	40(a)	406,933	105,836
Interest received	已收利息		18,551	13,785
Interest paid	已付利息		(197,706)	(138,136)
The People's Republic of China ("PRC") income tax paid	已付中華人民共和國(「中國」)所得稅		(20,713)	(41,561)
Net cash generated from/(used in) operating activities	經營活動產生/(所用)之現金淨額		207,065	(60,076)
Cash flows from investing activities	投資活動之現金流量			
Payment for acquisition of subsidiaries, net of cash acquired	就收購附屬公司之付款 (扣除購入之現金)	23	-	(35,742)
Cash inflow arising from partial disposal of JDSJ Group, net of cash disposed	部分出售家電世界集團產生之現金流入, 扣除出售現金	26(a)	58,710	-
Cash inflow arising from disposal of Huicong Tianjin Group, net of cash disposed	出售慧聰天津集團產生之現金流入, 扣除出售現金	26(b)	15,854	-
Cash and cash equivalents derecognised at deemed disposal of Zhongmo Group	視作出售中模集團時終止確認之現金及現金等值物	26(c)	-	(6,190)
Cash inflow arising from disposal of subsidiaries, net of cash disposed	出售附屬公司產生之現金流入, 扣除出售現金		41,727	-
Additions of property, plant and equipment	添置物業、廠房及設備	19	(8,482)	(130,039)
Additions of intangible assets	添置無形資產	20	(18)	(773)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	40(b)	726	925
Proceeds from disposal of investment properties	出售投資物業所得款項	17	117,223	-
Proceeds from disposal of associates	出售聯營公司所得款項		357	1,890
Proceeds from disposal of financial assets at fair value through other comprehensive income	出售按公平值計入其他全面收入之金融資產所得款項		17,600	15,000
Dividend received	已收股息		18,440	23,030
Loans to investment accounted for using the equity method	貸款予採用權益法列賬之投資		(132,817)	(22,427)
Loan repayment received from investment accounted for using the equity method	已收採用權益法列賬之投資償還貸款		55,052	9,100
Additions of investment accounted for using the equity method	增加採用權益法列賬之投資	24	(5,360)	(65)
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額		179,012	(145,291)

Consolidated Cash Flow Statement

合併現金流量表

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

			2020	2019
		Note	二零二零年	二零一九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Cash flows from financing activities	融資活動產生之現金流量			
Issuance of new shares	發行新股	32(b)	218,426	-
Buy-back of shares	購回股份	32(a)	-	(3,034)
Purchase of shares under share award scheme	股份獎勵計劃下的股份購買		(17,577)	(21,247)
Exercise of share options	行使購股權		240	895
Repayment for the redemption of convertible bond	贖回可換股債券之還款		(84,374)	(43,280)
Proceeds from bank borrowings	銀行借貸所得款項		783,049	919,400
Proceeds from other borrowings	其他借貸所得款項		316,774	660,272
Repayment of bank borrowings	償還銀行借貸		(1,332,549)	(546,156)
Repayment of other borrowings	償還其他借貸		(576,431)	(823,848)
Repayment of lease liabilities	償還租賃負債		(48,215)	(73,963)
Capital contribution from non-controlling interests	非控股權益注資		27,817	7,158
Transactions with non-controlling interests	與非控股權益進行之交易		1,891	(9,714)
Dividend paid to non-controlling interests of subsidiaries	向附屬公司之非控股權益派付之股息		(308)	(2,554)
Decrease in restricted bank deposit	受限制銀行存款減少		247,995	-
			(463,262)	63,929
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額		(77,185)	(141,438)
Cash and cash equivalents at beginning of the year	於年初之現金及現金等值物		331,893	471,672
Exchange (loss)/gain on cash and cash equivalents	現金及現金等值物之匯兌(虧損)/收益		(407)	1,659
Cash and cash equivalents at end of the year	於年終之現金及現金等值物	31	254,301	331,893

The above consolidated cash flow statement should be read in conjunction with the accompany notes.

上述合併現金流量表應與隨附附註一併閱讀。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

1 GENERAL INFORMATION

HC Group Inc. (the “Company”) is a limited liability company incorporated in the Cayman Islands. The address of its registered office is 4th Floor, One Capital Place, P.O. Box 847 George Town, Grand Cayman, Cayman Islands. The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the following activities in the PRC:

- Providing industrial internet trading platform and advertising services through its B2B website “hc360.com” and offering comprehensive IT-related product information by “zol.com.cn”;
- Sales of goods through its B2B trading platforms;
- Providing SaaS (Software as a Service) services in 3C industrial internet and new technology retail solutions in PRC;
- Providing anti-counterfeiting products and services and supply chain management to enterprises;
- Engaging in finance business; including micro-credit financing, lease financing and factoring services;
- Hosting exhibitions and seminars.

During the year ended 31 December 2020, the Group decided to discontinue the operation of integrated marketing and advertising services operated by Huijia Yuantian Limited, a wholly subsidiary of the Group and the operation of the O2O business exhibition centre segment. In accordance with HKFRS 5, the financial results of Huijia Yuantian Limited, the segment of O2O business exhibition centre and the relevant impairment expenses for the years ended 31 December 2020 and 2019 were classified as discontinued operations in the Group’s consolidated financial statements.

Certain comparative amounts have been reclassified to conform with current year presentation.

These consolidated financial statements are presented in thousands of units of Renminbi (RMB’000), unless otherwise stated.

1 一般資料

慧聰集團有限公司(「本公司」)是一間於開曼群島註冊成立之有限公司，其註冊辦事處位於4th Floor, One Capital Place, P.O. Box 847 George Town, Grand Cayman, Cayman Islands。本公司於香港聯合交易所有限公司(「聯交所」)主板第一上市。

本公司為一間投資控股公司。本公司及其附屬公司(統稱為「本集團」)於中國主要從事以下活動：

- 透過其B2B網站「hc360.com」提供產業互聯網交易及廣告服務，並透過利用「zol.com.cn」提供全面之IT相關產品信息；
- 透過其B2B交易平台銷售貨品；
- 於中國提供3C工業網絡SaaS(軟件即服務)服務及新技術零售解決方案；
- 向企業提供防偽產品及服務以及供應鏈管理；
- 從事金融業務，包括小額貸款融資、融資租賃及保理服務；
- 舉辦展覽及研討會。

截至二零二零年十二月三十一日止年度，本集團決定終止本集團全資附屬公司慧嘉元天有限公司經營的整合營銷及廣告服務業務以及O2O商業展覽中心事業群的營運。根據香港財務報告準則第5號，截至二零二零年及二零一九年十二月三十一日止年度，慧嘉元天有限公司的財務業績、O2O商業展覽中心事業群及相關減值開支已於本集團合併財務報表分類為已終止經營業務。

若干比較金額已獲重新分類以與本年度之呈列一致。

除另有說明外，該等合併財務報表以人民幣千元列值。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of HC Group Inc. and its subsidiaries.

2.1 Basis of preparation

(i) Compliance with HKFRS

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are measured at fair value.

(iii) New and amended standards and framework adopted by the Group

The Group has applied the following standards and amendments to HKFRS issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time for their annual reporting period commencing 1 January 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Hedge accounting
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

2 主要會計政策概要

除另有說明外，該等政策均貫徹應用於所呈報之所有年度。合併財務報表是為本集團(由慧聰集團有限公司及其附屬公司組成)而作出。

2.1 編製基準

(i) 遵守香港財務報告準則

本集團合併財務報表已按照香港財務報告準則(「香港財務報告準則」)編製。

(ii) 歷史成本法

除按公平值計入其他全面收入之金融資產及按公平值計入損益之金融資產按公平值計量外，合併財務報表乃按照歷史成本基準編製。

(iii) 本集團所採納之新訂及經修訂準則及框架

於二零二零年一月一日開始之年度報告期間，本集團已首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之準則及香港財務報告準則之修訂本：

香港財務報告準則第3號(修訂本)	業務之定義
香港會計準則第1號及香港會計準則第8號(修訂本)	重大之定義
香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號(修訂本)	對沖會計處理
二零一八年財務報告概念框架	經修訂財務報告概念框架

上文所列修訂本對先前期間已確認之金額並無任何影響，且預期不會對本期間或未來期間造成重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.1 Basis of preparation (Continued)

(iv) *New and amended standards, interpretation and accounting guidance issued but not yet effective*

Certain new and amended standards, interpretation and accounting guidance have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group.

2.1 編製基準(續)

(iv) *已頒佈但尚未生效之新訂及經修訂準則、詮釋及會計指引*

於二零二零年十二月三十一日報告期間內已頒佈但並未強制生效且本集團並無提前採納之若干新訂及經修訂準則、詮釋及會計指引。

		Effective for accounting periods beginning on or after 於該日或之後之 會計期間開始生效
Amendments to HKFRS 16 香港財務報告準則第16號(修訂本)	Covid-19-Related Rent Concessions 與COVID-19有關之租金優惠	1 June 2020 二零二零年六月一日
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 香港會計準則第39號、 香港財務報告準則第4號、 香港財務報告準則第7號、 香港財務報告準則第9號及 香港財務報告準則第16號(修訂本)	Interest Rate Benchmark Reform – Phase 2 利率基準改革 – 第二階段	1 January 2021 二零二一年一月一日
Amendments to HKFRS 3, HKAS 16 and HKAS 37 香港財務報告準則第3號、 香港會計準則第16號及 香港會計準則第37號(修訂本)	Narrow-scope amendments 狹義修訂	1 January 2022 二零二二年一月一日
Annual improvements 2018-2020 cycle 二零一八年至二零二零年週期之年度改進	Improvements to HKFRSs 香港財務報告準則之改進	1 January 2022 二零二二年一月一日
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations 就共同控制合併採納合併會計法	1 January 2022 二零二二年一月一日
經修訂會計指引第5號	Classification of Liabilities as Current or Non-current 將負債分類為流動或非流動	1 January 2023 二零二三年一月一日
Amendments to HKAS 1 香港會計準則第1號(修訂本)	Insurance contracts 保險合約	1 January 2023 二零二三年一月一日

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.1 Basis of preparation (Continued)

(iv) *New and amended standards, interpretation and accounting guidance issued but not yet effective*

(Continued)

2.1 編製基準(續)

(iv) *已頒佈但尚未生效之新訂及經修訂準則、詮釋及會計指引(續)*

		Effective for accounting periods beginning on or after 於該日或之後之 會計期間開始生效
HKFRS 17 香港財務報告準則第17號	Insurance contracts 保險合約	1 January 2023 二零二三年一月一日
Revised Hong Kong Interpretation 5 (2020) 經修訂香港詮釋第5號(二零二零年)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause 財務報表之呈列 – 借款人對包含隨時要求償還條 文之定期貸款之分類	1 January 2023 二零二三年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及 香港會計準則第28號(修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營企業之間之資產出售 或注資	To be determined 待釐定

None of these new and amended standards, interpretation and accounting guidance are expected to have a material impact on the Group's consolidated financial statements.

預期該等新訂及經修訂準則、詮釋及會計指引均不會對本集團的合併財務報表造成重大影響。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.2 Principles of consolidation and equity accounting

(i) Subsidiaries

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.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.3). Intercompany 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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(ii) 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 (see (iv) below), after initially being recognised at cost.

2.2 合併及股權會計處理原則

(i) 附屬公司

附屬公司為本集團對其擁有控制權之所有實體(包括結構實體)。當本集團透過參與實體之業務而就可變回報承擔風險或享有當中權利及有能力通過其權力指導實體活動從而影響該等回報時，則本集團可控制該實體。附屬公司自控制權轉移至本集團之日起悉數合併。其於控制權終止之日終止合併。

本集團之業務合併採用會計收購法入賬(請參閱附註2.3)。公司間之交易、結餘及集團公司間交易之未變現收益予以對銷。除非交易提供證據證明所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已按需要作出改動，以確保與本集團採納之政策保持一致。

附屬公司之業績及權益中之非控股權益分別於合併綜合收益表、合併權益變動表及合併財務狀況表中單獨列示。

(ii) 聯營公司

聯營公司指本集團對其有重大影響力但並無控制權或聯合控制權之所有實體。一般而言，本集團持有20%至50%之投票權。於初步按成本確認後，於聯營公司之投資以權益會計法入賬(請參閱下文(iv))。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

2.2 Principles of consolidation and equity accounting (Continued)

2.2 合併及股權會計處理原則(續)

(iii) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has both joint operations and joint ventures.

Interests in joint ventures are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost in the consolidated statement of financial positions.

(iv) Equity accounting

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 and joint ventures 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.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.13.

(iii) 聯合安排

根據香港財務報告準則第11號聯合安排，於聯合安排之投資分類為合營業務或合營企業。該分類取決於各投資者之合約權利及責任，而非聯合安排之法律架構。本公司擁有合營業務及合營企業。

於合併財務狀況表初步按成本確認後，於合營企業之權益使用權益會計法入賬(請見下文(iv))。

(iv) 權益會計處理

根據權益會計處理法，投資初步以成本確認，其後予以調整，以於損益中確認本集團分佔被投資者之收購後溢利或虧損，以及於其他全面收入中確認本集團分佔被投資者之其他全面收入變動。已收或應收聯營公司及合營企業之股息確認為投資賬面值之減少。

當本集團分佔權益會計投資之虧損相當於或超過其於實體之權益(包括任何其他無抵押長期應收款項)時，本集團並不會確認進一步虧損，除非其已承擔責任或代表其他實體進行付款。

本集團與其聯營公司及合營企業間交易之未變現收益按本集團於該等實體之權益予以對銷。未變現虧損亦予以對銷，除非交易提供證據證明所轉讓資產出現減值。權益入賬被投資者之會計政策已按需要作出改動，以確保與本集團採納之政策貫徹一致。

權益入賬投資之賬面值乃按附註2.13所述政策作減值測試。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.2 Principles of consolidation and equity accounting

(Continued)

(v) Changes in ownership interests

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 an "Other Reserves" within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint 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, joint venture 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 HKFRS.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.2 合併及股權會計處理原則(續)

(v) 擁有權權益之變動

本集團將不會引致失去控制權之非控股權益交易視為與本集團權益持有人之交易。擁有權權益變動導致控股與非控股權益賬面值間進行調整，以反映其於附屬公司之相關權益。非控股權益調整數額與任何已付或已收代價間之任何差額於本公司擁有人應佔權益中之「其他儲備」內確認。

倘本集團因喪失控制權、共同控制權或重大影響力而終止就投資綜合入賬或按權益入賬，則於實體之任何保留權益按其公平值重新計量，而賬面值變動則於損益內確認。就隨後入賬列作聯營公司、合營企業或金融資產之保留權益而言，該公平值成為初步賬面值。此外，先前於其他全面收入內確認與該實體有關任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味著先前在其他全面收入內確認之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定／准許之另一權益類別。

倘於合營企業或聯營公司之擁有權權益減少，而共同控制權或重大影響力獲保留，則僅部分先前於其他全面收入內確認之金額重新分類至損益(倘適用)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 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.

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 主要會計政策概要(續)

2.3 業務合併

所有業務合併採用會計收購法入賬，不論是否購買權益工具或其他資產。購買附屬公司所轉讓之代價包括：

- 所轉讓資產之公平值，
- 對所收購業務之前擁有人承擔之負債，
- 本集團發行之股權，
- 或然代價安排所產生之任何資產或負債之公平值，及
- 附屬公司中任何先前股權之公平值。

在業務合併中所收購可識別資產以及所承擔之負債及或然負債，初步以其於收購日期之公平值計量(存在有限之例外情況)。本集團按逐項收購基準以公平值或非控股權益分佔所收購實體可識別資產淨值之比例，確認任何於所收購實體之非控股權益。

收購相關成本於產生時支銷。以下：

- 所轉讓代價，
- 於所收購實體之任何非控股權益之金額，及
- 任何先前於所收購實體之股權於收購日期之公平值

超出所收購可識別資產淨值之公平值之差額列賬為商譽。倘該等金額低於所收購業務可識別資產淨值之公平值，則該差額直接於損益確認為議價收購。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.3 Business combinations (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial asset. Amounts classified as a financial asset are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 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 including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The executive directors of the Group are regarded as the chief operating decision maker who will review the operating results of the Group on a consolidated basis, and make strategic decisions.

2.3 業務合併(續)

倘遞延結算現金代價之任何部分，未來應付款項將按兌換日期之現值貼現。所用貼現率為實體之增量借貸利率，即根據可比較條款及條件下可自獨立融資人獲得之類似借貸之利率。

或然代價分類為權益或金融資產。分類為金融資產之金額隨後重新計量至公平值，而公平值變動則於損益內確認。

倘業務合併分階段進行，收購方原先所持被收購方股權於收購日期之賬面值，按收購日期之公平值重新計量。重新計量產生之任何收益或虧損於損益確認。

2.4 單獨財務報表

於附屬公司之投資按成本扣除減值列賬。成本包括投資之直接應佔成本。附屬公司業績由本公司按已收及應收股息之基準入賬。

於收到該等投資之股息時，倘股息超過附屬公司在宣派股息期間之全面收入總額，或倘在單獨財務報表之投資賬面值超過被投資方資產淨值(包括商譽)在合併財務報表之賬面值時，則必須對於附屬公司之投資進行減值測試。

2.5 分部報告

經營分部之報告方式以提供予主要經營決策者之內部報告一致之方式進行報告。

本集團執行董事被視為主要經營決策者，將審閱本集團按合併基準編製之經營業績並作出策略性決定。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation

(i) 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 Renminbi ("RMB"). Hong Kong Dollar ("HK\$") is regarded as the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. 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 recognised in the consolidated statement of comprehensive income.

Foreign exchange gains or losses are presented in the consolidated statement of comprehensive income.

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 fair value through other comprehensive income are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.6 外幣換算

(i) 功能及呈報貨幣

本集團各實體之財務報表所包括項目，按該實體經營所在主要經濟環境之貨幣(「功能貨幣」)計量。合併財務報表以人民幣(「人民幣」)呈列。港元(「港元」)被視為本公司之功能貨幣。

(ii) 交易及結餘

外幣交易均按交易或項目重新計量而進行估值之日期當時之匯率換算為功能貨幣。因該等交易結算及按年結日之匯率換算以外幣計值之貨幣資產及負債而產生之匯兌收益及虧損，均於合併綜合收益表確認。

匯兌收益或虧損列示於合併綜合收益表內。

以外幣計值按公平值計量之非貨幣性項目以公平值釐定之日之匯率換算。按公平值列賬之資產及負債之換算差額呈列為部分公平值收益或虧損。舉例而言，非貨幣性金融資產及負債(例如所持按公平值計入損益之權益)之換算差額作為部分公平值收益或虧損於損益中確認，而非貨幣性金融資產(例如分類為按公平值計入其他全面收入之權益)之換算差額則於其他全面收入確認。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.6 Foreign currency translation (Continued)

(iii) Group companies

The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- (ii) income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this average 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 dates of the transactions); and
- (iii) all resulting exchange 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.

2.6 外幣換算(續)

(iii) 集團公司

所有功能貨幣與呈報貨幣不一致之集團實體之業績及財務狀況均按以下方法換算為呈報貨幣：

- (i) 各合併財務狀況表呈列之資產及負債均按照該合併財務狀況表結算日之收市匯率換算；
- (ii) 各合併綜合收益表之收入及開支按照平均匯率換算(除非平均匯率並非交易日期現行匯率累計影響之合理約數，在此情況下，收支項目按交易日期之匯率換算)；及
- (iii) 所有產生之匯兌差額均於其他全面收入確認。

收購海外實體時產生之商譽及公平值調整乃作為該海外實體之資產及負債處理，並按收市匯率換算。貨幣換算產生之差額於其他全面收入內確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

2.7 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at carrying values, representing cost less depreciation and impairment provision. Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives of 40 years to 50 years.

If an investment property becomes owner-occupied or commences to be further developed for sale, it is reclassified as property, plant and equipment and land use right or properties under development, and its fair value at the date of change in use becomes its cost for accounting purposes.

2.8 Completed properties held for sale

Completed properties remaining unsold at the end of reporting period are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

2.9 Property, plant and equipment

Property, plant and equipment, comprising buildings, computer and telecommunications equipment, fixtures, fittings and office equipment, leasehold improvements, motor vehicles and production equipment, rental construction equipment, and construction in progress are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2.7 投資物業

投資物業(主要包括租賃土地及樓宇)乃持作賺取長期租金收入或資本增值或兩者兼備,且並非由本集團佔用。投資物業亦包括正在建造或開發供未來作投資物業使用之物業。投資物業初步按成本(包括相關交易成本及(如適用)借貸成本)計量。於初步確認後,投資物業按賬面值(成本減折舊及減值撥備)列賬。折舊乃以直線法於估計可用年期40年至50年將成本分配至剩餘價值計算。

倘投資物業由業主自用或開始進一步發展以供出售,則重新分類為物業、廠房及設備及土地使用權或發展中物業,而就會計目的而言,其於改變用途之日之公平價值為其成本。

2.8 持作銷售竣工物業

於報告期末尚未出售之竣工物業按成本與可變現淨值兩者之較低者列賬。成本包括尚未出售物業應佔發展成本。

可變現淨值乃參考於一般業務過程中已售物業之銷售所得款項,減適用可變銷售開支,或由管理層按現行市況估計。

2.9 物業、廠房及設備

物業、廠房及設備,包括樓宇、電腦及電訊設備、傢具、裝置及辦公室設備、租賃裝修、汽車以及生產設備、租借建築設備及在建工程按歷史成本減累計折舊及累計減值虧損(如有)列賬。歷史成本包括收購項目直接應佔開支。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.9 Property, plant and equipment (Continued)

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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the reporting period in which they are incurred.

Motor vehicles classified as finance lease commences depreciation from the time when the assets become available for its intended use. Depreciation of property, plant and equipment is calculated using the straight line method to allocate their cost to their residual values over its estimated useful lives, at the following rates per annum:

Leasehold improvements	
租賃物業裝修	
Buildings	
樓宇	
Computer and telecommunications equipment	
電腦及電訊設備	
Fixtures, fittings and office equipment	
傢具、裝置及辦公室設備	
Motor vehicles	
汽車	
Production equipment	
生產設備	
Rental construction equipment	
租賃建築設備	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated statement of financial position date.

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.

2.9 物業、廠房及設備(續)

僅當與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後續支出方會計入資產賬面值或確認為一項獨立資產(如適用)。入賬列作獨立資產之任何部分於取替時剔除確認賬面值。所有其他維修及保養支出則於產生之報告期間於合併綜合收益表內扣除。

歸類為融資租賃之汽車於資產可供作擬定用途時開始計算折舊。物業、廠房及設備之折舊採用直線法於其估計可使用年內將成本分配至剩餘價值，年率如下：

Over the lease terms from 2 to 5 years	
介乎租期2至5年	
	2%-5%
	2%-5%
	20%-33%
	20%-33%
	20%-33%
	20%-33%
	10%-20%
	10%-20%
	20%
	20%
	20%
	20%

資產剩餘價值及可使用年期於各合併財務狀況表日期審閱，並作出調整(如適用)。

倘資產賬面值超過其估計可收回金額，則資產賬面值即時撇減至可收回金額。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

2.9 Property, plant and equipment (Continued)

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the consolidated statement of comprehensive income.

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less impairment losses, if any. No provision for depreciation is made on assets under construction in progress until such time as the relevant assets are completed and available for their intended use. On completion, the relevant assets are transferred to property, plant and equipment at cost less accumulated impairment losses.

2.10 Intangible assets

(i) Goodwill

Goodwill is measured as described in note 2.4. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purpose.

(ii) Contractual customer, distributor relationship and noncompete agreement

Contractual customer, distributor relationships and noncompete agreement acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer/distributor relations have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

2.9 物業、廠房及設備(續)

出售收益或虧損透過比較所得款項與賬面值釐定，並於合併綜合收益表內確認為行政費用。

在建工程為建設中或待安置之物業、廠房及設備，按照成本扣除減值虧損(如有)列賬。建設中資產不計提折舊，直至有關資產完工並可供擬定用途為止。完工時，有關資產按成本減累計減值虧損轉撥至物業、廠房及設備。

2.10 無形資產

(i) 商譽

商譽按附註2.4所述計量。收購附屬公司之商譽計入無形資產。商譽不作攤銷，惟須每年進行減值測試，或當有事件出現或情況變動顯示可能出現減值時進行更頻密減值測試，並按成本減累計減值虧損列賬。出售一間實體之收益及虧損包括與所售實體有關之商譽賬面值。

商譽就減值測試而分配至現金產生單位。該分配就預期受益於產生商譽之業務合併之各個現金產生單位或現金產生單位組別作出。該等單位或單位組別按商譽被監控作內部管理用途之最低級別予以識別。

(ii) 合約客戶、分銷商關係及非競爭協議

於業務合併時收購之合約客戶、分銷商關係及非競爭協議按收購日期之公平值確認。合約客戶／分銷商關係具有有限可使用年期及隨後按成本減累計攤銷及減值虧損列賬。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.10 Intangible assets (Continued)

(iii) Patents

Separately acquired patents are shown at historical cost. Patents acquired in a business combination are recognised at fair value at the acquisition date. The patents have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iv) Trade name and domain name

Trade name and domain name acquired in a business combination are recognised at fair value at the acquisition date. Trade name and domain name have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(v) Software license and order backlog

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to their intended use. Order backlog are recognised at fair value at the acquisition date. The software license and order backlog have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(vi) Data library

Costs incurred on acquiring the data library are recognised as an intangible asset where the technical feasibility has been demonstrated, and there is an ability to sell or to use the assets that will generate probable future economic benefits. The data library has a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(vii) License

License acquired in a business combination are recognised at fair value at the acquisition date. The license has a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

2.10 無形資產(續)

(iii) 專利

單獨收購之專利按歷史成本值列示。業務合併所收購之專利於收購日期按公平值確認。專利具有有限可使用年期，並隨後按成本減累計攤銷及減值虧損列賬。

(iv) 商號及域名

業務合併所收購之商號及域名於收購日期按公平值確認。商號及域名具有有限可使用年期，並隨後按成本減累計攤銷及減值虧損列賬。

(v) 軟件許可證及積壓訂單

所收購電腦軟件許可證按購入軟件及軟件可達致其擬定用途所產生之成本撥充資本。積壓訂單於收購日期按公平值確認。軟件許可證及積壓訂單具有有限可使用年期，並隨後按成本減累計攤銷及減值虧損列賬。

(vi) 資料庫

收購資料庫產生之成本於證實技術可行性以及有能力出售或使用將產生未來經濟利益之資產時確認為無形資產。資料庫具有有限可使用年期，並隨後按成本減累計攤銷及減值虧損列賬。

(vii) 牌照

於業務合併中獲得之牌照在收購日期按公平值確認。牌照具有有限可使用年期並隨後按成本減累計攤銷及減值虧損列賬。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.10 Intangible assets (Continued)

(viii) Technical knowhow

Technical knowhow acquired in a business combination are recognised at fair value at the acquisition date. The technical knowhow has a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ix) Platform

Platform acquired in a business combination are recognised at fair value at the acquisition date. The technical knowhow has a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(x) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Contractual customer, distributor relationship and non-compete agreement 合約客戶、分銷商關係及非競爭協議	3-17 years 3至17年
Patents 專利	8 years 8年
Trade name and domain name 商號及域名	9-15 years 9至15年
Software license and order back log 軟件許可證及積壓訂單	1-5 years 1至5年
Data library 資料庫	3 years 3年
License 牌照	47.5 years 47.5年
Technical knowhow 技術知識	7 years 7年
Platform 平台	7 years 7年

2.10 無形資產(續)

(viii) 技術知識

於業務合併中獲得之技術知識在收購日期按公平值確認。技術知識具有有限可使用年期並隨後按成本減累計攤銷及減值虧損列賬。

(ix) 平台

於業務合併中獲得之平台在收購日期按公平值確認。技術知識具有有限可使用年期並隨後按成本減累計攤銷及減值虧損列賬。

(x) 攤銷方法及期間

本集團於以下期間採用直線法攤銷具有有限可使用年期之無形資產：

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.11 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of or abandon such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately as a single amount profit or loss.

2.11 持作出售之非流動資產及已終止經營業務

倘非流動資產(或出售組別)之賬面值將主要透過銷售交易而非透過持續使用收回及銷售被視為極有可能進行,則其會分類為持作出售。該等資產以其賬面值及公平值減出售成本兩者之較低者計量,惟遞延稅項資產、因僱員福利而產生之資產、按公平值列賬之金融資產及投資物業等資產以及保險合約下的合約權利獲指定豁免此項規定除外。

減值虧損就資產(或出售組別)的任何初始或隨後撇減至公平值減銷售成本確認。倘資產(或出售組別)公平值減銷售成本隨後有任何增加,則確認收益,惟不超過先前確認的任何累計減值虧損。於非流動資產(或出售組別)出售日期前先前並無確認的收益或虧損於終止確認之日予以確認。

非流動資產(包括部分屬出售組別)在獲分類為持作出售時不予折舊或攤銷。出售組別負債應佔利息及其他開支獲分類為持作出售時繼續予以確認。

分類為持作出售的非流動資產及分類為持作出售的出售組別資產於合併財務狀況表內與其他資產分開呈列。分類為持作出售的出售組別的負債於合併財務狀況表內與其他負債分開呈列。

已終止經營業務乃實體已出售或分類為持作出售之部分,而該部分屬於獨立主要業務或地區經營業務、屬於出售或廢棄該業務或地區經營業務之單一協調計劃一部分,或純粹為轉售而收購之附屬公司。已終止經營業務之業績於損益表中單獨地呈列。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.12 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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 inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.13 Investments and other financial assets and liabilities *Investments and other financial assets*

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2.12 非金融資產之減值

無限期可使用年期之商譽及無形資產毋須攤銷，惟須每年進行減值測試，或於有事件出現或情況變動顯示可能出現減值時更頻繁進行減值測試。當有事件出現或情況變動顯示賬面值可能無法收回時，其他資產須進行減值測試。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額為資產公平值扣除出售成本與使用價值兩者間之較高者。為評估減值，資產歸入具單獨可識別現金流入(大致上獨立於其他資產或資產組別(現金產生單位)之現金流入)之最低層次組別。面臨減值之非金融資產(商譽除外)於各報告期末就減值撥回之可能性進行檢討。

2.13 投資及其他金融資產及負債 *投資及其他金融資產*

(i) 分類

本集團將其金融資產分類為以下計量類別：

- 隨後按公平值(計入其他全面收入或計入損益)計量者；及
- 按攤銷成本計量者。

分類取決於實體管理金融資產之業務模式及現金流量之合約條款。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.13 Investments and other financial assets and liabilities

(Continued)

Investments and other financial assets (Continued)

(i) *Classification (Continued)*

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (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.

(ii) *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.

(iii) *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 profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2.13 投資及其他金融資產及負債(續)

投資及其他金融資產(續)

(i) *分類(續)*

對於按公平值計量之資產，收益及虧損將記入損益或其他全面收入(其他全面收入)；對於並非持作買賣之權益工具投資，則取決於本集團是否在初步確認時不可撤回地選擇以按公平值計入其他全面收入(按公平值計入其他全面收入)之方式將權益投資入賬。

當且僅當管理該等資產之業務模式發生變動，本集團方會對債務投資進行重新分類。

(ii) *確認及剔除確認*

正常途徑買賣之金融資產於交易日期確認，交易日期為本集團承諾購買或出售資產之日期。於收取金融資產現金流量之權利屆滿或已轉讓，且本集團已轉讓擁有權之絕大部分風險及回報時，金融資產剔除確認。

(iii) *計量*

於初步確認時，本集團按金融資產公平值加上(倘金融資產並非按公平值計入損益計量)收購金融資產直接應佔之交易成本計量金融資產。按公平值計入損益列賬之金融資產之交易成本於損益支銷。

確定具有嵌入衍生工具之金融資產之現金流量是否僅為支付本金及利息時，需從金融資產之整體進行考慮。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Investments and other financial assets and liabilities

(Continued)

Investments and other financial assets (Continued)

(iii) Measurement (Continued)

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 two 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, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of 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, net" in the period in which it arises.

2 主要會計政策概要(續)

2.13 投資及其他金融資產及負債(續)

投資及其他金融資產(續)

(iii) 計量(續)

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該項資產之現金流量特點。本集團將其債務工具分類為兩種計量類別：

- 攤銷成本：為收取合約現金流量而持有且現金流量僅為支付本金及利息之資產按攤銷成本計量。該等金融資產之利息收入按實際利率法計入財務收入。剔除確認產生之任何收益或虧損直接於損益確認，並於「其他收益淨額」中與匯兌收益及虧損一併列示。減值虧損於合併綜合收益表中作為獨立項目列示。
- 按公平值計入損益：不符合攤銷成本或按公平值計入其他全面收入標準之資產以按公平值計入損益計量。隨後以按公平值計入損益計量之債務投資之收益或虧損於損益中確認，並於產生期間於「其他收益淨額」中呈列。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.13 Investments and other financial assets and liabilities

(Continued)

Investments and other financial assets (Continued)

(iii) Measurement (Continued)

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 gain, net" in the consolidated statement of 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.

(iv) 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, see note 21 for further details.

Note 3.1(b) provides more details of how the expected credit loss allowance is measured.

2.13 投資及其他金融資產及負債(續)

投資及其他金融資產(續)

(iii) 計量(續)

權益工具

本集團其後按公平值計量所有權益投資。如果本集團管理層已選擇於其他全面收入中呈列權益投資之公平值收益及虧損，則在剔除確認投資後，其後不會將公平值收益及虧損重新分類至損益。當本集團已確立可收取款項之權利時，來自有關投資之股息仍將作為其他收入於損益中確認。

按公平值計入損益之金融資產之公平值變動於合併綜合收益表(如適用)之「其他收益淨額」中確認。按公平值計入其他全面收入計量之權益投資之減值虧損(及減值虧損撥回)不會與公平值其他變動分開呈報。

(iv) 減值

本集團按前瞻性基準評估與其按攤銷成本及按公平值計入其他全面收入方式列賬之債務工具有關之預期信貸虧損。減值方法之運用取決於信貸風險是否顯著增加。

就應收賬款而言，本集團採用香港財務報告準則第9號所允許之簡化方法，該方法要求在初步確認應收款項起確認預期全期虧損，進一步詳情請參閱附註21。

附註3.1(b)提供有關如何計量預期信貸虧損撥備的更多詳情。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Investments and other financial assets and liabilities (Continued)

Investments and other financial liabilities

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

At initial recognition, the Group shall measure a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Subsequently, all financial liabilities will be measured at amortised cost, except for financial liabilities at fair value through profit or loss.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforce right must not be contingent on future event and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

2 主要會計政策概要(續)

2.13 投資及其他金融資產及負債(續)

投資及其他金融負債

本集團將其金融負債分類為以下計量類別：

- 隨後按公平值計入損益計量者；及
- 按攤銷成本計量者。

於初步確認時，本集團將按公平值加或減收購或發行金融負債直接應佔之交易成本（倘金融負債並無按公平值計入損益計量）計量。

隨後，所有金融負債將按攤銷成本計量，惟按公平值計入損益之金融負債除外。

2.14 抵銷金融工具

當有法定強制執行權利可抵銷已確認金額，且有意按淨額結算或同時變現資產及結算負債時，有關金融資產與負債可互相抵銷，並在合併財務狀況表報告其淨額。法定強制執行權利不得取決於未來事件，且必須於一般業務過程中及在本公司或對手方出現違約、無償債能力或破產時行使。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.15 Financial guarantee liabilities

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group to the banks for property purchasers.

The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Financial guarantee liabilities are derecognised from the consolidated statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

2.15 財務擔保負債

本集團就物業買家向銀行提供之財務擔保確認財務擔保負債。

負債初步以公平值計量及隨後以其中較高者計量：

- 根據香港財務報告準則第9號金融工具項下之預期信貸虧損模型釐定之款額，及
- 根據香港財務報告準則第15號來自客戶合約之收入原則初步確認之款額減(如適用)已確認之收入累計款額。

財務擔保公平值由債務工具規定之合約付款與無擔保所需付款之間之現金流量差額現值，或就承擔責任向第三方應付之估計金額釐定。

如有關聯營公司貸款或其他應付款項之擔保就無補償計提撥備，公平值入賬列作供款並確認為投資成本一部分。

財務擔保負債於且僅於合約規定之義務獲解除或取消或到期時，方會於合併財務狀況表中終止確認。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods comprises merchandises and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sales.

2.17 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

They are generally due for settlement within one year and therefore are all classified as current assets. Trade 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 receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 21 for further information about the Group's accounting for trade receivables and note 3.1(b) for a description of the Group's impairment policies.

2.18 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

2.16 存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本使用先入先出法釐定。製成品之成本包括商品及其他直接成本。可變現淨值按日常業務過程中之估計售價減進行銷售所需之估計成本計算。

2.17 應收賬款

應收賬款是於日常業務過程中向客戶銷售貨品或提供服務而應收之款項。

應收賬款通常於一年內到期結付，因此所有應收賬款均分類為流動資產。應收賬款初步按無條件代價金額確認，除非其按公平值確認時包含重大融資成分。本集團持有應收賬款，旨在收取合約現金流量，因此其後以實際利率法按攤銷成本計量。有關本集團應收賬款之會計處理之進一步資料請參閱附註21，及有關本集團減值政策之描述請參閱附註3.1(b)。

2.18 現金及現金等值物

就呈列合併現金流量表而言，現金及現金等值物包括手頭現金、金融機構活期存款、原定到期日為三個月或以內且可隨時轉換為已知數額現金而並無重大價值變動風險之其他短期高流通性投資以及銀行透支。銀行透支列入合併財務狀況表中流動負債的借貸內。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.19 Share capital and shares held for employee share scheme

Ordinary shares are classified as equity (note 32).

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.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Group as treasury shares until the shares are cancelled.

Where the Company's shares are acquired from the market under the employee share scheme, the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as shares held for employee share scheme and deducted from total equity. Upon vesting, the related costs of the vested shares for employee share scheme purchased from the market are credited to shares held for share reward scheme, with a corresponding decrease in share-based compensation reserve for employee share scheme.

2.20 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. These amounts 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 股本及僱員股份計劃持有之股份

普通股分類為權益(附註32)。

發行新股份或購股權直接應佔之遞增成本列作所得款項扣除稅項後之扣減，於權益入賬。

倘任何集團成員公司購買本公司之權益工具(例如因股份購回或以股份為基礎之付款計劃)，所支付代價(包括任何直接應佔遞增成本扣除所得稅)當作庫存股份自本集團擁有人應佔權益中扣除，直至股份註銷為止。

倘本公司股份是根據僱員股份計劃自市場購入，則從市場購入之股份總代價(包括任何直接應佔遞增成本)呈列為僱員股份計劃持有之股份並於總權益中扣減。歸屬後，從市場購買僱員股份計劃歸屬股份之相關成本會計入僱員股份計劃持有之股份，並就僱員股份計劃於以股份為基礎之補償儲備中作相應扣減。

2.20 應付賬款及其他應付款項

應付賬款及其他應付款項指於財政年度結算前向本集團提供貨品及服務之未付款責任。如付款到期日於一年或以內(若更長則在業務正常經營週期內)，該等款項會分類為流動負債，否則列作非流動負債。

該等款項初步以公平值確認，其後利用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.21 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 amount is recognised profit or loss 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 drawn 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 prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent nonconvertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceed is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of comprehensive income as finance costs.

2.21 借貸

借貸初步按公平值扣除已產生之交易成本確認，其後按攤銷成本計量。所得款項（扣除交易成本）與贖回價值之間之任何差額於借貸期間採用實際利率法於損益確認。在融資將有可能部分或全部提取之情況下，就設立貸款融資支付之費用確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該融資將很可能部分或全部提取之情況下，該費用撥充資本作為流動資金服務之預付款項，並於其相關融資期間攤銷。

可換股債券負債部分之公平值按等值不可換股債券之市場利率釐定。該金額按攤銷成本基準列作負債，直至債券兌換或到期清償為止。所得款項餘下部分分配至兌換選擇權，會予以確認並計入股東權益（扣除所得稅影響）。

當合約中訂明之義務解除、註銷或屆滿時，借貸將從合併財務狀況表中剔除。已清償或轉移至另一方之金融負債賬面值與已付代價之間之差額，包括任何已轉移非現金資產或已承擔負債，均在合併綜合收益表中確認為財務成本。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.21 Borrowings (Continued)

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in consolidated statement of comprehensive income, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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 reporting period.

2.22 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period which they are incurred.

2.21 借貸(續)

倘金融負債條款重新協商且實體向債權人發行權益工具以清償全部或部分負債(債務股權置換)，則收益或虧損於合併綜合收益表中確認，並按金融負債賬面值與已發行權益工具公平值間之差額計量。

除非本集團有權無條件將債務結算遞延至報告期後至少12個月，否則借貸將分類為流動負債。

2.22 借貸成本

收購、建設或生產合資格資產直接應佔之一般及特定借貸成本，於完成資產及將資產達致擬定用途或可供出售狀態所需之一段時間內撥充資本。需要一段長時間方達致擬定用途或可供出售狀態之資產為合資格資產。

特定借貸暫時投資賺取之投資收入在有待用作合資格資產開支時，自合資格撥充資本之借貸成本中扣除。

其他借貸成本於產生期間支銷。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.23 Current and deferred 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.

(i) Current income tax

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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

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 substantively 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.

2.23 當期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區適用所得稅稅率就當期應課稅收入之應付稅項，而該開支或抵免會因暫時差額及未動用稅項虧損所引致之遞延稅項資產及負債變動而作出調整。

(i) 當期所得稅

當期所得稅支出根據本公司以及其附屬公司及聯營公司營運及產生應課稅收入之國家於報告期末已頒佈或實質頒佈之稅法計量。管理層定期就可予詮釋的適用稅務法規涉及的情況，評估報稅表狀況，並考慮稅務機關是否有可能接受未能確定的稅收待遇。本集團根據最有可能出現的金額或預期價值(視乎何者能更準確預測不確定因素的解決方案而定)，計量其稅收餘額。

(ii) 遞延所得稅

遞延所得稅以負債法按資產及負債稅基與其賬面值產生之暫時差額，在合併財務報表悉數計提撥備。然而，倘遞延稅項負債來自商譽之初步確認，則不予確認。倘遞延所得稅來自初步確認一項於交易時不影響會計及應課稅損益之交易(業務合併除外)之資產或負債，則遞延所得稅亦不予入賬。遞延所得稅以報告期末已頒佈或實質頒佈之稅率(及稅法)釐定，預計將於有關遞延所得稅資產變現或遞延所得稅負債清償時應用。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.23 Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Deferred tax liabilities 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 amount 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 related 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.

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.

2.23 當期及遞延所得稅(續)

(ii) 遞延所得稅(續)

釐定按公平值計量之投資物業相關遞延稅項負債時，乃假設該物業將透過出售完全收回。

遞延稅項資產僅在未來應課稅金額將可用於抵銷該等暫時差額及虧損時確認。

倘本公司能控制撥回暫時差額之時間及該等差額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之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之權利將當期稅項資產與負債抵銷，及當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值基準清償或同時變現資產及清償負債，則當期稅項資產與稅項負債相互抵銷。

當期及遞延稅項於損益中確認，惟與於其他全面收入或直接於權益確認之項目有關者則除外。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。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.24 Employee benefits

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(i) Retirement benefit costs

The full-time employees of the Group are covered by various government-sponsored pension plans under which the employees are entitled to a monthly pension based on certain formulas.

The relevant government agencies are responsible for the pension liabilities to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no further payment obligations for post-retirement benefits beyond the contributions made.

Contributions to these plans are expensed as incurred.

(ii) Bonus entitlements

The expected cost of bonus is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2.24 僱員福利

僱員享用病假及產假之權利於休假時始行確認。

(i) 退休福利成本

本集團全職僱員受政府設立之各種退休金計劃保障，據此，僱員享有按若干公式計算之每月退休金。

有關政府機構有責任向該等退休僱員支付退休金。本集團按月向該等退休金計劃供款。根據該等計劃，本集團除上述供款外概無其他退休後福利之進一步付款責任。

向該等計劃作出之供款於發生時列作費用。

(ii) 獎金福利

當本集團因僱員已提供之服務須承擔支付獎金之現有法律或推定責任，而責任能可靠估算時，則將獎金之預期成本確認為負債。

獎金負債預期將在12個月內償付，並根據償付時預期支付之金額計量。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.25 Share-based payments

The Group operates a number of share-based payment schemes (in the form of share awards and share options) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Under such schemes, employees (including directors) of the Group may receive equity instruments as remuneration for their services rendered ("equity-settled transactions"). The fair value of the employee services and other qualifying participants' services received in exchange for the grant of equity instruments of the Group is recognised as an expense over the vesting period, i.e. the period over which all of the specified vesting conditions are to be satisfied and credited to equity.

Share options

The fair value of options granted to employees is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.25 以股份為基礎之付款

本集團設有多項以股份為基礎之付款計劃(以股份獎勵及購股權之形式)，旨在獎勵及酬謝為本集團業務成就作出貢獻之合資格參與者。根據該等計劃，本集團僱員(包括董事)可就彼等所提供之服務收取權益工具以作薪酬(「以權益結算之交易」)。換取所授出本公司權益工具而獲提供之僱員服務及其他合資格參與者服務之公平值於歸屬期(即所有特定歸屬條件尚待達成之期間)確認為開支，並計入權益。

購股權

授予僱員之購股權公平值確認為僱員福利開支，並對權益作出相應增加。將予支銷之總金額參考已授出購股權之公平值釐定：

- 包括任何市場表現條件(例如該實體之股價)；
- 不包括任何服務及非市場表現歸屬條件(例如盈利能力、銷售增長目標及該實體僱員於指定期間留任)之影響；及
- 包括任何非歸屬條件(例如規定僱員於特定時期內儲蓄或持有股份)之影響。

總支銷於歸屬期間(即所有特定歸屬條件尚待達成之期間)內確認。於各期間結束時，實體會根據非市場歸屬及服務條件修改其估計預期可歸屬之股份數目。修改原估計數目(如有)之影響將於損益確認，並對權益作出相應調整。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.25 Share-based payments (Continued)

Share awards

Under the Share Award Scheme, the directors and certain employees of the Group are entitled to receive shares in the Company. The shares held under trust by a financial institution (“Trustee”) for the benefit of the director and employees, would be paid and the paid up consideration would be capitalised in the Company’s reserves. The Trustee has been instructed to buy shares from the market using the funds held by the Trustee to grant shares to the director and employees. The Group has also grant shares of its subsidiaries to certain employee (including directors) at the subsidiaries level.

The total of the expense over the vesting period is determined by reference to the fair value of the share options and shares granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of shares or share options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each consolidated statement of financial position date, the Group revises its estimates of the number of shares or share options that are expected to vest based on the nonmarketing vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, and a corresponding adjustment to equity.

2.25 以股份為基礎之付款(續)

股份獎勵

根據股份獎勵計劃，本集團董事及若干僱員有權收取本公司股份。股份由一間金融機構(「受託人」)以董事及僱員為受益人之信託方式持有，並繳付股款，實繳代價於本公司儲備中資本化。受託人已獲指示動用受託人所持資金於市場回購股份，以向董事及僱員授出股份。本集團亦向附屬公司層面之若干僱員(包括董事)授出其附屬公司之股份。

於歸屬期內將予支銷之總金額參照已授出購股權及股份之公平值釐定，不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)之影響。於對預期可歸屬股份或購股權數目作出假設時，將會計及非市場歸屬條件。支銷總金額於歸屬期(即所有特定歸屬條件尚待達成之期間)確認。於各合併財務狀況表日期，本集團會根據非市場歸屬及服務條件修改其估計預期可歸屬之股份或購股權數目。修改原估計數目(如有)之影響將於合併綜合收益表內確認，並對權益作出相應調整。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.26 Provisions

Provisions for legal claims, service warranties and make good obligations 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 can be reliably estimated. Provisions are not recognised for future operating losses.

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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.27 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold or services performed, stated net of discounts, returns and value-added taxes. The Group recognises revenue when the specific criteria have been met for each of the Group's activities, as described below.

2.26 撥備

倘本集團須就過去事項承擔現有法律或推定責任、履行該責任可能導致資源流出、及有關金額能可靠估計，方就法律索償、服務保證及履行義務確認撥備。概不就未來營運虧損確認撥備。

倘出現多項類似責任，因履行責任導致資源流出之可能性會考慮責任之整體類別後釐定。即使同類責任中有關任何一項可能流出資源之機會不大，仍須確認撥備。

撥備按管理層對報告期末履行現有責任所需支出之最佳估計現值計量。用於釐定現值之貼現率為反映現時市場對金錢時間值及負債特定風險評估之稅前利率。隨著時間流逝而增加之撥備確認為利息開支。

2.27 銷售收入確認

銷售收入按已收或應收代價之公平值計量，其為銷售貨品及提供服務之應收款項，扣除折扣、回報及增值稅列賬。本集團於其下述各項活動符合指定條件時確認銷售收入。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

2.27 Revenue recognition (Continued)

Revenue is recognised when or as the control of goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

When determining the transaction price to be allocated to different performance obligations, the Group first determines the service fees that the Group entitles in the contract period and adjusts the transaction price for variable considerations and significant financing component, if any. The Group includes in the transaction price some of all of an amount of variable considerations only to the extent that it is highly probable that a significant reversal in amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract related asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

2.27 銷售收入確認(續)

銷售收入於貨品或服務之控制權轉移至客戶時確認。視乎合約條款及適用於該合約之法律規定，貨品或服務之控制權可根據時間或於某一時間點轉移。倘本集團在履約過程中達到下列條件，貨品及服務之控制權將隨著時間轉移：

- 提供所有獲客戶同步收取並使用之利益；
- 因本集團履約而產生或提升客戶所控制之資產；或
- 並無產生對本集團而言有其他用途之資產，而本集團對截至該日止已完成之履約付款有強制執行權。

倘貨品及服務之控制權隨著時間轉移，則銷售收入參考已完成履約責任之進度於合約期間確認。否則，銷售收入於客戶獲得貨品及服務控制權之時間點確認。

於釐定將分配至自不同履約責任之交易價格時，本集團首先釐定其於合約期內有權獲得之服務費並就可變考慮因素及重大融資組成部分(如有)調整交易價格。本集團於交易價格中計入可變考慮因素之部分或所有款額，惟僅以可變考慮因素有關之不確定性其後得以解除，且已確認累計銷售收入款額極可能不會大幅撥回為限。

當合約之任何一方已履約，本集團會視乎實體履約責任與客戶付款之間之關係，將合約於合併財務狀況表列為合約相關資產或合約負債。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.27 Revenue recognition (Continued)

A contract related asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer or cost to obtain a contract. A receivable is recorded when the Group has an unconditional right to a consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Contract assets related to cost to obtain the contracts are recognised over the life of the contracts to which they related.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is a description of the accounting policy for the principal revenue streams of the Group.

(i) Revenue from B2B trading platform

Revenue from B2B trading business primarily comprised commission income and revenue from merchandise sales. Commission income is recognised for transactions where the Group is not the primary obligor, is not subject to inventory risk and does not have latitude in establishing prices and selecting suppliers. Commission income is recognised on a net basis which is based on a fixed percentage of the sales amount.

Revenue from merchandise sales and related costs is recognised on a gross basis when the Group acts as a principal. Revenue from merchandise sales are recognised at the point in time when the control of the merchandise has been transferred, being when the goods are delivered.

2.27 銷售收入確認(續)

合約相關資產為本集團就已向客戶轉移之貨品及服務換取代價之權利或取得合約之成本。應收款項於本集團擁有無條件收取代價之權利時入賬。倘代價僅須隨時間流逝而到期支付，則收取代價之權利屬無條件。與取得合約之成本有關之合約資產於相關合約年內確認。

倘於本集團向客戶轉讓貨品或服務前，客戶支付代價或本集團具有無條件收取代價款項之權利，則本集團於作出付款或應收款項入賬時(以較早者為準)呈列合約負債。合約負債是本集團因已向客戶收取代價(或到期代價款項)而向客戶轉讓貨品或服務之責任。

以下為本集團主要銷售收入流之會計政策描述。

(i) 來自B2B交易平台之銷售收入

來自B2B交易業務之銷售收入主要包括佣金收入及貨品銷售之銷售收入。倘本集團並非主要義務人，毋須承擔存貨風險及在定價和供應商選擇方面並無自主權，則本集團會確認佣金收入。佣金收入按淨額基準確認，以銷售金額之固定百分比計算。

來自貨品銷售之銷售收入及相關成本乃於本集團作為主事人時按總額確認。來自貨品銷售之銷售收入乃於轉移貨品控制權(即交付商品)之某一時間點確認。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.27 Revenue recognition (Continued)

(ii) Revenue from online services and advertisement

Advertising income from internet portals, mobile devices, trade catalogues, yellow page directories and printed periodicals is recognised ratably over the contracted period in which the advertisements are displayed.

Subscription fee income from online services is recognised over the period of contracts entered with the customers. The unrecognised portions of contract sum are recognised as contract liabilities.

The excess of cumulative revenue recognised in consolidated statement of comprehensive income over the cumulative payments made by customers is recognised as contract assets. The contract assets are recognised as a receivable when the Group's right to consideration is unconditional.

Some contracts include multiple performance obligations and do not include any integration services. They are therefore accounted for as separate performance obligations. Revenue from each of the performance obligations is recognised by allocating the transaction price based on the stand-alone service price. Under HKFRS 15, the rebate to customers is a variable consideration and to be net off against the transaction price.

(iii) Revenue from anti-counterfeiting business

Anti-counterfeiting business comprises revenue from providing anti-counterfeiting products and services. Revenue from selling of anti-counterfeiting products is recognised at the point in time when the control of the products has been transferred, being when the goods are delivered. Revenue from anti-counterfeiting services is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided. Customers are invoiced upon the completion of services or on a regular basis.

2.27 銷售收入確認(續)

(ii) 來自線上服務及廣告之銷售收入

來自互聯網門戶網站、移動設備、工商業目錄、黃頁目錄及印刷期刊之廣告收入於展示廣告之合約期間內按比例確認。

來自線上服務之訂閱費收入於與客戶訂立之合約期內確認。合約金額之未確認部分確認為合約負債。

於合併綜合收益表內確認之累計銷售收入超過客戶所作出之累計款項之差額確認為合約資產。合約資產於本集團收取代價的權利屬無條件時確認為應收款項。

部分合約包括多項履約責任，惟並不包括任何綜合服務。因此其列賬為獨立履約責任。各項履約責任之銷售收入就分配交易價按單一服務價格確認。根據香港財務報告準則第15號，向客戶退款為可變考慮因素，並將抵銷交易價。

(iii) 來自防偽業務之銷售收入

防偽業務包括來自提供防偽產品及服務之銷售收入。來自銷售防偽產品之銷售收入於轉移產品控制權(即交付商品)之某一時間點確認。來自防偽服務之銷售收入於提供服務之會計期間按照特定交易完成階段確認，並根據所提供之實際服務佔將予提供服務總量之比例予以評估。於服務完成時或定期向客戶開具發票。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.27 Revenue recognition (Continued)

(iv) Revenue from marketing events, exhibition, seminars and other services

Revenue from the hosting of marketing events, trade exhibitions and business seminars is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided. Customers are invoiced upon the completion of services or on a regular basis.

(v) Revenue from sales of properties

Revenue from sales of properties are recognised at the point in time when the control over the properties are transferred to the purchaser, which occurs when legally binding unconditional sales contract were entered, the construction of the relevant properties has been completed, and the properties have been delivered to the purchasers pursuant to the sale contracts. The excess of cumulative payments made by purchasers of properties over the cumulative revenue recognised in consolidated statement of comprehensive income is recognised as contract liabilities. The contract liability is recognised as revenue when the Group satisfies its performance obligations.

(vi) Revenue from sales of construction equipment

Revenue from sales of construction equipment is recognised at the point in time when the control over the construction equipment is transferred to the purchasers, which occurs when legally binding unconditional sales contracts were entered, the production of the relevant equipment has been completed, and the equipment has been delivered to the purchasers pursuant to the sale contracts.

2.27 銷售收入確認(續)

(iv) 來自營銷活動、展覽、研討會及其他服務之銷售收入

舉辦營銷活動、貿易展覽及商務研討會之銷售收入於提供服務之會計期間按照特定交易完成階段確認，並根據所提供之實際服務佔將予提供服務總量之比例予以評估。於服務完成時或定期向客戶開具發票。

(v) 來自銷售物業之銷售收入

銷售物業之銷售收入於物業控制權轉讓至買方之某一時間點確認，即訂立具法律約束力之無條件銷售合約、有關物業的建造已竣工，且物業已根據銷售合約交付買方時。物業買方所作出之累計款項超過於合併綜合全面收益表內確認之累計銷售收入之差額確認為合約負債。合約負債於本集團履行其履約責任時確認為銷售收入。

(vi) 來自銷售建築設備之銷售收入

銷售建築設備之銷售收入於建築設備之控制權轉讓至買方之某一時間點，即訂立具法律約束力之無條件銷售合約、完成生產相關設備及設備已根據銷售合約交付買方時，方予確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.28 Financing services income

Interest income attributable to finance leases is recognised over the lease term on a systematic and rational basis so as to produce a constant rate of return on the net investment in the finance lease.

Interest income and expense for asset factoring and microcredit financing services are recognised within “Interest income from financing service” and “Cost of revenue” in consolidated statement of comprehensive income using the effective interest method, while the interest from bank deposits are recognised within “finance income” in the consolidated statement of comprehensive income.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and payments paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the credit-adjusted effective interest rate to the cost of the financial asset.

2.28 來自融資服務之銷售收入

融資租賃應佔利息收入按系統及合理基準以租期確認，以得出該融資租賃投資淨額之固定回報率。

所有資產保理及小額貸款融資服務之利息收入及開支採用實際利率法於合併綜合收益表中之「融資服務所得利息收入」及「銷售成本」確認，惟銀行存款利息則於合併綜合收益表中之「財務收入」確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及於相關期間攤分利息收入或利息開支之方法。實際利率指按金融工具預計年期或較短期間內(如適用)將估計未來現金支出或收入準確貼現至金融資產或金融負債之賬面淨值之利率。計算實際利率時，本集團在考慮金融工具之一切合約條款(例如提早償還選擇權)但並無考慮未來信貸虧損後估計現金流量。計算範圍包括訂約各方所付或所收構成實際利率之一切費用及付款、交易成本及其他所有溢價或折讓。

一項金融資產或一組類似之金融資產因減值虧損而撇減時，利息收入採用信貸調整實際利率，按金融資產成本予以確認。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.29 Earnings per share

(i) 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.

(ii) 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.

2.30 Dividend income

Dividends are received from financial assets measured at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.29 每股盈利

(i) 每股基本盈利

每股基本盈利通過：

本公司擁有人應佔盈利(扣除普通股以外之任何權益成本)除以財政年度發行在外之普通股加權平均數，並就年內已發行普通股之股利作出調整(不包括庫存股份)。

(ii) 每股攤薄盈利

每股攤薄盈利調整用於釐定每股基本盈利之數字，以計及：

利息之除所得稅後影響及與潛在攤薄普通股有關之其他融資成本，及假設轉換所有潛在攤薄普通股，發行在外之額外普通股之加權平均數。

2.30 股息收入

股息自按公平值計入其他全面收入(按公平值計入其他全面收入)計量之金融資產收取。於確立收取付款之權利時，股息於損益中確認為其他收入。其亦適用於股息自收購前溢利中分派，除非股息明顯為回收一項投資之部分成本。於此情況下，倘股息與按公平值計入其他全面收入計量之投資相關，則於其他全面收入中確認。然而，投資可能因而需要進行減值測試。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.31 Leases

As a lessee

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. Rental contracts are typically made for fixed periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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 real estate 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
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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 主要會計政策概要(續)

2.31 租賃

作為承租人

租賃於租賃資產可供本集團使用之日確認為使用權資產及相應負債。租賃合約固定期限一般為1至10年。租賃條款按個別基準磋商，所載條款與條件各有不同。

合約可包含租賃及非租賃組成部分。本集團根據其相對單獨價格將合約中之代價分配至租賃及非租賃組成部分。然而，對於本集團作為承租人之房地產租賃，其已選擇不將租賃及非租賃組成部分分開呈列，而將其入賬列作單一租賃組成部分。

租賃產生之資產及負債初步按現值計量。租賃負債包括下列租賃付款之淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃優惠
- 基於指數或比率之可變租賃付款，初步按開始日期之指數或比率計量
- 預期本集團根據剩餘價值擔保應付之金額
- 在本集團合理確定行使購買選擇權之情況下，該購買選擇權之行使價，及
- 於租賃條款反映本集團行使終止租賃之選擇權之情況下，終止租賃之罰款付款。

根據合理確定之若干延期選擇權作出之租賃付款亦計入負債計量。

租賃付款使用租賃隱含之利率折現。倘無法輕易釐定該利率(本集團租賃一般是此情況)，則使用承租人之增量借貸利率，即個別承租人於類似經濟環境中按照類似條款、抵押及條件取得與使用權資產價值相近之資產借取所需資金將須支付之利率。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.31 Leases (Continued)

As a lessee (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.

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.

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.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

The Group classifies all leases as operating leases as the Group will not transfer substantially all the risks and rewards incidental to ownership of the underlying asset. Rental income from operating leases where the Group is a lessor, including O2O business exhibition centre and other investment properties, is recognised within "Revenue" in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Income from renting of construction equipment is recognised over the lease period on a straight-line basis or other systematic basis by reference to the pattern in which benefit from the use of the underlying assets is diminished. The lease terms are between 1 and 12 years, the Group has classified these leases as operating leases. 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 consolidated statement of financial position based on their nature.

2.31 租賃(續)

作為承租人(續)

為釐定增量借貸利率，本集團於可能情況下將個別承租人近期獲得之第三方融資用作起點，並作出調整以反映自獲得第三方融資以來之融資狀況變動。

租賃付款於本金與財務成本之間分配。財務成本於租期內自損益扣除，藉此就各期間負債餘下結餘釐定固定週期利率。

使用權資產按成本計量，包括以下各項：

- 租賃負債之初步計量金額，
- 於開始日期或之前作出之任何租賃付款，扣除已收之任何租賃優惠，
- 任何初始直接成本，及
- 修復成本。

使用權資產一般按資產可使用年期與租期之較短者以直線法折舊。

與短期租賃相關之付款以直線法於合併綜合收益表中確認為開支。短期租賃指租期為十二個月或以內之租賃。

作為出租人

由於本集團將不會轉移相關資產擁有權之大部分風險及回報，本集團將所有租賃分類為經營租賃。本集團作為出租人之經營租賃之租金收入(包括O2O商業展覽中心及其他投資物業)按租期以直線法在合併綜合收益表中「銷售收入」內確認。租賃建築設備之收入以直線法或其他系統性方式，參照減少相關資產使用收益之方式於租期內確認。租期介乎1至12年，本集團將該等租賃分類為經營租賃。獲取經營租賃產生之初始直接成本計入相關資產之賬面值，並按租期以確認租賃收入之相同基準確認為開支。相關租賃資產按其性質計入合併財務狀況表。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

2.32 Government grants

Grants from the government are recognised at their fair values when there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

2.33 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.34 Sale and leaseback transaction

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package.

The Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the properties held for sale that relates to the right of use retained by the Group. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the sale price is below fair value, it shall be accounted for as prepayment of lease payments. If the sale price is above fair value, it shall be accounted for as additional financing provided by the buyer-lessor to the Group.

2.32 政府補助

當可合理地確定本集團將獲得政府補助，並符合所有附帶條件，政府補助以公平值確認。

有關成本之政府補助已被遞延，於其與擬定補償成本配對之所需期間於合併綜合收益表確認。

2.33 股息分派

於報告期末或之前宣派但於報告期末並未分派之任何股息金額(即已適當授權及不再按實體之酌情權)會作出撥備。

2.34 銷售及售後租回交易

銷售及售後租回交易涉及出售一項資產並租回該資產。租賃付款及售價通常是相互關聯，因為該等交易是以一攬子方式進行磋商。

本集團按與保留使用權相關之持作銷售物業先前之賬面值的比例，計量售後租回產生之使用權資產。因此，本集團僅確認與轉讓予買方出租人之權利有關之任何損益之金額。倘售價低於公平值，則入賬列作租賃付款預付款項。倘售價高於公平值，則入賬列作買方出租人向本集團提供之額外融資。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price 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.

Risk management is carried out by a central finance department (the "Finance Department") headed by the Chief Financial Officer of the Group. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating units to cope with overall risk management as well as specific areas such as market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong and the PRC and majority of its transactions are denominated in the functional currencies of the respective entities. The Group has no material foreign currency denominated assets and liabilities and does not have material exposure on foreign exchange risk.

3 財務風險管理

3.1 財務風險因素

本集團因其業務活動而面臨各種財務風險：市場風險（包括外匯風險、利率風險及價格風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃著重於金融市場之不可預測情況及致力減低對本集團財務表現之潛在不利影響。

風險管理由本集團首席財務官領導之中央財務部門（「財務部」）進行。財務部與本集團營運部門緊密合作，以識別及評估財務風險，以處理整體風險管理以及特定範疇（如市場風險、信貸風險及流動資金風險）之風險。

(a) 市場風險

(i) 外匯風險

本集團在香港及中國經營，其大部分交易以有關實體之功能貨幣計值。本集團並無重大外幣計值資產及負債，且並無面臨重大外匯風險。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

As at 31 December 2020, the Group's interest rate risks arises from its loan and interest receivables, cash and cash equivalents, and restricted bank deposits, details of which have been disclosed in notes 22 and 31.

The Group's exposure to changes in interest rates is also attributable to its lease liabilities and borrowings, details of which have been disclosed in notes 16 and 36. Borrowings carry at fixed rates expose the Group to low fair value interest-rate risk.

Borrowings at variable rates expose the Group to cash flow interest-rate risk. As at 31 December 2020, if interest rate had increased/decreased by 50 basis points (2019: 50 basis points) with all other variable constant, the Group's loss after tax and total comprehensive loss would have been approximately RMB3,434,000 higher/lower (2019: loss after tax and total comprehensive loss would have been approximately RMB5,862,000 higher/lower).

The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements and regular reporting is provided to the management for the Group's debt and interest rates exposure.

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position as fair value either through profit or loss or other comprehensive income (note 27).

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

於二零二零年十二月三十一日，本集團之利率風險來自其應收貸款及利息、現金及現金等值物以及受限制銀行存款，有關詳情於附註22及31披露。

本集團亦因其租賃負債及借貸而面臨利率變動之風險，有關詳情於附註16及36披露。按固定利率列賬之借貸使本集團面臨低公平值利率風險。

本集團就按浮動利率計息之借貸而面臨現金流量利率風險。於二零二零年十二月三十一日，倘利率上升/下跌50個基點(二零一九年：50個基點)，而所有其他變量維持不變，則本集團之除稅後虧損及全面虧損總額應增加/減少約人民幣3,434,000元(二零一九年：除稅後虧損及全面虧損總額應增加/減少約人民幣5,862,000元)。

本集團定期監察其利率風險，以確保並無不適當之重大利率波動風險，並定期向管理層匯報本集團之債務及利率風險。

(iii) 價格風險

本集團承受其持有投資所產生之股權證券價格風險，並於合併財務狀況表分類為按公平值計入損益或其他全面收入(附註27)。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk (Continued)

Post-tax loss for the year would decrease/increase by approximately RMB1,720,000 (2019: Post-tax loss for the year would decrease/increase by approximately RMB4,017,000) as a result of 10% gains/losses on financial assets classified as at fair value through profit or loss. Other components of equity would increase/decrease by approximately RMB8,072,000 (2019: RMB6,539,000) as a result of 10% gains/losses on equity securities classified as either at fair value through other comprehensive income.

(b) Credit risk

Credit risk is managed on a group basis. The credit risk mainly arisen from a customer's inability or unwillingness to meet its financial obligations. It arises primarily from the loan receivables from the financing service segment.

Impairment of financial assets

The Group has following types of financial assets that are subjected to HKFRS 9's new expected credit loss ("ECL") model:

- Trade receivables
- Contract assets
- Finance lease receivables
- Loans and interest receivables
- Other receivables and deposits
- Restricted bank deposit
- Cash and cash equivalents

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 價格風險(續)

由於分類為按公平值計入損益之金融資產收益/虧損10%，年內除稅後虧損應減少/增加約人民幣1,720,000元(二零一九年：年內除稅後虧損應減少/增加約人民幣4,017,000元)。由於分類為按公平值計入其他全面收入之股權證券收益/虧損10%，股權之其他組成部分應增加/減少約人民幣8,072,000元(二零一九年：人民幣6,539,000元)。

(b) 信貸風險

信貸風險按組別管理。信貸風險主要於客戶無力或不願履行其財務責任時產生。其主要源自融資服務分部之應收貸款。

金融資產減值

本集團有以下按攤銷成本計量之金融資產類型，須遵守香港財務報告準則第9號之新預期信貸虧損(「預期信貸虧損」)模式：

- 應收賬款
- 合約資產
- 融資租賃應收款項
- 應收貸款及利息
- 其他應收款項及按金
- 受限制銀行存款
- 現金及現金等值物

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(i) Trade receivables and contract assets

The trade receivables and contract assets mainly arise from the business of B2B trading, the online services and advertisement, anti-counterfeiting products and services, and market event services. The Group generally grants a credit period ranging from 90 days to 270 days to customers depending on business segment. The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

There was no significant credit risk for the B2B trading business as the Group generally required customers to prepay for the goods before delivery. For B2B trading business, the Group only granted credit period for certain customers that are considered creditworthy. The Group has put in place policies to ensure that provision of services is made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group assesses the credit risk on an individual and collective basis. Trade receivables and contract assets have been grouped based on shared credit risk characteristics, the Group applies the HKFRS 9 simplified approach collectively to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group's historical experience in collection of receivables fall within the recorded allowances.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables and contract assets are a reasonable approximation of the loss rates for the contract assets.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(i) 應收賬款及合約資產

應收賬款及合約資產主要來自B2B交易平台、線上服務及廣告、提供防偽產品及服務以及營銷活動。本集團一般依據業務板塊給予客戶介乎90天至270天之信貸期。本集團採用香港財務報告準則第9號之簡化方法計量預期信貸虧損，為所有應收賬款及合約資產使用全期預期虧損撥備。

由於本集團一般要求客戶於貨品交付前預付款項，故B2B交易業務並無重大信貸風險。就B2B交易業務而言，本集團僅向其認為信譽良好之若干客戶授出信貸期。本集團已採取政策以確保向具良好信貸記錄之客戶提供服務，而本集團亦對其客戶進行定期信用評估。本集團按個別及共同基準評估信貸風險。已根據共有之信貸風險特徵對應收賬款及合約資產進行分組。本集團共同採用香港財務報告準則第9號之簡化方法計量預期信貸虧損，為所有應收賬款及合約資產使用全期預期虧損撥備。本集團過往收回的應收款項並無超出計提的撥備額。

為計量預期信貸虧損，已根據共有之信貸風險特徵及已逾期天數對應收賬款及合約資產進行分組。合約資產涉及未開單在建工程，且與相同類型合約之應收賬款具有大致相同之風險特徵。因此，本集團認為，應收賬款及合約資產之預期虧損率與合約資產虧損率合理相若。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(i) Trade receivables and contract assets (Continued)

On that basis, the loss allowance as at 31 December 2020 and 2019 was determined as follows for trade receivables and contract assets.

		Current- 30 days 目前至 30天	More than 30 days past due 逾期30天 以上	More than 90 days past due 逾期90天 以上	More than 180 days past due 逾期180天 以上	More than 270 days past due 逾期270天 以上	More than 365 days past due 逾期365天 以上	More than 720 days past due 逾期720天 以上	Total 總計
31 December 2020 二零二零年十二月三十一日									
Trade receivables, gross	應收賬款總額	366,417	87,880	31,417	6,710	5,364	5,212	27,570	530,570
Loss allowance for trade receivables	應收賬款虧損撥備	(12,345)	(6,838)	(2,139)	(1,586)	(1,028)	(1,710)	(26,640)	(52,286)
Contract assets, gross	合約資產總值	2,994	-	-	-	-	-	-	2,994
Loss allowance for contract assets	合約資產虧損撥備	(192)	-	-	-	-	-	-	(192)
Expected loss rate	預期虧損率	3.4%	7.8%	6.8%	23.6%	19.2%	32.8%	96.7%	9.8%

		Current- 30 days 目前至 30天	More than 30 days past due 逾期30天 以上	More than 90 days past due 逾期90天 以上	More than 180 days past due 逾期180天 以上	More than 270 days past due 逾期270天 以上	More than 365 days past due 逾期365天 以上	More than 720 days past due 逾期720天 以上	Total 總計
31 December 2019 二零一九年十二月三十一日									
Trade receivables, gross	應收賬款總額	277,811	23,816	47,678	42,664	26,999	36,275	21,984	477,227
Loss allowance for trade receivables	應收賬款虧損撥備	(6,161)	(1,365)	(5,774)	(10,574)	(6,712)	(17,483)	(15,460)	(63,529)
Contract assets, gross	合約資產總值	7,428	-	-	-	-	-	-	7,428
Loss allowance for contract assets	合約資產虧損撥備	(218)	-	-	-	-	-	-	(218)
Expected loss rate	預期虧損率	2.2%	5.7%	12.1%	24.8%	24.9%	48.2%	70.3%	13.2%

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(i) 應收賬款及合約資產(續)

按此基準，已對應收賬款及合約資產釐定於二零二零年及二零一九年十二月三十一日之虧損撥備如下。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(i) Trade receivables and contract assets (Continued)

The closing loss allowances for trade receivables and contract assets as at 31 December 2020 and 2019 reconcile to the opening loss allowances are summarised as follows:

		Trade receivables 應收賬款 RMB'000 人民幣千元	Contract assets 合約資產 RMB'000 人民幣千元
Loss allowance at 1 January 2019	於二零一九年一月一日之 虧損撥備	32,427	108
Increase in loss allowance recognised in profit or loss during the year	年內於損益確認之貸款虧損 撥備增加	33,904	858
Receivables written off during the year as uncollectible	年內撇銷為不可收回之應收 款項	(1,934)	-
Deemed disposal of subsidiaries	視作出售附屬公司	(868)	(748)
Loss allowance at 31 December 2019 and 1 January 2020	二零一九年十二月三十一日及 二零二零年一月一日之 虧損撥備	63,529	218
Increase/(decrease) in loss allowance recognised in profit or loss during the year	年內於損益確認之虧損 撥備增加/(減少)	44,333	(26)
Receivables written off during the year as uncollectible	年內撇銷為不可收回之應收 款項	(50,916)	-
Disposal of subsidiaries	出售附屬公司	(4,660)	-
Loss allowance at 31 December 2020	二零二零年十二月三十一日之 虧損撥備	52,286	192

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(i) 應收賬款及合約資產(續)

於二零二零年及二零一九年十二月三十一日，應收賬款及合約資產之年終虧損撥備與年初虧損撥備之對賬概述如下：

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(i) Trade receivables and contract assets (Continued)

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables and contract assets are presented as “net impairment losses of finance assets” within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Finance lease receivables

The Group applies general approach under HKFRS 9 to measure expected credit losses for all finance leases receivables.

Under the general approach, financial assets migrate through three stages based on the change in credit risk since initial recognition. As at 31 December 2020, all of the finance lease receivables are classified under stage 1 (31 December 2019: same).

Impairment losses on finance lease receivables are presented as “net impairment losses of finance assets” within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(i) 應收賬款及合約資產(續)

當不存在可收回之合理預期時，本集團會撇銷應收賬款及合約資產。不存在可收回之合理預期之指標包括(其中包括)債務人無法與本集團達成還款計劃。

應收賬款及合約資產之減值虧損於經營溢利內列作「金融資產減值虧損淨額」。其後收回先前撇銷之金額將計入同一項目。

(ii) 融資租賃應收款項

本集團應用香港財務報告準則第9號之一般方法計量所有融資租賃應收款項之預期信貸虧損。

按照一般方法，金融資產乃基於初步確認後之信貸風險變動，透過三個階段予以轉撥。於二零二零年十二月三十一日，所有融資租賃應收款項分類為第1階段(二零一九年十二月三十一日：相同)。

融資租賃應收款項之減值虧損於經營溢利內列作「金融資產減值虧損淨額」。其後收回先前撇銷之金額將計入同一項目。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business

The credit risk of loans and interest receivables mainly arises from micro-credit financing business. To manage risk arising from loan and interest receivables, the Group has established relevant mechanism to cover credit risk in key operational phases of micro-credit financing business, including pre-lending evaluations, credit approval, and post-lending monitoring. The Group conducts customer acceptance and due diligence by operating department and risk management department in the pre-lending evaluations.

In the credit approval phase, all loans applications are subjected to the assessment and approval of the Department Manager, General Manager and Risk Assessment Committee of the Micro-credit company, depending on the amount and nature of the loans. During the post-lending monitoring, the Group conducts on-site inspections and off-site inquiries to detect potential risks by evaluating various aspects, including but not limited to the customer's operational and financial conditions, status of collaterals and other sources of repayment.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶

應收貸款及利息之信貸風險主要來自小額貸款融資業務。為管理源自應收貸款及利息之風險，本集團已設立相關機制，用以抵銷小額貸款融資業務各關鍵經營階段所產生之信貸風險，包括貸前評估、信貸審批及貸後監察。於貸前評估階段，本集團委派業務部門及風險管理部門進行客戶接納及盡職審查。

於信貸審批階段，視乎貸款數額及性質而定，小額貸款公司之所有貸款申請須接受部門經理、總經理及風險評估委員會評估及批核。於貸後監察階段，本集團進行現場視察及遙距查詢，透過對不同範疇進行評估識別潛在風險，包括但不限於客戶之經營及財務狀況、抵押品狀況及其他還款來源。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business (Continued)

In accordance with the regulations issued by the local regulatory authority, Chongqing Financial Affairs Office (重慶市金融工作辦公室), the Group has established a loan credit risk classification system based on the type of collateral and credit period, and performs credit risk management based on loan classification in one of five categories. The Group classifies loans into the following five categories: normal, special-mention, substandard, doubtful and loss. Loans classified as substandard, doubtful and loss are regarded as nonperforming loans.

Normal: Borrowers can honour the terms of their loans. There is no reason to doubt their ability to repay principal and interest in full on a timely basis.

Special-mention: Borrowers are currently able to service their loans and interest, although repayment may be adversely affected by specific factor.

Substandard: Borrowers' ability to service their loans is in question and they cannot rely entirely on normal business revenues to repay principal and interest. Losses may ensue even when collateral or guarantees are invoked.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶(續)

根據當地監管機構重慶市金融工作辦公室頒佈之法規，本集團已根據抵押品類型及信貸期設立貸款信貸風險分類系統，並根據五個類別之一貸款分類進行信貸風險管理。本集團將貸款分為以下五個類別：正常類、關注類、次級類、可疑類及損失類。分為次級類、可疑類及損失類之貸款視為不良貸款。

正常類： 借款人能夠履行貸款條款。概無理由懷疑其按時悉數償還本息之能力。

關注類： 儘管借款人目前有能力償還貸款及利息，但還款情況或會受到特定因素之不利影響。

次級類： 借款人之還款能力存疑，其無法完全依靠正常業務收益償還本息。即使進行抵押或擔保，亦可能因而造成損失。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

- (iii) Loans to customers of financing services business (Continued)

Doubtful: Borrowers cannot repay principal and interest in full and significant losses will need to be recognised even when collateral or guarantees are invoked.

Loss: Principal and interest of loans cannot be recovered or only a small portion of them can be recovered after taking all possible measure or resorting to all necessary legal procedures.

The Group applies general approach under HKFRS 9 to measure expected credit losses for all loans and interest receivables accounted for at amortised cost.

Under the general approach, financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit-impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

- (iii) 貸款予融資服務業務之客戶(續)

可疑類: 借款人無法悉數償還本息，即使援引抵押物或擔保，亦須確認重大虧損。

損失類: 在採取所有可能措施或付諸一切必要法律程序之後，本息仍然無法收回，或只能收回少部分。

本集團應用香港財務報告準則第9號之一般方法計量所有按攤銷成本計量之應收貸款及利息之預期信貸虧損。

按照一般方法，金融資產乃基於初步確認後之信貸風險變動，透過下列三個階段予以轉撥：

第1階段：十二個月預期信貸虧損

就自初步確認起信貸風險並無顯著增加且於產生時並無出現信貸減值之風險而言，乃確認與未來十二個月出現違約事件之可能性有關之全期預期信貸虧損部分。

第2階段：全期預期信貸虧損—無信貸減值

就自初步確認起信貸風險顯著增加但無出現信貸減值之風險而言，乃確認全期預期信貸虧損(即反映金融資產之剩餘期限)。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

- (iii) Loans to customers of financing services business (Continued)

Stage 2: Lifetime ECL – not credit-impaired (Continued)

At each financial reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

The Group considers loan and interest receivables to have experienced a significant increase in credit risk if the loans overdue exceeds 30 days on contractual payment.

Stage 3: Lifetime ECL – credit-impaired

Exposures are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

- (iii) 貸款予融資服務業務之客戶(續)

第2階段：全期預期信貸虧損—無信貸減值(續)

於各財務報告日期，本集團會比較由報告日期至初步確認日期之預計生命週期內出現之違約風險，以評估自初步確認以來信貸風險有否顯著增加。本集團就此考慮相關及毋須付出過多成本或人力即可獲取之合理及具理據之資料，當中包括定量及定性資料以及前瞻性分析。

倘貸款之合約付款逾期超過30日，則本集團認為應收貸款及利息之信貸風險會顯著增加。

第3階段：全期預期信貸虧損—信貸減值

當發生會對該資產之估計未來現金流量造成不利影響之一項或多項事件，則有關風險將被評定為出現信貸減值。就已出現信貸減值之風險而言，乃確認全期預期信貸虧損，並透過於扣除撥備後之攤銷成本(而非賬面總值)應用實際利率計算利息收入。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business (Continued)

The Group considers a loan is default, when it is credit impaired. Generally, overdue for more than 90 days on contractual payment terms is considered default. In addition, other qualitative indicators have been considered, including the borrower is in insolvent or bankruptcy, or the loan is classified as nonperforming loans under loan credit risk classification system.

The amount of ECL is measured as the probability weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive. The amount of the loss is recognised and presented as “net impairment losses of financial assets” within operating profit.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶(續)

倘貸款出現信貸減值，本集團認為貸款出現拖欠情況。一般而言，合約付款期逾期超過90天則視為違約。此外，本集團亦已考慮其他定性指標，包括借款人資不抵債或破產，或貸款根據貸款信貸風險分類系統分類為不良貸款。

預期信貸虧損之金額乃計量為按原實際利率貼現之金融資產預計年期內所有現金不足額之可能性加權現值。現金不足額為結欠本集團之所有合約現金流量與本集團預期將收取之所有現金流量之差額。虧損金額於經營溢利內確認並呈列作「金融資產減值虧損淨額」。

倘於往後期間，信貸質素改善及撥回早前所評估自產生以來顯著增加之信貸風險，則將呆賬減值撥備由全期預期信貸虧損恢復為十二個月預期信貸虧損。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

- (iii) Loans to customers of financing services business (Continued)

As at 31 December 2020 and 2019, the loss allowance for loans to customers of financing services business was determined as follows.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

- (iii) 貸款予融資服務業務之客戶(續)

於二零二零年及二零一九年十二月三十一日，貸款予融資服務業務之客戶之虧損撥備釐定如下。

		2020 二零二零年			
		Stage 1 low credit risk (12 month ECL) 第1階段 低信貸風險 (十二個月預期 信貸虧損) RMB'000 人民幣千元	Stage 2 not credit- impaired (Lifetime ECL) 第2階段 無信貸減值 (全期預期 信貸虧損) RMB'000 人民幣千元	Stage 3 credit- impaired (Lifetime ECL) 第3階段 信貸減值 (全期預期 信貸虧損) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2020	於二零二零年十二月三十一日				
Gross carrying amount	賬面總值	771,506	600,225	229,711	1,601,442
Loss allowance	虧損撥備	(12,229)	(39,662)	(132,258)	(184,149)
		759,277	560,563	97,453	1,417,293
Expected loss rate	預期虧損率	1.59%	6.61%	57.58%	11.50%

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

- (iii) Loans to customers of financing services business (Continued)

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

- (iii) 貸款予融資服務業務之客戶(續)

	2019			Total	
	Stage 1	Stage 2	Stage 3		
	low credit risk	not credit-	credit-		
	(12 month	impaired	impaired		
	ECL)	(Lifetime ECL)	(Lifetime ECL)		
	第1階段	第2階段	第3階段		
	低信貸風險	無信貸減值	信貸減值		
	(十二個月預期	(全期預期	(全期預期		
	信貸虧損)	信貸虧損)	信貸虧損)	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
At 31 December 2019	於二零一九年十二月三十一日				
Gross carrying amount	賬面總值	1,405,246	-	279,737	1,684,983
Loss allowance	虧損撥備	(13,597)	-	(126,417)	(140,014)
		1,391,649	-	153,320	1,544,969
Expected loss rate	預期虧損率	0.97%	-	45.2%	8.31%

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment and provisioning policies

The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measure credit risk using Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

金融資產虧損撥備基於對違約風險及預期虧損率之假設。本集團根據本集團過往歷史、現有市場狀況以及於各報告期末之前瞻性估計，於作出該等假設及選擇減值計算之輸入數據時使用判斷。

減值及撥備政策

評估資產組合之信貸風險包括進一步評估發生違約之可能性、相關虧損比率及交易對手之違約相關性。本集團採用違約概率(「違約概率」)、違約敞口(「違約敞口」)及違約損失率(「違約損失率」)計量信貸風險。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business (Continued)

Impairment and provisioning policies (Continued)

The expected credit losses are measured on either a 12-month or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD and LGD.

The ECL is determined by projecting the PD, EAD and LGD for each future month and for each portfolio. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summarised. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The calculation of ECL incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶(續)

減值及撥備政策(續)

預期信貸虧損按十二個月或全期基準計量，惟視乎初始確認後信貸風險有否大幅增加或資產是否被視為發生信貸減值而定。預期信貸虧損是違約概率、違約敞口及違約損失率三者乘積折現後之結果。

透過預測未來每個月及每個組合之違約概率、違約敞口及違約損失率釐定預期信貸虧損。上述三個組成部分相乘，並根據存續可能性(即在前一個月並無預付或違約之風險)進行調整。此舉可有效計算未來每個月之預期信貸虧損，屆時折讓至報告日期並匯總。計算預期信貸虧損使用之折現率為原始實際利率或近似值。

預期信貸虧損計算涉及前瞻性資料。本集團已進行歷史分析並確認影響信貸風險及預期信貸虧損之主要經濟變量。

如任何經濟預測，預測及發生之可能性亦有很大程度之內在不確定因素，因此實際結果可能與預測結果大相徑庭。本集團認為該等預測乃對可能結果之最佳估計。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

- (iii) Loans to customers of financing services business (Continued)

Impairment and provisioning policies (Continued)

The assessment of ECL incorporates forward-looking information in respect of PD. The Group has performed historical analysis and identified the key economic variable impacting credit risk and ECL for loan portfolio:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

- (iii) 貸款予融資服務業務之客戶(續)

減值及撥備政策(續)

預期信貸虧損評估涉及有關違約概率之前瞻性資料。本集團已進行歷史分析並確認影響貸款組合信貸風險及預期信貸虧損之主要經濟變量：

Key economic variable 主要經濟變量	Scenario 情景	As at	As at
		31 December 2020 於二零二零年 十二月三十一日	31 December 2019 於二零一九年 十二月三十一日
Gross Domestic Product ("GDP") growth rate 國內生產總值(「國內生產總值」)增長率	Base 基本	4.96%	6.06%
	Upside 上行	5.68%	6.20%
	Downside 下行	4.25%	6.00%
Money supply measure ("M2") 貨幣供應計量(「M2」)	Base 基本	9.20%	8.35%
	Upside 上行	9.90%	8.71%
	Downside 下行	7.95%	8.00%

The Group uses economic variable assumptions when determine the expected GDP growth rate and M2. The weightings assigned to each economic scenario at 31 December 2020 were 80% for base, 10% for upside and 10% for downside (31 December 2019: same).

本集團使用經濟變數假設釐定預期國內生產總值增長率及M2。於二零二零年十二月三十一日，各個經濟情景獲授之權重為基本80%、上行10%及下行10%(二零一九年十二月三十一日：相同)。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business (Continued)

Impairment and provisioning policies (Continued)

The most significant assumptions affecting the ECL allowance are GDP growth rate and M2 growth rate. Set out below are the changes to the ECL as at 31 December 2020 and 2019 that would result from increasing/decreasing GDP growth rate by 1% or M2 growth rate by 1% in each of the base, upside and downside scenarios:

GDP growth rate As at 31 December 2020	國內生產總值增長率 於二零二零年十二月三十一日	+1% (2,508,799)	-1% 2,638,533
M2 As at 31 December 2020	M2 於二零二零年十二月三十一日	+1% (238,894)	-1% 240,017
GDP growth rate As at 31 December 2019	國內生產總值增長率 於二零一九年十二月三十一日	+1% (1,118,965)	-1% 1,447,644
M2 As at 31 December 2019	M2 於二零一九年十二月三十一日	+1% (572,598)	-1% 478,048

The loss allowance recognised in the year is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to loan receivables experiencing significant increases (or decreases) of credit risk in the year, and the subsequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised, as well as releases for loan receivables derecognised in the year; and
- Loan receivables derecognised and write-offs of allowances related to assets that were written off during the year.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶(續)

減值及撥備政策(續)

影響預期信貸虧損撥備之最大假設為國內生產總值增長率及M2增長率。於二零二零年及二零一九年十二月三十一日，於基本、上行及下行各情景中，國內生產總值增長率或M2增長率分別上調/下調1%導致之預期信貸虧損變動載列如下：

GDP growth rate As at 31 December 2020	國內生產總值增長率 於二零二零年十二月三十一日	+1% (2,508,799)	-1% 2,638,533
M2 As at 31 December 2020	M2 於二零二零年十二月三十一日	+1% (238,894)	-1% 240,017
GDP growth rate As at 31 December 2019	國內生產總值增長率 於二零一九年十二月三十一日	+1% (1,118,965)	-1% 1,447,644
M2 As at 31 December 2019	M2 於二零一九年十二月三十一日	+1% (572,598)	-1% 478,048

年內確認之虧損撥備受以下多項因素影響：

- 年內應收貸款之信貸風險大幅增加(或下降)令第1階段與第2或第3階段間發生轉移，繼而十二個月預期信貸虧損上升為全期預期信貸虧損(或反之亦然)；
- 就新確認之金融工具計提額外撥備及就年內終止確認之應收貸款剔除撥備；及
- 剔除年內已終止確認之應收貸款及已撤銷之資產之相關撥備。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business (Continued)

Impairment and provisioning policies (Continued)

The following tables explain the changes in the loss allowance for loan receivables between the beginning and the end of the year due to these factors:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶(續)

減值及撥備政策(續)

下表說明年初至年終應收貸款因該等因素而產生之虧損撥備變動：

		Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Loss allowance as of 1 January 2020	截至二零二零年一月一日之 虧損撥備	13,597	-	126,417	140,014
Transfer:	轉移：				
Transfer from Stage 1 to Stage 2	第1階段轉移至第2階段	(7,661)	15,642	-	7,981
Transfer from Stage 1 to Stage 3	第1階段轉移至第3階段	(36)	-	1,457	1,421
Transfer from Stage 2 to Stage 1	第2階段轉移至第1階段	-	-	-	-
Transfer from Stage 2 to Stage 3	第2階段轉移至第3階段	-	-	-	-
Transfer from Stage 3 to Stage 1	第3階段轉移至第1階段	-	-	-	-
Transfer from Stage 3 to Stage 2	第3階段轉移至第2階段	-	-	-	-
Change in PDS/LGDs/EADs	違約概率／違約損失率／違 約敞口變動	6,721	24,020	31,547	62,288
Loan and interest receivables derecognised during the year	年內剔除確認之應收貸款及 利息	(17,280)	-	(27,163)	(44,443)
New loan receivables originated	發放之新應收貸款	16,888	-	-	16,888
Write-offs	撇銷	-	-	-	-
Loss allowance as of 31 December 2020	截至二零二零年十二月 三十一日之虧損撥備	12,229	39,662	132,258	184,149

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business
(Continued)

Impairment and provisioning policies (Continued)

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶
(續)

減值及撥備政策(續)

		Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Loss allowance as of 1 January 2019	截至二零一九年一月一日之 虧損撥備	27,981	35,352	41,230	104,563
Transfer:	轉移:				
Transfer from Stage 1 to Stage 2	第1階段轉移至第2階段	-	-	-	-
Transfer from Stage 1 to Stage 3	第1階段轉移至第3階段	(572)	-	25,876	25,304
Transfer from Stage 2 to Stage 1	第2階段轉移至第1階段	-	-	-	-
Transfer from Stage 2 to Stage 3	第2階段轉移至第3階段	-	(28,294)	152,454	124,160
Transfer from Stage 3 to Stage 1	第3階段轉移至第1階段	-	-	-	-
Transfer from Stage 3 to Stage 2	第3階段轉移至第2階段	-	-	-	-
Change in PDs/LGDs/EADs	違約概率/違約損失率/違 約敞口變動	(16,886)	-	(86,851)	(103,737)
Loan and interest receivables derecognised during the year	年內剔除確認之應收貸款及 利息	(19,373)	(7,058)	(2,249)	(28,680)
New loan receivables originated	發放之新應收貸款	22,447	-	-	22,447
Write-offs	撇銷	-	-	(4,043)	(4,043)
Loss allowance as of 31 December 2019	截至二零一九年十二月 三十一日之虧損撥備	13,597	-	126,417	140,014

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business (Continued)

Impairment and provisioning policies (Continued)

The gross carrying amount of the loan receivables explains their significant changes in the loss allowance as discussed below:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶(續)

減值及撥備政策(續)

應收貸款賬面總值說明下文所述其於虧損撥備中之重大變動：

		Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Gross carrying amount as of 1 January 2020	截至二零二零年一月一日 之賬面總值	1,405,246	-	279,737	1,684,983
Transfer:	轉移：				
Transfer from Stage 1 to Stage 2	第1階段轉移至第2階段	(600,225)	600,225	-	-
Transfer from Stage 1 to Stage 3	第1階段轉移至第3階段	(2,836)	-	2,836	-
Transfer from Stage 2 to Stage 1	第2階段轉移至第1階段	-	-	-	-
Transfer from Stage 2 to Stage 3	第2階段轉移至第3階段	-	-	-	-
Transfer from Stage 3 to Stage 1	第3階段轉移至第1階段	-	-	-	-
Transfer from Stage 3 to Stage 2	第3階段轉移至第2階段	-	-	-	-
Loan and interest receivables derecognised during the year	年內剔除確認之應收貸款 及利息	(1,353,899)	-	(52,862)	(1,406,761)
New loan receivables originated	發放之新應收貸款	1,323,220	-	-	1,323,220
Write-offs	撇銷	-	-	-	-
Gross allowance as of 31 December 2020	截至二零二零年十二月 三十一日之撥備總值	771,506	600,225	229,711	1,601,442

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Loans to customers of financing services business (Continued)

Impairment and provisioning policies (Continued)

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iii) 貸款予融資服務業務之客戶(續)

減值及撥備政策(續)

		Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Gross carrying amount as of 1 January 2019	截至二零一九年一月一日之賬面總值	1,249,211	262,385	41,230	1,552,826
Transfer:	轉移:				
Transfer from Stage 1 to Stage 2	第1階段轉移至第2階段	-	-	-	-
Transfer from Stage 1 to Stage 3	第1階段轉移至第3階段	(35,644)	-	35,644	-
Transfer from Stage 2 to Stage 1	第2階段轉移至第1階段	-	-	-	-
Transfer from Stage 2 to Stage 3	第2階段轉移至第3階段	-	(210,004)	210,004	-
Transfer from Stage 3 to Stage 1	第3階段轉移至第1階段	-	-	-	-
Transfer from Stage 3 to Stage 2	第3階段轉移至第2階段	-	-	-	-
Loan and interest receivables derecognised during the year	年內剔除確認之應收貸款及利息	(1,207,970)	(52,381)	(3,098)	(1,263,449)
New loan receivables originated	發放之新應收貸款	1,399,649	-	-	1,399,649
Write-offs	撇銷	-	-	(4,043)	(4,043)
Gross allowance as of 31 December 2019	截至二零一九年十二月三十一日之撥備總值	1,405,246	-	279,737	1,684,983

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iv) Other financial assets at amortised cost

Credit risk also arises from cash and cash equivalents and restricted bank deposit, as well as credit exposures to other receivables and deposit. The carrying amount of each class of these financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage credit risk, bank deposits are mainly placed with state-owned financial institutions in the PRC and reputable international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions. The finance department has policies in place to monitor the exposures to these credit risks on an on-going basis.

For balance with related companies, loans to employees, other receivables due from third parties and deposits, management make individual assessment on the recoverability of the balances taking into account the historical settlement records, past experience as well as forward looking factors. During the year ended 31 December 2020, there was an increase in credit risk on the balances due from certain independent third parties and the Directors believe that the recoverability of the balance is uncertain. Therefore, the balance of RMB43,020,000 (2019: RMB20,118,000) was fully provided for as at 31 December 2020.

Except for the amount mentioned above, the Directors believe that there is no material credit risk inherent in the Group's outstanding balances of other receivables and deposits and the expected credit loss is close to zero.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

金融資產減值(續)

(iv) 按攤銷成本計量之其他金融資產

信貸風險亦來自現金及現金等

值物及受限制銀行存款，以及其他應收款項及按金之信貸風險。該等金融資產各級別之賬面值指本集團所承受有關金融資產相應級別之最大信貸風險。

為管理信貸風險，存款主要存於中國國有金融機構及國外有信譽之國際金融機構。近期並無有關該等金融機構之拖欠記錄。財務部已制訂政策，以持續監察所面臨之該等信貸風險。

就與關聯公司之結餘、向僱員作出之貸款、其他應收第三方之款項及按金而言，管理層經計及過往結算記錄、過往經驗及前瞻性因素後個別評估結餘之可收回程度。截至二零二零年十二月三十一日止年度，應收若干獨立第三方結餘之信貸風險有所增加，董事認為該結餘之可收回程度屬不確定。因此，於二零二零年十二月三十一日，金額達人民幣43,020,000元(二零一九年：人民幣20,118,000元)之結餘已悉數計提撥備。

除上述金額外，董事認為，本集團其他應收款項及按金之未償還餘額並無固有的重大信貸風險，故預期信貸虧損接近零。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

With prudent liquidity risk management, the Group aims to maintain sufficient cash and cash equivalents and ensure the availability of funding through an adequate amount of available financing, including short-term bank borrowing. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and flexibility in funding through having available sources of financing.

As at 31 December 2020, the cash and cash equivalents of the Group approximated RMB254,301,000 (2019: RMB331,893,000).

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

配合審慎流動資金風險管理，本集團旨在維持充足現金及現金等值物，並透過充裕可用融資金額(包括短期銀行借貸)確保有足夠資金。由於相關業務之多變性質，本集團透過保持足夠現金及現金等值物以維持資金靈活性，並透過取得可用融資來源維持資金靈活性。

於二零二零年十二月三十一日，本集團現金及現金等值物約為人民幣254,301,000元(二零一九年：人民幣331,893,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below summarises the maturity analysis shows the cash outflow based on the earliest date in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The amounts include interest payments computed using contractual rates.

		Less than 1 year 1年內 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2020	於二零二零年 十二月三十一日					
Trade payables	應付賬款	478,940	-	-	-	478,940
Accrued expenses and other payables	應計費用及 其他應付款項	138,733	-	-	-	138,733
Borrowings	借貸	1,004,983	261,480	34,689	-	1,301,152
Lease liabilities	租賃負債	16,462	11,383	3,178	5,101	36,124
At 31 December 2019	於二零一九年 十二月三十一日					
Trade payables	應付賬款	128,209	-	-	-	128,209
Accrued expenses and other payables	應計費用及其他應付款項	98,033	-	-	-	98,033
Borrowings	借貸	1,922,869	417,829	121,197	-	2,461,895
Convertible bonds – liabilities proportion	可換股債券 – 負債部分	101,030	-	-	-	101,030
Lease liabilities	租賃負債	79,757	11,112	6,583	-	97,452

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

下表概述到期分析，該分析乃根據本集團須支付之最早日期(即倘貸款人援引其無條件權利以即時收回貸款)顯示現金流出。該等金額包括按合約利率計算之利息還款。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table above excludes the amount of guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties as the directors consider the likelihood of default in payments by the purchasers is minimal. As at 31 December 2020, there is no outstanding guarantees for mortgages (2019: RMB16,828,000) upon disposal of Huicong Tianjin Group. For details, refer to note 43.

Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of one to two years upon the completion of guarantee registration; or (ii) the full repayment of mortgaged loan by the purchasers of properties.

Management monitors the Group's liquidity through cash flow projections covering a period of twelve months on a rolling basis. Based on the cash flow projection, taking into account the reasonably possible changes in the operational performance and the continuous availability of banking facilities, management considers that there will be sufficient financial resources in the coming twelve months to meet its financial obligations as and when they fall due.

3.2 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 benefits for other stakeholders 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, return capital to shareholders, issue new shares or sell assets to reduce debt.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

上表不包括給予銀行作授予本集團物業之若干買家之按揭融資之擔保金額，乃由於董事認為買家拖欠付款之可能性很低。於二零二零年十二月三十一日，於出售慧聰天津集團後概無按揭之未償還擔保金額（二零一九年：人民幣16,828,000元）。有關詳情，請參閱附註43。

有關擔保於下列日期較早者終止：
(i)發行一般可於完成擔保登記後平均一至兩年期取得之房地產權益權證；或(ii)物業買家悉數償還按揭貸款。

管理層透過涵蓋十二個月期間之現金流量預測以滾動方式監察本集團之流動資金。根據現金流量預測，經考慮營運表現及持續可用之銀行融資之合理可能變動，管理層認為，於未來十二個月將有充足財務資源，以於其財務責任到期時履行。

3.2 資本風險管理

本集團管理資金之目的為保障本集團持續經營之能力，為股東帶來回報，同時為其他持份者帶來利益，並維持最佳資本結構以減低資本成本。

為維持或調整資本結構，本集團可能會調整派予股東之股息金額、向股東退還資本、發行新股份或出售資產以減低債務。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 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 capital. Net debt is calculated as total borrowings (including convertible bonds) less cash and cash equivalents (including restricted bank deposits). Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. Accordingly, the gearing ratios at 31 December 2020 and 2019 were as follows:

3 財務風險管理(續)

3.2 資本風險管理(續)

本集團根據資本負債比率監察資本。該比率按淨債務除以總資本計算。淨債務之計算方法為將總借貸(包括可換股債券)減現金及現金等值物(包括受限制銀行存款)。總資本之計算方法為將「權益」(於合併財務狀況表列示)加淨債務。因此，於二零二零年及二零一九年十二月三十一日之資本負債比率如下：

		As at 31 December	
		於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank borrowings (note 36)	銀行借貸(附註36)	895,308	1,591,089
Other borrowings (note 36)	其他借貸(附註36)	340,959	713,312
Convertible bonds – liabilities portion (note 37)	可換股債券 – 負債部分 (附註37)	–	90,670
Lease liabilities (note 16(a))	租賃負債(附註16(a))	32,649	91,995
Less: cash and bank (including restricted bank deposit) (note 31)	減：現金及銀行(包括受限制銀行存款) (附註31)	(280,149)	(614,064)
Net debt	淨債務	988,767	1,873,002
Total equity	總權益	4,025,779	4,729,712
Total capital	總資本	5,014,546	6,602,714
Gearing ratio	資本負債比率	20%	28%

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents and restricted bank deposit, trade and other receivables, contract related assets, finance lease receivable, amount due from related companies, trade payables, accruals and other payables, contract liabilities, borrowings, convertible bond and lease liabilities approximate their fair values due to their short maturities.

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2020 and 2019 by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy 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 following table presents the Group's financial assets that are at fair value at 31 December 2020 and 2019.

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於二零一九年十二月三十一日				
Assets	資產				
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	65,387	-	-	65,387
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	-	-	43,263	43,263
		65,387	-	43,263	108,650

3 財務風險管理(續)

3.3 公平值估計

本集團之金融資產及負債包括現金及現金等值物及受限制銀行存款、應收賬款及其他應收款項、合約相關資產、融資租賃應收款項、應收關聯公司款項、應付賬款、應計費用及其他應付款項、合約負債、借貸、可換股債券及租賃負債，由於該等金融資產及負債在短期內到期，故其賬面值與公平值相若。

下表按用於計量公平值之估值方法所用輸入數據之層級，分析於二零二零年及二零一九年十二月三十一日本集團按公平值列賬之金融工具。有關輸入數據分類為公平值架構內之下列三個層級：

- 相同資產或負債在活躍市場之報價(未經調整)(第一級)。
- 資產或負債中可直接(即例如價格)或間接(即自價格引申)觀察之輸入數據，不包括第一級內之報價(第二級)。
- 資產或負債中並非依據可觀察市場數據輸入(即不可觀察輸入數據)(第三級)。

下表呈列本集團於二零二零年及二零一九年十二月三十一日按公平值計量之金融資產。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3 財務風險管理(續)

3.3 Fair value estimation (Continued)

3.3 公平值估計(續)

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2020	於二零二零年十二月三十一日				
Assets	資產				
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	80,716	-	-	80,716
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	-	-	20,234	20,234
		80,716	-	20,234	100,950

There were no transfers between Level 1, 2 and 3 for recurring fair value measurement during the year.

年內，第一級、第二級及第三級之間並無經常性公平值計量轉移。

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, price services or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

(a) 第一級之金融工具

在活躍市場買賣之金融工具公平值根據合併財務狀況表日期之市場報價計算。當可即時及定期從證券交易所、經銷商、經紀、業內人士、報價服務或者監管代理取得報價，而有關報價代表按公平交易基準進行之實際與常規市場交易時，該市場被視為活躍市場。就集團所持有之金融資產採用之市場報價為當前買入價。該等工具計入第一級內。

(b) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(b) 第三級之金融工具

倘一項或以上之重大輸入數據並非基於可觀察之市場數據，該工具計入第三級內。

(i) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices and adjusted price-to-book ratios similar instruments.

(i) 用於釐定公平值之估值技術

用於評估金融工具價值之具體估值技術包括使用市場報價及同類工具之經調整市賬率。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 3 (Continued)

The following table represents the changes in level 3 instruments for the year ended 31 December 2020.

		Financial assets at fair value through profit or loss (note ii and iii) 按公平值 計入損益之 金融資產 (附註ii及iii) RMB'000 人民幣千元	Financial assets at fair value through other comprehensive income (note i) 按公平值計入 其他全面收入 之金融資產 (附註i) RMB'000 人民幣千元
As at 1 January 2020	於二零二零年一月一日	43,263	-
Fair value changes charged to consolidated statement of comprehensive income	於合併綜合收益表扣除之 公平值變動	(8,779)	-
Exchange difference	匯兌差額	104	-
Derecognition	剔除確認	(14,354)	-
As at 31 December 2020	於二零二零年十二月三十一日	20,234	-

3 財務風險管理(續)

3.3 公平值估計(續)

(b) 第三級之金融工具(續)

下表呈列截至二零二零年十二月三十一日止年度第三級工具之變動。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 3 (Continued)

The following table represents the changes in level 3 instruments for the year ended 31 December 2019.

3 財務風險管理(續)

3.3 公平值估計(續)

(b) 第三級之金融工具(續)

下表呈列截至二零一九年十二月三十一日止年度第三級工具之變動。

		Financial assets at fair value through profit or loss (note ii and iii) 按公平值 計入損益之 金融資產 (附註ii及iii) RMB'000 人民幣千元	Financial assets at fair value through other comprehensive income (note i) 按公平值計入 其他全面收入 之金融資產 (附註i) RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	17,498	32,600
Fair value changes credited to consolidated statement of comprehensive income	計入合併綜合收益表之公平值變動	25,765	-
Disposal	出售	-	(32,600)
As at 31 December 2019	於二零一九年十二月三十一日	43,263	-

Notes to the Consolidated Financial Statements 合併財務報表附註

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 3 (Continued)

The Group's finance department includes a team that performs the valuation of financial asset required for financial reporting purposes, including level 3 fair values with assistance of external valuers. This team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussion of valuation processes and results are held between the CFO, AC and the valuation team at least once before the reporting date of every half year, in line with the Group's reporting dates.

Note:

- (i) For the financial assets at fair value through other comprehensive income, the Group estimates the fair value based on the latest unit selling price of the financial assets on an arm's length basis and the market data of comparable companies.
- (ii) Contingent consideration arrangement related to the acquisition of Zale Inc. and Huijia Yuantian Limited, which included in the fair value of the financial assets through profit or loss was estimated by applying income approach which considers the probability that companies could achieve the performance target and the market prices of the consideration share at the valuation date. The key unobservable assumption used in the valuation of calculating this contingent consideration include:

	Zale Inc.		Huijia Yuantian Limited	
	31 December 2020 二零二零年 十二月 三十一日	31 December 2019 二零一九年 十二月 三十一日	31 December 2020 二零二零年 十二月 三十一日	31 December 2019 二零一九年 十二月 三十一日
Probabilities to achieve the performance target	N/A* 不適用*	100%	N/A* 不適用*	0%

* The performance target of Zale Inc. and Huijia Yuantian limited were undertaken until the financial year ended 31 December 2019. Hence, this is not applicable for year ended 31 December 2020.

- (iii) The remaining financial asset through profit or loss represents the puttable fund. The key unobservable assumption used in the valuation is the adjusted price-to-book ratios which is 1.26 (2019: 1.46).

3 財務風險管理(續)

3.3 公平值估計(續)

(b) 第三級之金融工具(續)

本集團財務部設有一支團隊，負責在外聘估值師之協助下就財務報告目的進行所需之金融資產(包括第三級之公平值)估值。該團隊直接向首席財務官(首席財務官)及審核委員會(審核委員會)匯報。為符合本集團之報告日期，首席財務官、審核委員會與估值團隊至少每半年於報告日期前就估值程序及結果進行討論。

附註：

- (i) 就按公平值計入其他全面收入之金融資產而言，本集團按公平基準根據金融資產之最新單位售價及可資比較公司之市場數據估計公平值。
- (ii) 計入損益之金融資產公平值包括與收購Zale Inc.及慧嘉元天有限公司有關之或然代價安排，該公平值以收入法估計，考慮到公司達成履約目標之可能性及代價股份於估值日期之市價。計算該或然代價之估值所用之主要不可觀察假設包括：

* Zale Inc.及慧嘉元天有限公司承諾直至截至二零一九年十二月三十一日止財政年度之履約目標。因此，此項不適用於截至二零二零年十二月三十一日止年度。

- (iii) 餘下計入損益之金融資產指可認沽基金。估值所用之主要不可觀察假設為經調整市賬率1.26(二零一九年：1.46)。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill and other intangible assets

The Group tests annually whether goodwill have suffered any impairment, in accordance with the accounting policy stated in note 2.12. For intangible assets with finite useful life, the Group reviews internal and external sources information to identify indications of impairment. In determining where goodwill and intangible assets are impaired requires an estimation of the recoverable amount of cash-generating units to which goodwill and intangible assets have been allocated. The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows expected to be derived from an asset or cash-generating unit and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

4 重要會計估計及判斷

估計及假設乃基於過往經驗及其他因素而持續進行評估，當中包括按情況對日後事件作出相信屬合理之預測。

4.1 重要會計估計及假設

本集團就未來作出估計及假設。顧名思義，所得會計估計甚少與有關實際結果相同。下文將討論存在重大風險可導致下個財政年度之資產及負債賬面值造成重大調整之估計及假設。

(a) 商譽減值和其他無形資產

本集團每年根據附註2.12所述會計政策對商譽進行減值測試。就具有有限可使用年期之無形資產而言，本集團審閱內部及外部資料，以辨識減值跡象。釐定商譽及無形資產是否已減值時，須估算已分配商譽及無形資產之現金產生單元之可收回金額。現金產生單元之可收回金額根據使用價值計算或公平值減出售成本之較高者釐定。該等計算方法需要使用判斷及估計。資產減值範圍需要由管理層作出判斷，特別是評估：(i)是否發生可能顯示相關資產價值可能無法收回之事件；(ii)一項資產之賬面值是否可由可收回金額(即公平值減出售成本及預期來自一項資產或現金產生單位之未來現金流量淨現值，以較高者為準)支持；及(iii)應用於編製現金流量預測之適用重要假設，包括該等現金流量預測是否按適用比率折讓。改變管理層於評估減值時所選擇之假設(包括現金流量預測之貼現率或增長率假設)可能對減值測試所用之淨現值造成重大影響，繼而影響本集團之財務狀況及經營業績。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Fair value of the equity interest retained in Home Electronic Appliances World Group (“JDSJ Group”)

On 27 August 2020, the Group entered into the Equity Transfer Agreement with Guangdong Lingqiu Commercial Trading Co., Ltd, Xinyu Congying Internet Technology Partnership (Limited Partnership) and JDSJ Group. The Group agreed to transfer 30% of the equity interest in JDSJ Group to Guangdong Lingqiu Commercial Trading Co., Ltd and 25% of the equity interest in JDSJ Group to Xinyu Congying Internet Technology Partnership (Limited Partnership). As a result, the Group owns 20% of the equity interest in JDSJ Group. JDSJ Group ceased to be the subsidiaries of the Group, but has been accounted as an investment in associates in the consolidated financial statement using equity method. The notional purchase price allocation was supported by valuation performed by an independent professional valuer, the Group use judgement in making the assumption on key estimates including revenue growth, gross profit margin and discount rate based on the Group’s past history, existing market condition and forward looking estimates.

For details of the fair value estimate, refer to Note 26(a).

(c) Useful lives of intangible assets

Significant judgement is exercised in the assessment of the useful lives of the intangible assets. In making its judgement, management considers a wide range of factors such as the attrition rates and obsolescence rates.

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

(b) 於家電世界集團(「家電世界集團」)保留之股權公平值

於二零二零年八月二十七日，本集團與廣東領球商貿有限公司、新余聰穎網絡科技合夥企業(有限合夥)及家電世界集團訂立股權轉讓協議。本集團同意轉讓於家電世界之30%股本權益予廣東領球商貿有限公司，並轉讓於家電世界之25%股本權益予新余聰穎網絡科技合夥企業(有限合夥)。因此，本集團擁有家電世界之20%股本權益。家電世界集團不再為本公司之附屬公司，但以權益會計法於合併財務報表中入賬列作於聯營公司之投資。名義買價分配由一名獨立專業估值師進行之估值支持，本集團於根據本集團過往歷史、現有市況及前瞻性估計對關鍵估計(包括銷售收入增長、毛利率及貼現率)進行假設時使用判斷。

有關公平值估計之詳情，請參閱附註26(a)。

(c) 無形資產之可使用年期

於評估無形資產之可使用年期時須作出重大判斷。管理層作出判斷時會考慮一系列因素，如流失率及過時率。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions

(Continued)

(d) Impairment of other non-financial assets

At each date of consolidated statement of financial position, the Group reviews internal and external sources of information to identify indications that the interests in associates which are significant to the Group may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

Significant judgement is exercised by the management in determination of the net realisable value of completed properties held for sale by using (i) prevailing market data such as most recent sale transactions and market survey reports available from independent property valuers; and (ii) internal estimates of costs based on quotes by suppliers.

The sources utilised to identify indications of impairment are often subjective in nature and the Group is required to use judgement in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an impairment assessment is performed as at any given reporting date. If an indication of impairment is identified, such information is further subjected to an exercise that requires the Group to estimate the recoverable amount, representing the greater of the asset's fair value less cost to sell or its value in use. Depending on the Group's assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment. Regardless of the resources utilised, the Group is required to make many assumptions to make this assessment, including the utilisation of such asset, the cash flow to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of any asset.

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

(d) 其他非金融資產減值

於各合併財務狀況表日期，本集團審閱內部及外部資料，以辨識對本集團而言屬重大之聯營公司權益可能減值或過往確認之減值虧損不再存在或可能已減低之跡象。倘出現任何有關跡象，將估計資產之可收回金額。當一項資產之賬面值超出其可收回金額時，則會於合併綜合收益表確認減值虧損。

管理層根據以下方式，於釐定持作銷售竣工物業之可變現淨值時作出重大判斷：(i)現行市場數據(例如最近期之銷售交易及獨立物業估值師所提供之市場調查報告)；及(ii)基於供應商報價所作的內部成本估計。

用於辨識減值跡象之來源通常屬主觀性質，本集團將該等資料應用於業務時須作出判斷。本集團對此資料之詮釋是否於任何特定報告日期進行減值評估具有直接影響。倘辨識到減值跡象，該等資料須由本集團進一步估計可收回金額(即資產公平值減出售成本或其使用價值，以較高者為準)。視乎本集團對所審閱資產之整體重要性及產生可收回金額合理估計之複雜性評估，本集團可能利用內部資源進行有關評估或委聘外部顧問為本集團評估時提供諮詢。不論來源是否已動用，本集團須為此評估作出大量假設，包括有關資產之使用、將予產生之現金流量、適用之市場貼現率及預測市場及監管情況。任何該等假設之變動均可能對未來任何資產之估計可收回金額造成重大變動。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued) 4 重要會計估計及判斷(續)

4.1 Critical accounting estimates and assumptions

(Continued)

(e) Provision of impairment of financial assets

For loans and interest receivables, significant judgement is exercised in the assessment of the collectability from each counter party. In making its judgement, management considers a wide range of factors such as results of historical payment records, following-up procedures performed by customer relationship personnel, counter parties' payment record, creditability, nature of loans, underlying security as well as forward looking estimates.

The loss allowances for other financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) Share-based payment

Significant judgement is exercised in the assessment of the fair value of the share-based payments. In making its judgement, management considers a wide range of factors such as the share price of the Group and the expected vesting number of share options.

(g) Taxes

The Group's subsidiaries that operate in the PRC are subjected to income tax in the PRC. Significant judgement is required in determining the provision for various kinds of 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 consolidated statement of comprehensive income in the period in which such determination is made.

4.1 重要會計估計及假設(續)

(e) 就金融資產減值計提撥備

就應收貸款及利息而言，於評估各三方之可收回性時行使重大判斷。管理層於判斷時，會考慮一系列因素，如過往付款記錄、客戶關係人員進行跟進程序之結果、三方還款記錄、信譽度、貸款性質、相關擔保及前瞻性估計。

其他金融資產的虧損撥備基於對違約風險及預期虧損率的假設。本集團根據集團過往歷史、現有市場狀況以及於各報告期末前瞻性估計，於作出該等假設及選擇減值計算之輸入數據時使用判斷。

(f) 以股份為基礎之付款

於評估以股份為基礎之付款公平值時需要行使重大判斷，管理層於作出判斷時，會考慮一系列因素，如本集團之股價及購股權之預期歸屬數目。

(g) 稅項

本集團於中國境內運營之附屬公司需繳納中國所得稅。本集團釐定各種稅項撥備時需要作出重大判斷。未能確定最終稅款之交易及計算眾多。本集團根據額外稅款是否將會到期之估計，確認預期稅務審計事宜負債。如此等事件之最終稅務結果與初步入賬金額不同，有關差額將影響作出此等釐定期間之合併綜合收益表。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(g) Taxes (Continued)

The Group is subjected to land appreciation taxes ("LAT") in the PRC. However, the implementation and settlement of LAT varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its LAT calculation and payments with local tax authority in the PRC for its property project. Accordingly, judgement is required in determining the amount of the land appreciation taxes. The Group recognised land appreciation taxes based on management's best estimates according to the interpretation of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and tax provisions in the periods in which such taxes have been finalised with local tax authority.

(h) Fair value of the equity interest retained in Zhongmo Group

On 26 December 2019, the Group's subsidiary Hunan Zhongmoyun Construction Science and Technology Co., Ltd. ("Zhongmo") completed its share placement to an independent third party in which the investors subscribed 1.96% of newly issued shares in Zhongmo with an aggregate consideration of RMB20 million. Upon completion of the above transaction, the Group's interest in Zhongmo was diluted from 36.80% to 36.08%. Subsequent to transaction, the memorandum of article of Zhongmo had been revised, and the acting in concert agreement that the Group entered into with another shareholder as disclosed in Note 25 have also been terminated. Accordingly, the Group only has right to appoint two directors out of five positions in the Board of directors of Zhongmo, and will no longer be able to control Zhongmo Group but continue to exercise significant influence over Zhongmo Group. As a result, Zhongmo Group ceased to be subsidiaries of the Group with effect from 26 December 2019 and Zhongmo Group has then been accounted for investment in associates in the consolidated financial statement using the equity method of accounting. Such transaction was recognised as deemed disposal of subsidiaries. The notional purchase price allocation was supported by valuation performed by an independent professional valuer, the Group use judgement in making the assumption on key estimates including revenue growth, gross profit margin and discount rate based on the Group's past history, existing market condition and forward looking estimates.

For details of the fair value estimate, refer to Note 26(c).

4 重要會計估計及判斷(續)

4.1 重要會計估計及判斷(續)

(g) 稅項(續)

本集團須繳納中國土地增值稅(「土地增值稅」)。然而，土地增值稅之實施及支付因應中國各城市之不同稅務司法權區而異，而本集團尚未與中國地方稅務機關就其物業項目落實其土地增值稅計算及付款方法。因此，須作出判斷以釐定土地增值稅之金額。本集團基於管理層根據對稅務規則之理解作出之最佳估計確認土地增值稅。最終稅務結果或與初始記錄之金額不同，有關差異將在該等稅項與地方稅務機關落實期間影響所得稅開支及稅項撥備。

(h) 於中模集團所保留股權之公平值

於二零一九年十二月二十六日，本集團附屬公司湖南中模雲建築科技有限公司(「中模」)完成向一名獨立第三方配股，投資者以總代價人民幣2千萬元認購中模1.96%新發行股份。上述交易完成後，本集團於中模之權益由36.80%攤薄至36.08%。於該交易之後，中模之組織章程大綱作出修訂，且附註25所披露本集團與另一名股東訂立之一致行動協議亦告終止。據此，本集團僅有權為中模董事會委任五名董事中之兩名，且不再控制中模集團，惟繼續對中模集團施以重大影響力。因此，中模集團自二零一九年十二月二十六日起不再作為本集團附屬公司，且中模集團自此之後以權益會計法於合併財務報表中入賬列作於聯營公司之投資。有關交易確認為視作出售附屬公司。名義買價分配獲一名獨立專業估值師進行之估值支持，本集團於根據本集團過往歷史、當前市況及前瞻性估計對關鍵估計(包括銷售收入增長、毛利率及貼現率)進行假設時使用判斷。

有關公平值估計之詳情，請參閱附註26(c)。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued) 4 重要會計估計及判斷(續)

4.2 Critical judgement in applying the Group's accounting policies

(a) Existence of significant influence over Jingu bank

In financial year 2019, Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Limited ("Jingu") obtained the approval from China Banking Regulatory Commission in relation to the change of the composition of the board of director. Upon the completion, the Group would have the right to appoint one director to the board and participates in all significant financial and operating decisions. The Group has therefore determined that it has significant influence over Jingu, even though it only holds around 9.8% of the voting rights.

(b) Revenue from merchandise sale through its B2B trading platforms

Determining whether the Group is acting as a principal or as an agent in the sales of goods on the Group's platform requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group acting as a principal or an agent, the Group considers, individually or in combination whether the Group is primarily responsible for fulfilment the contract, is subject to the inventory risk, has discretion to establish prices. Having considered the relevant facts and circumstances, management considers that the Group obtains control of those goods sold through the B2B platforms before the goods are transferred to the customers. Accordingly, the Group is acting as a principal for the direct sales and the related revenue is presented on a gross basis.

(c) Fair value of sale and leaseback properties

The Group had started the pre-sale of the O2O business exhibition centre in the PRC to third parties through its indirectly owned subsidiary, Guangdong Huicong Household Appliances City Investment Co., Ltd.* ("廣東慧聰家電城投資有限公司") since 2014.

4.2 應用本集團會計政策之重要判斷

(a) 對金谷銀行存在重大影響

於二零一九財政年度，內蒙古呼和浩特金谷農村商業銀行股份有限公司(「金谷」)獲中國銀行業監督管理委員會批准變更董事會之組成。完成後，本集團將有權向董事會委任一名董事，並參與所有重大財務及經營決策。因此，本集團認為，即使其只擁有約9.8%之投票權，其仍對金谷具有重大影響力。

(b) 通過B2B交易平台貨品銷售之銷售收入

於確定本集團是否作為本集團平台銷售貨品之主事人或代理人時，需要對所有相關事實及情況作出判斷及考慮。在評估本集團是作為主事人或代理人時，本集團會個別或合併考慮本集團是否主要負責履行合約、是否存在存貨風險或可酌情定價。經考慮有關事實及情況後，管理層認為，本集團在貨品轉移至客戶前取得通過B2B平台銷售之該等貨品之控制權。因此，本集團作為直接銷售主事人，其相關收入按總額基準呈列。

(c) 銷售及售後租回物業之公平值

自二零一四年起，本集團已開始透過其間接附屬公司廣東慧聰家電城投資有限公司(「廣東慧聰家電城投資有限公司」)向第三方預售於中國之O2O商業展覽中心。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgement in applying the Group's accounting policies (Continued)

(c) Fair value of sale and leaseback properties (Continued)

Some of the properties sale transactions were subjected to sale and leaseback arrangement, in which the properties buyers entered into sale contracts with Guangdong Huicong Household Appliances City Investment Co., Ltd. and non-cancellable leaseback agreements with Foshan Huiconghui E-business Co., Ltd* (“佛山市慧從匯電子商務有限公司”), another indirectly owned subsidiary of the Group. Pursuant to the leaseback agreement, the buyers would leaseback the units purchased to the Group in 20 years terms. At consolidation level, the above contracts involved the sale and leaseback of same assets form a sale and operating leaseback transaction.

The Group has completed the handover certain units of properties which under the sale and leaseback transaction and recognised the revenue in prior year. During the year ended 31 December 2020, there was no sale of properties under such sale and leaseback arrangement.

The Group assesses the fair value of these properties based on valuations prepared by independent and professional qualified valuer. The fair value is determined by reference to current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts) with adjustments to reflect any changes in market and economic conditions; and discounted cash flow projections based on reliable estimates of future cash flow of current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flow.

(d) Deemed disposal of Zhongmo Group

As described in note 26(c) the transaction related to Zhongmo Group was recognised as deemed disposal of subsidiaries.

Zhongmo Group was classified as a separated CGU for the rental of construction equipment; however, since Zhongmo Group is not a major line of business nor geographical area of operations according to the management's judgement and its financial result does not constitute as a significant component of the Group's result, the Group determined that no separate disclosure for discontinued operations is necessary.

4 重要會計估計及判斷(續)

4.2 應用本集團會計政策之重要判斷(續)

(c) 銷售及售後租回物業之公平值(續)

若干物業銷售交易須遵守銷售及售後租回安排，當中物業買家與廣東慧聰家電城投資有限公司訂立銷售合約及與本集團另一間間接附屬公司佛山市慧從匯電子商務有限公司(「佛山市慧從匯電子商務有限公司」)訂立不可撤銷之售後租回協議。根據售後租回協議，買家將於20年年期內向本集團租回已購買之單位。於合併層面而言，上述涉及銷售及售後租回同一資產之合約構成銷售及經營售後租回交易。

於上一年度，本集團已完成銷售及售後租回交易項下若干物業單位的交接，並已確認收入。截至二零二零年十二月三十一日止年度，概無物業根據該等銷售及售後租回安排予以出售。

本集團根據獨立專業合資格估值師編製之估值法評估該等物業之公平值。公平值經參考不同性質、狀況或地點(或按不同租約或其他合約)物業之活躍市場當前價格(經調整以反映市場及經濟狀況之任何變動)；及根據相同地點及狀況之類似物業目前市場租金之可靠未來現金流量估計作出之貼現現金流量預測，並使用反映現金流量金額及時間不確定性之目前市場評估之貼現率釐定。

(d) 視作出售中模集團

誠如附註26(c)所披露，有關中模集團之交易確認為視作出售附屬公司。

中模集團獲分類為租賃建築設備之獨立現金產生單位；然而，由於根據管理層判斷，中模集團並非本集團之主要業務線，亦非位於主要業務地理位置，且其財務業績並無佔本集團業績之主要部分，故本集團決定毋須就已終止經營業務作出獨立披露。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

5 SEGMENT INFORMATION

The chief operating decision-maker (“CODM”) has been identified as the Executive Directors. The Executive Directors review the Group’s internal report in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors assess the performance of the operating segments (including the discontinued operations) based on a measure of profit/(loss) before income tax. This measurement basis excludes the effects of non-recurring expenditure from operating segments.

As at 31 December 2020, the Group is organised into the following business segments:

- (i) Technology-driven new retail segment, which mainly include provision of online advertising services through “zol.com.cn” as well as B2B2C retail business of electronics products by leveraging big data and internet technology through the Group’s websites and trading platforms.
- (ii) Smart industries segment, which mainly include B2B trading platforms, provision of anti-counterfeiting products and services, supply chain management services as well as rental services and construction equipment.
- (iii) Platform and corporate services segment, which mainly include the online services provided through “hc360.com”, advance marketing services utilising the digital big data and tools, and provision of financing and other services.
- (iv) O2O business exhibition centre segment, which mainly include sales of properties and provision of properties rental and management services.

During the year ended 31 December 2020, the Group decided to discontinue the operation of integrated marketing and advertising services operated by Huijia Yuantian Limited, a wholly subsidiary of the Group and the operation of the O2O business exhibition centre segment. In accordance with HKFRS 5, the financial results of Huijia Yuantian Limited, the segment of O2O business exhibition centre and the relevant impairment expenses for the years ended 31 December 2020 and 2019 were classified as discontinued operations in the Group’s financial statements.

For details of the discontinued operations, please refer to note 13.

5 分部資料

主要經營決策制定者（「主要經營決策制定者」）被認為執行董事。執行董事審閱本集團之內部報告，以評估表現並分配資源。管理層已根據該等報告釐定經營分部。

執行董事根據除所得稅前溢利／（虧損）計量評估經營分部（包括已終止經營業務）表現。是項計量基準撇除經營分部之非經常支出影響。

於二零二零年十二月三十一日，本集團可分為下列業務板塊：

- (i) 科技新零售事業群，主要包括透過網站「zol.com.cn」提供線上廣告服務，並透過利用本集團網站及交易平台之大數據及互聯網技術進行電子產品之B2B2C零售業務。
- (ii) 智慧產業事業群，主要包括B2B交易平台、提供防偽產品及服務、供應鏈管理服務以及租賃服務及建築設備。
- (iii) 平台與企業服務事業群，主要包括透過網站「hc360.com」提供線上服務、透過大數據和數據化提升營銷服務，以及提供金融及其他服務。
- (iv) O2O商業展覽中心事業群，主要包括銷售物業以及提供物業租賃及管理服務。

截至二零二零年十二月三十一日止年度，本集團決定終止本集團全資附屬公司慧嘉元天有限公司經營的整合營銷及廣告服務業務以及O2O商業展覽中心事業群的營運。根據香港財務報告準則第5號，截至二零二零年及二零一九年十二月三十一日止年度，慧嘉元天有限公司的財務業績、O2O商業展覽中心事業群及相關減值開支已於本集團財務報表分類為已終止經營業務。

有關已終止經營業務的詳情，請參閱附註13。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

5 SEGMENT INFORMATION (Continued)

The table below shows the segment information of sales and there were no sales or other transactions between the business segments for the year ended 31 December 2020 (2019: Nil).

5 分部資料(續)

下表載列銷售的分部資料，而截至二零二零年十二月三十一日止年度，各業務板塊之間概無銷售或其他交易(二零一九年：零)。

		Year ended 31 December 2020 截至二零二零年十二月三十一日止年度							
		Continuing operations 持續經營業務				Discontinued operations 已終止經營業務			
		Technology- driven new retail segment 科技新零售 事業群	Smart industries segment 智慧產業 事業群	Platform and corporate services segment 平台與企業 服務事業群	Subtotal 小計	O2O business exhibition centre O2O商業展覽 中心事業群	Platform and corporate services segment 平台與企業 服務事業群	Subtotal 小計	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	銷售收入	1,022,760	13,168,532	201,275	14,392,567	10,812	1,941	12,753	14,405,320
Interest income from financing services	融資服務所得利息收入	-	-	138,754	138,754	-	-	-	138,754
Total revenue and income	總銷售收入及收入	1,022,760	13,168,532	340,029	14,531,321	10,812	1,941	12,753	14,544,074
Impairment loss on goodwill and intangible asset	商譽及無形資產減值虧損	-	(37,645)	(540,693)	(578,338)	-	(47,185)	(47,185)	(625,523)
Segment results	分部業績	(12,291)	(107,749)	(633,934)	(753,974)	(53,602)	(73,957)	(127,559)	(881,533)
Other income	其他收入				15,868			62,811	78,679
Other gains, net	其他收益淨額				69,784			(43,041)	26,743
Share of post-tax profit of associates	分佔聯營公司除稅後溢利				(81,181)			-	(81,181)
Share of post-tax loss of joint venture	分佔一間合營企業除稅後虧損				(1,537)			-	(1,537)
Finance income	財務收入				15,799			2,752	18,551
Finance cost	財務成本				(139,331)			(23,430)	(162,761)
Loss before income tax	除所得稅前虧損				(874,572)			(128,467)	(1,003,039)
Other information:	其他資料：								
Depreciation and amortisation	折舊及攤銷				130,783			38,450	169,233
Share based compensation expense	以股份支付之補償開支				60,496			-	60,496

Notes to the Consolidated Financial Statements

合併財務報表附註

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

5 SEGMENT INFORMATION (Continued)

5 分部資料(續)

		Year ended 31 December 2019 截至二零一九年十二月三十一日止年度							
		Continuing operations 持續經營業務				Discontinued operations 已終止經營業務			
		Technology- driven new retail segment 科技新零售 事業群	Smart industries segment 智慧產業 事業群	Platform and corporate services segment 平台與企業 服務事業群	Subtotal 小計	O2O business exhibition centre O2O商業展 覽中心事業 群	Platform and corporate services segment 平台與企業 服務事業群	Subtotal 小計	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	銷售收入	844,493	13,050,827	733,232	14,628,552	20,707	63,710	84,417	14,712,969
Interest income from financing services	融資服務所得利息收入	-	-	119,863	119,863	-	-	-	119,863
Total revenue and income	總銷售收入及收入	844,493	13,050,827	853,095	14,748,415	20,707	63,710	84,417	14,832,832
Impairment loss on goodwill and intangible asset	商譽及無形資產減值虧損	-	(38,426)	-	(38,426)	-	(258,213)	(258,213)	(296,639)
Segment results	分部業績	(96,445)	(9,817)	(41,217)	(147,479)	(152,755)	(270,323)	(423,078)	(570,557)
Other income	其他收入				16,240			12,722	28,962
Other gains, net	其他收益淨額				272,453			-	272,453
Share of post-tax profit of associates	分佔聯營公司除稅後溢利				13,593			-	13,593
Share of post-tax loss of joint venture	分佔一間合營企業除稅後虧損				(5)			-	(5)
Finance income	財務收入				15,411			1,815	17,226
Finance cost	財務成本				(145,072)			(32,097)	(177,169)
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)				25,141			(440,638)	(415,497)
Other information:	其他資料:								
Depreciation and amortisation	折舊及攤銷				219,709			43,943	263,652
Share based compensation expense	以股份支付之補償開支				80,685			-	80,685

As at 31 December 2020, the total non-current assets includes right-of-use assets, investment properties, property, plant and equipment and intangible assets located in PRC are approximately RMB2,046,961,000 (2019: RMB3,601,901,000).

於二零二零年十二月三十一日，非流動資產總額包括位於中國之使用權資產、投資物業、物業、廠房及設備以及無形資產約人民幣2,046,961,000元(二零一九年：人民幣3,601,901,000元)。

During the year ended 31 December 2020, all the revenue is derived from the operation in the PRC from external customers, except for the related party transactions disclosed in Note 45 (2019: Same).

截至二零二零年十二月三十一日止年度，除附註45所披露之關聯人士交易外，所有銷售收入均來自中國運營之外部客戶(二零一九年：相同)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

5 SEGMENT INFORMATION (Continued)

5 分部資料(續)

(a) Disaggregation of revenue

(a) 分拆銷售收入

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(已重列)
Timing of revenue recognition	確認銷售收入時間		
– At a point in time	– 於某時點	13,855,956	13,601,165
– Overtime	– 隨時間	522,436	720,271
		14,378,392	14,321,436

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(已重列)
Revenue from contract with customers:	客戶合約收入：		
Sales of goods through B2B trading platform	透過B2B交易平台銷售產品	13,689,380	13,417,176
Online services and advertisement	線上服務及廣告	383,308	518,178
Anti-counterfeiting products and services	防偽產品及服務	153,466	170,841
Marketing events, exhibition, seminars and other services	營銷活動、展覽、研討會及其他服務	150,745	114,675
Sales of properties and properties management services (Note (i))	銷售物業及物業管理服務(附註(i))	–	–
Sales of construction equipment (Note (ii))	銷售建築設備(附註(ii))	–	97,971
Others	其他	1,493	2,595
		14,378,392	14,321,436
Income from other sources:	其他收入來源：		
Interest income from financing services	融資服務所得利息收入	138,754	119,863
Rental income from investment properties	投資物業所得租金收入	14,175	5,054
Rental income from leasing of construction equipment	租賃建築設備所得租金收入	–	302,062
Total revenue and income	總銷售收入及收入	14,531,321	14,748,415

Notes to the Consolidated Financial Statements 合併財務報表附註

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

5 SEGMENT INFORMATION (Continued)

(a) Disaggregation of revenue (Continued)

- (i) Revenue from sales of properties and properties management services arose from Huicong Tianjin Group, which was disposed of during the year 31 December 2020. The Group decided to discontinue operating the O2O business exhibition business centre segment. In accordance with HKFRS 5, the segment of O2O business exhibition centre and the relevant revenue for the years ended 31 December 2020 and 2019 were classified as discontinued operations in the Group's financial statements.
- (ii) Revenue from sales of construction equipment and rental income from leasing of construction equipment arose from Zhongmo Group, which ceased to be subsidiaries of the Group with effect from 26 December 2019 and Zhongmo Group has then been accounted for as investment in associates in the consolidated financial statements using the equity method of accounting.

(b) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities relating to contracts with customers:

5 分部資料(續)

(a) 分拆銷售收入(續)

- (i) 銷售物業及物業管理服務之銷售收入來自於截至二零二零年十二月三十一日止年度出售的慧聰天津集團。本集團決定終止經營O2O商業展覽中心事業群。根據香港財務報告準則第5號，截至二零二零年及二零一九年十二月三十一日止年度，O2O商業展覽中心事業群及相關銷售收入已於本集團財務報表分類為已終止經營業務。
- (ii) 銷售建築設備之銷售收入及租賃建築設備所得租金收入均來自中模集團，其自二零一九年十二月二十六日起不再作為本集團附屬公司，且中模集團自此之後以權益會計法於合併財務報表中入賬列作於聯營公司之投資。

(b) 與客戶合約有關之資產及負債

本集團已確認下列與客戶合約有關之資產及負債：

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contract assets related to online services and advertisement	與線上服務及廣告有關之合約資產	2,994	7,428
Less: provision for impairment (note 3.1(b)(i))	減：減值撥備(附註3.1(b)(i))	(192)	(218)
Contract assets related to online services and advertisement, net	與線上服務及廣告有關之合約資產淨額	2,802	7,210
Contract assets recognised for costs incurred to obtain contracts	就獲取合約所產生成本確認之合約資產	-	15,180
Contract related assets, total	合約相關資產總值	2,802	22,390

Notes to the Consolidated Financial Statements

合併財務報表附註

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

5 SEGMENT INFORMATION (Continued)

5 分部資料(續)

(b) Assets and liabilities related to contracts with customers (Continued)

(b) 與客戶合約有關之資產及負債(續)

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contract liabilities related to online services and advertisement	與線上服務及廣告有關之合約負債	64,305	125,371
Contract liabilities related to sales of goods on B2B trading platform	與於B2B交易平台銷售貨品有關之合約負債	487,734	215,993
Contract liabilities related to sales of properties, properties management services	與銷售物業及物業管理服務有關之合約負債	-	69,623
Contract liabilities-current portion	合約負債－流動部分	552,039	410,987

(i) Significant changes in contract related assets and liabilities

Contract related assets mainly represent revenue arising from online services business recognised prior to the agreed payment schedule date. Sales commissions and agency fees paid in respect of obtaining subscription revenue has also been capitalised and amortised when the related revenue are recognised. Contract related assets have decreased by RMB19,588,000 during the year ended 31 December 2020 as the Group's contract asset is fully utilised for the costs incurred to obtain contracts. The Group also recognised a loss allowance for contract related assets in accordance with HKFRS 9, see note 3.1(b)(i) for further information.

Contract liabilities mainly represent advance payments received from customers related to online services, B2B trading platform and sales of properties. Contract liabilities increased by RMB141,052,000 due to an increase in B2B trading platform contract activities.

(i) 合約相關資產及負債之重大變動

合約相關資產主要指協定預設付款日前所確認來自線上服務之銷售收入。就收取之訂閱費銷售收入支付之銷售佣金及代理費用亦已於確認相關銷售收入時將有關款項撥充資本及進行攤銷。截至二零二零年十二月三十一日止年度，合約相關資產減少人民幣19,588,000元，原因為本集團合約資產已就取得合約所產生成本而悉數動用。本集團亦根據香港財務報告準則第9號就合約相關資產確認虧損撥備，進一步資料請參閱附註3.1(b)(i)。

合約負債主要指與線上服務、B2B交易平台及銷售物業有關之預收客戶款項。由於B2B交易平台之合約活動增加，合約負債已增加人民幣141,052,000元。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

5 SEGMENT INFORMATION (Continued)

(b) Assets and liabilities related to contracts with customers (Continued)

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the year related to carried forward contract liabilities.

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘之已確認銷售收入		
– Online services and advertisement	– 線上服務及廣告	121,797	140,190
– Sales of goods on B2B trading platform	– 於B2B交易平台銷售貨品	215,993	185,856
– Sales of properties and properties management services	– 銷售物業及物業管理服務	69,623	–
– Adjustment recognised on adoption of HKFRS 16	– 採納香港財務報告準則第16號確認之調整	–	12,809
		407,413	338,855

(iii) Unsatisfied performance obligation

As at 31 December 2020, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) was RMB558,432,000 (2019: RMB441,271,000). Management expects that the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the related services, mainly related to provision of advertising services, are provided over the next 2 years (2019: same) for the year ended 31 December 2020.

The Group has elected the practical expedient to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for revenue contracts which have an original expected duration of one year or less.

5 分部資料(續)

(b) 與客戶合約有關之資產及負債(續)

(ii) 就合約負債確認銷售收入

下表列示於本年度確認的收入中與結轉合約負債有關之金額。

(iii) 未履行之履約責任

於二零二零年十二月三十一日，分配至未履行(或部分未履行)履約責任之交易價格總額為人民幣558,432,000元(二零一九年：人民幣441,271,000元)。管理層預期，倘主要與廣告服務相關的服務於截至二零二零年十二月三十一日止年度後2年(二零一九年：相同)間提供，預期分配至未履行履約責任之交易價格將確認為銷售收入。

本集團已選用實際權宜方法不就初始預期期限一年或以內的銷售收入合約披露分配至未履行(或部分未履行)履約責任之交易價格總額。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

6 OTHER INCOME

6 其他收入

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
Government grants	政府補助	14,880	15,025
Dividend income	股息收入	988	1,215
		15,868	16,240

Various government grants have been received from the local government authority for promoting electronic trading platform among the enterprise in the PRC. The Group recognised these government grants as other income when all the conditions specified in the government grants were satisfied.

本集團已就於中國推行企業間電子貿易平台收取當地政府機構之多項政府補助。本集團於政府補助之全部特定條件達成時確認該等政府補助為其他收入。

7 OTHER GAINS, NET

Other gains, net, mainly consist of the following:

7 其他收益淨額

其他收益淨額主要包括以下各項：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
Impairment loss recognised in respect of investment in associates	就於聯營公司投資確認之減值虧損	-	(2,735)
Fair value gains on deemed disposal of Zhongmo Group (note 26(c))	視作出售中模集團之公平值收益(附註26(c))	-	246,797
Gain on disposal of subsidiaries (note)	出售附屬公司之收益	12,664	-
Gain on partial disposal of JDSJ Group (note 26(a))	部分出售家電世界集團之收益(附註26(a))	65,323	-
Gains on disposal of associates	出售聯營公司之收益	-	1,289
Loss on disposal of associates	出售聯營公司之虧損	(444)	(149)
Change in fair value on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動	(8,779)	25,765

Note:

The amount mainly represents gain on disposal of a wholly-owned subsidiary, Shanghai HuiFa Information Technology Company Limited* (上海慧發信息技術有限公司) ("Huifa"), which is a properties holding company. On 12 May 2020, the Group entered into share purchase agreement with an independent third party, in respect of the disposal of entire interest in Huifa for a cash consideration of RMB50,000,000. The book value of the net assets of Huifa disposed amounted to RMB37,989,000 and resulted in a gain of disposal of a subsidiary amounted RMB12,011,000.

* English name is for translation purpose only.

附註：

該金額主要指出售全資附屬公司上海慧發信息技術有限公司(「慧發」)之收益，該公司為一間物業控股公司。於二零二零年五月十二日，本集團與獨立第三方就出售慧發之全部權益訂立購股協議，現金代價為人民幣50,000,000元。所出售之慧發資產淨值之賬面值為人民幣37,989,000元，而由此帶來的出售一間附屬公司之收益為人民幣12,011,000元。

* 英文名稱翻譯僅作識別用途。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

8 LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS 8 來自持續經營業務之除所得稅前虧損

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
The loss before income tax from continuing operations is arrived at after charging/(crediting):	來自持續經營業務之除所得稅前虧損經扣除/(計入)以下各項後達致：		
Direct expenses of B2B trading platform	B2B交易平台之直接費用	13,603,172	13,352,304
Cost of goods sold for anti-counterfeiting products and services	防偽產品及服務之已售貨品成本	79,981	71,927
Cost of construction equipment sold	已售建築設備成本	-	66,668
Interest cost for financing services	融資服務利息成本	283	14,617
Auditor's remuneration	核數師薪酬		
– Audit services	– 核數服務	5,650	6,461
– Non – audit services	– 非核數服務	1,246	1,232
Agency cost	代理商費用	13,201	29,310
Amortisation of investment properties	投資物業攤銷	12,809	2,025
Amortisation of intangible assets	無形資產攤銷	75,244	85,690
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,945	94,520
Depreciation of right-of-use assets	使用權資產折舊	29,785	37,474
Employee benefits expenses (note 9)	僱員福利開支(附註9)	307,976	505,200
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損/(收益)	69	(367)
Impairment for inventories	存貨減值	-	662
Impairment loss on goodwill and intangible assets	商譽及無形資產減值虧損	578,338	38,426
Marketing and consultancy expenses	營銷及諮詢費用	122,906	164,254
Provision for impairment of trade receivables	應收賬款減值撥備	18,132	21,312
Provision for impairment of loans to customers of financing service business	貸款予融資服務業務之客戶之減值撥備	43,266	39,494
Provision for impairment of other loans and interest receivables	其他貸款及應收利息減值撥備	52,574	383
Provision for impairment of other financial assets	其他金融資產減值撥備	12,967	10,494
Provision for impairment of refund receivable from a supplier	應收一名供應商退款之減值撥備	33,752	-
Repairs and maintenance expense for construction equipment	建築設備維修及保養費用	-	20,910
Staff commission	員工佣金	47,050	39,464
Subcontracting labour fee	分包勞工費用	-	78,316
Share based payment	以股份為基礎之付款	29,101	-
Transportation expense	交通費	13,458	17,816
Expenses relating to leases	租賃相關費用		
– Short term leases	– 短期租賃	7,258	3,470
– Rental of construction equipment	– 租賃建築設備	-	23,429

Notes to the Consolidated Financial Statements

合併財務報表附註

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

9 EMPLOYEE BENEFITS EXPENSES

9 僱員福利開支

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(已重列)
Wages and salaries	工資及薪金	249,908	360,948
Retirement benefits costs (a)	退休福利成本(a)	26,673	63,567
Share based compensation	以股份支付之補償		-
– Share Option Scheme	– 購股權計劃	14,883	52,979
– Share Award Scheme	– 股份獎勵計劃	16,512	27,706
		307,976	505,200

The employee benefits expenses of RMB145,507,000 (2019: RMB213,357,000) are recognised in selling and marketing expenses; RMB162,469,000 (2019: RMB276,134,000) in administrative expenses. No employee benefit expenses are recognised in cost of revenue in the consolidated statement of comprehensive income (2019: RMB15,709,000).

(a) In accordance with the PRC regulations, the Group is required to make annual contributions to the state retirement plans calculated at 16% (2019: 16%) of the basic salaries of the employees, and employees are required to contribute 8% (2019: 8%) of their basic salaries to the plans while the PRC government resolved to waive certain proportion of such contributions during the specific period affected by COVID-19 in order to help enterprises withstand the pandemic and stabilise employment. The Group has no obligations for further pension payments or any post-retirement benefits beyond these annual contributions. The retirement benefits are paid directly from the plan assets to the retired employees and are calculated by reference to their monthly basic salaries at the date of retirement and periods of service rendered.

As at 31 December 2020, there were no forfeited contributions available to offset future retirement benefit obligations of the Group.

人民幣145,507,000元(二零一九年：人民幣213,357,000元)、人民幣162,469,000元(二零一九年：人民幣276,134,000元)之僱員福利開支分別於銷售及市場推廣費用及行政費用中確認。概無(二零一九年：人民幣15,709,000元)僱員福利開支於合併綜合收益表之銷售成本確認。

(a) 根據中國規例，本集團每年須按僱員基本薪金的16%(二零一九年：16%)向國家退休計劃供款，僱員則須向該等計劃作出其基本薪金8%(二零一九年：8%)之供款，而中國政府決定於受COVID-19影響之特定期間豁免有關供款之若干部分，以助企業抗疫，並穩定就業。除該等年度供款外，本集團毋須承擔其他退休金付款或任何退休後福利。退休福利由該等計劃資產直接向退休僱員支付，並參考其於退休日期之基本月薪及提供服務之年期計算。

於二零二零年十二月三十一日，概無沒收供款可用於抵銷本集團日後退休福利責任。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

9 EMPLOYEE BENEFITS EXPENSES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2019: three) directors whose emoluments are reflected in the analysis presented in note 10. The emoluments paid and payable to the remaining two (2019: two) individuals during the year are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物利益	1,387	1,520
Share based compensation – Share Option Scheme	以股份支付之補償－購股權計劃	1,972	5,253
Share based compensation – Share Award Scheme	以股份支付之補償－股份獎勵計劃	1,887	2,839
Retirement plan contributions	退休計劃供款	92	140
		5,338	9,752

The emoluments for these two individuals (2019: two) fell within the following bands:

該兩名(二零一九年：兩名)人士之酬金範圍如下：

		2020 二零二零年	2019 二零一九年
RMB2,000,001 to RMB2,500,000	人民幣2,000,001元至人民幣2,500,000元	1	–
RMB2,500,001 to RMB3,000,000	人民幣2,500,001元至人民幣3,000,000元	–	–
RMB3,000,001 to RMB3,500,000	人民幣3,000,001元至人民幣3,500,000元	1	–
RMB3,500,001 to RMB4,000,000	人民幣3,500,001元至人民幣4,000,000元	–	–
RMB4,000,001 to RMB4,500,000	人民幣4,000,001元至人民幣4,500,000元	–	1
RMB4,500,001 to RMB5,000,000	人民幣4,500,001元至人民幣5,000,000元	–	–
RMB5,000,001 to RMB5,500,000	人民幣5,000,001元至人民幣5,500,000元	–	1

(c) During the year, no emoluments have been paid by the Group to the directors or the five highest paid individuals mentioned above as an inducement to join or upon joining the Group, or as compensation for loss of office (2019: Nil).

(c) 年內，本集團並無向董事或上述五位最高薪人士支付任何酬金，作為加入或於加入本集團時之報酬或離職補償(二零一九年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

10 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remunerations of each director and chief executive for the years ended 31 December 2019 and 2020 are set out below:

10 董事福利及權益

(a) 董事及主要行政人員之酬金

截至二零一九年及二零二零年十二月三十一日止年度，各董事及主要行政人員之薪酬載列如下：

Name	Fees	Salary	Emoluments paid or payable in respect of a person's services as a director, whether of the company or its subsidiary undertaking		Total	
			Employer's contribution to a retirement benefit scheme	就擔任本公司或其附屬公司董事之人士已付或應付之酬金		
姓名	袍金	薪金	Estimated money value of other benefit	Employer's contribution to a retirement benefit scheme	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
2020:						
Mr. Liu Jun	劉軍先生	—	817	15,112	50	15,979
Mr. Zhang Yonghong (note i)	張永紅先生(附註i)	—	1,143	9,640	50	10,833
Mr. Liu Xiaodong	劉小東先生	—	1,079	2,691	47	3,817
Mr. Guo Fangsheng	郭凡生先生	—	—	—	—	—
Mr. Li Jianguang (note iv)	李建光先生(附註iv)	—	—	—	—	—
Mr. Lin Dewei (note v)	林德緯先生(附註v)	—	—	—	—	—
Mr. Sun Yang (note iii)	孫洋先生(附註iii)	—	—	—	—	—
Mr. Zhang Ke	張克先生	250	—	—	—	250
Mr. Zhang Tim Tianwei	張天偉先生	220	—	—	—	220
Ms. Qi Yan	祁燕女士	220	—	—	—	220

Notes to the Consolidated Financial Statements 合併財務報表附註

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

10 BENEFITS AND INTERESTS OF DIRECTORS 10 董事福利及權益(續)

(Continued)

(a) Directors' and chief executive's emoluments

(Continued)

(a) 董事及主要行政人員之酬金(續)

Name 姓名	Fees 袍金 RMB'000 人民幣千元	Salary 薪金 RMB'000 人民幣千元	Emoluments paid or payable in respect of a person's services as a director, whether of the company or its subsidiary undertaking 就擔任本公司或其附屬公司董事之人士已付或應付之酬金		Total 總計 RMB'000 人民幣千元	
			Employer's contribution to a retirement benefit scheme 僱主對退休福利計劃的供款 Estimated money value of other benefit 其他福利估計貨幣值 RMB'000 人民幣千元	Employer's contribution to a retirement benefit scheme 僱主對退休福利計劃的供款 RMB'000 人民幣千元		
2019:						
Mr. Liu Jun	劉軍先生	–	602	21,405	88	22,095
Mr. Zhang Yonghong (note i)	張永紅先生(附註i)	–	1,302	8,061	88	9,451
Mr. Lee Wee Ong (note ii)	李為旺先生(附註ii)	–	–	–	–	–
Mr. Liu Xiaodong	劉小東先生	–	741	4,141	89	4,971
Mr. Guo Fangsheng	郭凡生先生	–	–	–	–	–
Mr. Li Jianguang (note iv)	李建光先生(附註iv)	–	–	–	–	–
Mr. Sun Yang (note iii)	孫洋先生(附註iii)	–	–	–	–	–
Mr. Zhang Ke	張克先生	250	–	–	–	250
Mr. Zhang Tim Tianwei	張天偉先生	220	–	–	–	220
Ms. Qi Yan	祁燕女士	220	–	–	–	220

Note:

- (i) Mr. Zhang Yonghong was appointed as an executive director with effect from 4 January 2019.
- (ii) Mr. Lee Wee Ong had resigned as an executive director with effect from 4 January 2019.
- (iii) Mr. Sun Yang was appointed as a non-executive director with effect from 27 May 2019.
- (iv) Mr. Li Jianguang had resigned as a non-executive director with effect from 1 July 2020.
- (v) Mr. Lin Dewei was appointed as a non-executive director with effect from 1 July 2020.

附註:

- (i) 張永紅先生獲委任為執行董事，自二零一九年一月四日起生效。
- (ii) 李為旺先生已辭任執行董事，自二零一九年一月四日起生效。
- (iii) 孫洋先生獲委任為非執行董事，自二零一九年五月二十七日起生效。
- (iv) 李建光先生已辭任非執行董事，自二零二零年七月一日起生效。
- (v) 林德緯先生獲委任為非執行董事，自二零二零年七月一日起生效。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

10 BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year ended 31 December 2020 (2019: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 December 2020 (2019: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2020, the Company did not pay consideration to any third parties for making available directors' services (2019: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2020, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2019: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in note 45, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiary 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 years or at any time during the years.

(g) No director received any housing allowance; emolument from the Group as an inducement to join or leave the Group or compensation for loss of office; emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking during the year ended 31 December 2020 (2019: Nil).

10 董事福利及權益(續)

(b) 董事退休福利

截至二零二零年十二月三十一日止年度，概無董事已收取或將收取任何退休福利(二零一九年：無)。

(c) 董事離職福利

截至二零二零年十二月三十一日止年度，概無董事已收取或將收取任何離職福利(二零一九年：無)。

(d) 就獲提供董事服務而撥付之代價

截至二零二零年十二月三十一日止年度，本公司概無就第三方提供之董事服務支付任何代價(二零一九年：無)。

(e) 有關以董事、受控制法人團體及該等董事之關連實體為受益人之貸款、準貸款及其他交易之資料

截至二零二零年十二月三十一日止年度，概無有關以董事或受控制法人團體及該等董事之關連實體為受益人之貸款、準貸款及其他交易安排(二零一九年：無)。

(f) 董事於交易、安排或合約中之重大權益

附註45所披露者外，本集團概無就其業務訂立本公司附屬公司為其中訂約方及本公司董事直接或間接擁有重大權益且於該等年度結束時或該等年度內任何時間仍然存續之重大交易、安排及合約。

(g) 截至二零二零年十二月三十一日止年度，概無董事已收取任何房屋津貼、來自本集團之酬金以作為加入或離開本集團時之報酬或離職補償，亦無董事就管理本公司或其附屬公司之其他服務有已付或應收取酬金(二零一九年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

11 FINANCE COST, NET

11 財務成本淨額

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
Interest expense:	利息開支：		
- Bank borrowings (note 36)	- 銀行借貸(附註36)	(73,595)	(69,870)
- Other borrowings (note 36)	- 其他借貸(附註36)	(52,367)	(59,277)
- Convertible bonds (note 37)	- 可換股債券(附註37)	(9,103)	(12,583)
- Lease liabilities (note 16)	- 租賃負債(附註16)	(2,182)	(3,125)
- Others	- 其他	(2,084)	(1,233)
Finance cost	財務成本	(139,331)	(146,088)
Amount capitalised on qualifying assets (note (i))	合資格資產資本化金額(附註(i))	-	1,016
Finance income	財務收入	15,799	15,411
Finance cost, net	財務成本淨額	(123,532)	(129,661)

(i) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings. No borrowing costs was capitalised during the year ended 31 December 2020. The capitalisation rate used during the year ended 31 December 2019 was around 6.99%

(i) 釐定資本化借貸成本金額所用之資本化率為本集團一般借貸適用之加權平均利率。截至二零二零年十二月三十一日止年度，概無資本化借貸成本。截至二零一九年十二月三十一日止年度，資本化率約為6.99%。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

12 INCOME TAX CREDIT/(EXPENSE)

12 所得稅抵免／(開支)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
Current income tax credit/(expense)	當期所得稅抵免／(開支)		
– Hong Kong profits tax	– 香港利得稅	–	–
– The PRC corporate income tax (“CIT”)	– 中國企業所得稅 (「企業所得稅」)		
– Current year	– 本年度	(44,729)	(57,398)
– Prior year	– 上一年度	2,386	1,833
– The PRC land appreciation tax	– 中國土地增值稅	(5,680)	(35,728)
Deferred income tax credit	遞延所得稅抵免		
– The PRC corporate income tax	– 中國企業所得稅	177,794	47,025
		129,771	(44,268)
Income tax credit/(expense) is attributable to:	所得稅抵免／(開支)歸屬於：		
– Loss from continuing operations	– 持續經營業務之虧損	127,542	(10,069)
– Loss from discontinued operations	– 已終止經營業務之虧損	2,229	(34,199)
		129,771	(44,268)

Note:

- (a) No Hong Kong profits tax has been provided as there is no assessable profit arising in Hong Kong for the year (2019: Nil).
- (b) The PRC corporate income tax represents taxation charged on assessable profits for the year at the rates of taxation prevailing in the cities in the PRC in which the Group operates.

The tax rate applicable to the subsidiaries in the PRC is 25%, except for certain subsidiaries of the Group in the PRC which were approved as High and New Technology Enterprise and were subjected to a reduced preferential CIT rate of 15% for a 3-year period. Certain subsidiaries of the Group were also subjected to a reduced preferential CIT rate ranging from 5% to 10% for Small Low-profit Enterprises.

- (c) The PRC land appreciation tax is levied at progressive rates of 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land use right and all property development expenditures.

附註：

- (a) 由於在年內並無於香港產生應課稅溢利，故並未就香港利得稅作出撥備(二零一九年：無)。
- (b) 中國企業所得稅指於年內按本集團於中國業務所在各個城市現行稅率就應課稅溢利徵收之稅項。

中國附屬公司之適用稅率為25%，惟本集團若干中國附屬公司獲批准成為高新技術企業除外，該等附屬公司於三年期間享有經調低優惠企業所得稅率15%。本集團若干附屬公司亦享有小型微利企業所享有的經調低優惠企業所得稅率，介乎5%至10%。

- (c) 中國土地增值稅就土地增值數額(即銷售物業所得款項減包括土地使用權及所有物業發展開支在內之可扣減開支)按30%至60%之遞進稅率徵收。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

12 INCOME TAX CREDIT/(EXPENSE) (Continued)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the tax rate of the location of the Group companies as follows:

12 所得稅抵免／(開支)(續)

本集團有關除稅前虧損之稅項與採用本集團公司所在地區之稅率計算所得理論數額差異如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
(Loss)/profit from continuing operations before income tax	持續經營業務除所得稅前(虧損)／溢利	(874,572)	25,141
Loss from discontinued operations before income tax	已終止經營業務除所得稅前虧損	(128,467)	(440,638)
Loss before income tax	除所得稅前虧損	(1,003,039)	(415,497)
Tax calculated at 25% (2019: 25%)	按25%稅率計算之稅項(二零一九年：25%)	(250,760)	(103,874)
Effect of different tax rates in other cities/under preferential tax treatment	其他城市採納不同稅率／稅收優惠待遇下不同稅率之影響	23,621	13,619
Income not taxable	毋須課稅收入	(24,107)	(42,923)
PRC land appreciation tax deductible for PRC corporate income tax purposes	已就中國企業所得稅作出扣減的中國土地增值稅	(1,420)	(8,932)
Expenses not deductible for tax purposes	不可扣稅之費用	60,805	114,927
Tax loss not recognised	未確認稅項虧損	58,796	37,556
Overprovision of tax from prior year	過往年度稅項超額撥備	(2,386)	(1,833)
PRC corporate income tax	中國企業所得稅	(135,451)	8,540
PRC land appreciation tax	中國土地增值稅	5,680	35,728
Income tax (credit)/expense	所得稅(抵免)／開支	(129,771)	44,268

Notes to the Consolidated Financial Statements

合併財務報表附註

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

13 LOSS FROM DISCONTINUED OPERATIONS

13 來自已終止經營業務之虧損

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元 (Restated) (已重列)
Huicong (Tianjin) E-commerce Investment Co., Ltd (note a)	慧聰(天津)電子商務產業投資有限公司(附註a)	(60,229)	(207,082)
Huijia Yuantian Limited (note b)	慧嘉元天有限公司(附註b)	(66,009)	(267,755)
		(126,238)	(474,837)

(a) Disposal of equity interest of Huicong (Tianjin) E-commerce Investment Co., Ltd

On 23 November 2020, the Group entered into a sale and purchase agreement with an independent third party to dispose of its 60% equity interest of Huicong (Tianjin) E-commerce Investment Co., Ltd ("Huicong (Tianjin)") at a consideration of RMB16,000,000. Huicong (Tianjin) and its subsidiaries (together, the "Huicong Tianjin Group") was included in O2O business exhibition business centre segment. The disposal was completed on 30 November 2020. In accordance with HKFRS 5, the financial results of Huicong Tianjin Group is reported in the current period as a discontinued operations for the years as set out below. A disposal loss of Huicong Tianjin Group amounting to RMB43,041,000 was included in discontinued operations in the consolidated statement of comprehensive income.

(a) 出售慧聰(天津)電子商務產業投資有限公司之股權

於二零二零年十一月二十三日，本集團與一名獨立第三方訂立買賣協議以出售其於慧聰(天津)電子商務產業投資有限公司(「慧聰(天津)」)的60%股權，代價為人民幣16,000,000元。慧聰(天津)及其附屬公司(統稱「慧聰天津集團」)包含在O2O商業展覽中心事業群。出售事項於二零二零年十一月三十日完成。根據香港財務報告準則第5號，於本期間慧聰天津集團之財務業績呈報為各年度之已終止經營業務如下。出售慧聰天津集團的虧損人民幣43,041,000元計入合併綜合收益表的已終止經營業務。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

13 LOSS FROM DISCONTINUED OPERATIONS 13 來自已終止經營業務之虧損(續)

(Continued)

(a) Disposal of equity interest of Huicong (Tianjin) E-commerce Investment Co., Ltd (Continued)

(i) Financial performance and cash flow information

The financial performance and cash flow information presented are for the eleven months ended 30 November 2020 and the year ended 31 December 2019.

(a) 出售慧聰(天津)電子商務產業投資有限公司之股權(續)

(i) 財務表現及現金流量資料

截至二零二零年十一月三十日止十一個月及截至二零一九年十二月三十一日止年度之財務表現及現金流量資料呈列如下。

		Eleven months ended 30 November 2020 截至二零二零年 十一月三十日止 十一個月 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	銷售收入	10,812	20,707
Expenses	開支	(22,301)	(191,629)
Loss before income tax	除所得稅前虧損	(11,489)	(170,922)
Income tax expense	所得稅開支	(5,699)	(36,160)
Loss after tax	除稅後虧損	(17,188)	(207,082)
Loss on disposal (note 26(b))	出售事項之虧損(附註26(b))	(43,041)	-
Total loss from discontinued operations	已終止經營業務之虧損總額	(60,229)	(207,082)
Net cash generated from operating activities	經營活動產生之現金淨額	47,931	97,051
Net cash generated from investing activities	投資活動產生之現金淨額	164,763	-
Net cash used in financing activities	融資活動所用之現金淨額	(217,275)	(113,718)
Total cash outflow	現金流出總額	(4,581)	(16,667)

For the major classes of assets and liabilities of Huicong Tianjin Group as at the date of disposal, please refer to the note 26(b).

有關慧聰天津集團於出售日期的主要資產及負債類別，請參閱附註26(b)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

13 LOSS FROM DISCONTINUED OPERATIONS 13 來自已終止經營業務之虧損(續)

(Continued)

(b) Discontinued operations of Huijia Yuantian Limited

During the year ended 31 December 2020, the Group decided to discontinue the operation of Huijia Yuantian Limited and its subsidiaries (together, the “Huijia Group”), which is principally engaged in the integrated marketing and advertising services in the PRC.

(i) Financial performance and cash flow information

The financial performance and cash flow information presented are for the year ended 31 December 2020 and 31 December 2019.

(b) 慧嘉元天有限公司之已終止經營業務

截至二零二零年十二月三十一日止年度，本集團決定終止經營慧嘉元天有限公司及其附屬公司(統稱「慧嘉集團」)之業務，慧嘉集團主要於中國從事整合營銷及廣告服務。

(i) 財務表現及現金流量資料

截至二零二零年十二月三十一日及二零一九年十二月三十一日止年度之財務表現及現金流量資料呈列如下。

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	銷售收入	1,941	63,710
Expenses	開支	(28,693)	(75,213)
Impairment losses of goodwill and intangible assets	商譽及無形資產減值虧損	(47,185)	(258,213)
Loss before income tax	除所得稅前虧損	(73,937)	(269,716)
Income tax credit	所得稅抵免	7,928	1,961
Loss from discontinued operations	已終止經營業務之虧損	(66,009)	(267,755)
Net cash used in operating activities	經營活動所用之現金淨額	(2,553)	(2,593)
Net cash used in investing activities	投資活動所用之現金淨額	-	-
Net cash used in financing activities	融資活動所用之現金淨額	-	-
Total cash outflow	現金流出總額	(2,553)	(2,593)

Notes to the Consolidated Financial Statements

合併財務報表附註

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

14 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares repurchased by the Company (note 32).

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
Loss attributable to owners of the Company	本公司權益持有人應佔虧損		
– from continuing operations	– 來自持續經營業務	(623,473)	(16,529)
– from discontinued operations	– 來自已終止經營業務	(122,064)	(359,961)
		(745,537)	(376,490)
		2020 二零二零年 '000 千股	2019 二零一九年 '000 千股 (Restated) (已重列)
Weighted average number of shares in issue	已發行股份之加權平均數	1,238,917	1,120,494
Basic loss per share	每股基本虧損		
From continuing operations (in RMB)	來自持續經營業務(人民幣元)	(0.5033)	(0.0148)
From discontinued operations (in RMB)	來自已終止經營業務(人民幣元)	(0.0985)	(0.3212)
Total basic loss per share attributable to the equity holders of the Company (in RMB)	本公司權益持有人應佔每股基本虧損總額(人民幣元)	(0.6018)	(0.3360)

14 每股虧損

(a) 基本

每股基本虧損按本公司權益持有人應佔虧損除以年內已發行普通股加權平均數計算(不包括本公司購回之普通股)(附註32)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

14 LOSS PER SHARE (Continued)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible debt and share options. The convertible debt is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration.

During the year ended 31 December 2020, all of these share options had anti-dilutive effect to the Company and therefore, diluted loss per share equaled basic loss per share (2019: same).

15 DIVIDENDS

No dividend was paid or declared by the Company during and for the year ended 31 December 2020 (2019: Nil).

14 每股虧損(續)

(b) 攤薄

每股攤薄虧損按調整發行在外普通股的加權平均數以假設所有潛在攤薄普通股已獲轉換而計算。本公司之潛在攤薄普通股分為兩類：可換股債項及購股權。可換股債項假設已轉換為普通股，而純利已經調整以對銷利息開支扣除稅務影響。就購股權而言，假設購股權獲行使時應已發行之股份數目扣除按相同所得款項總額公平值（按年內每股股份之平均市價釐定）可予發行之股份數目後，即得出無償發行之股份數目。

截至二零二零年十二月三十一日止年度，所有有關購股權對本公司均有反攤薄影響，故每股攤薄虧損與每股基本虧損相等（二零一九年：相同）。

15 股息

截至二零二零年十二月三十一日止年度，本公司概無派付或宣派股息（二零一九年：無）。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

16 LEASES

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to the leases:

16 租賃

(a) 於合併財務狀況表確認之金額

合併財務狀況表列示以下與租賃有關之金額：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
At 1 January	於一月一日	214,305	259,118
Additions	添置	14,649	7,814
Lease modification (note i)	租賃修改(附註i)	4,942	-
Deemed disposal of Zhongmo Group (note 26(c))	視作出售中模集團(附註26(c))	-	(6,804)
Depreciation	折舊		
– from continuing operations	– 來自持續經營業務	(29,785)	(37,474)
– from discontinued operations	– 來自已終止經營業務	(14,885)	(8,349)
Disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團(附註26(b))	(144,596)	-
At 31 December	於十二月三十一日	44,630	214,305
Lease liabilities	租賃負債		
At 1 January	於一月一日	91,995	163,310
Additions	添置	14,649	7,814
Lease modification (note i)	租賃修改(附註i)	4,754	-
Deemed disposal of Zhongmo Group (note 26(c))	視作出售中模集團(附註26(c))	-	(7,119)
Disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團(附註26(b))	(29,447)	-
Paid	付款	(53,206)	(80,496)
Interest expenses	利息開支		
– from continuing operations	– 來自持續經營業務	2,182	3,125
– from discontinued operations	– 來自已終止經營業務	1,722	5,361
At 31 December	於十二月三十一日	32,649	91,995
Current	流動	15,050	74,598
Non-current	非流動	17,599	17,397
		32,649	91,995

Note:

- (i) During the year ended 31 December 2020, the Group had agreed with the landlords to extend, terminate or modify the terms of several rental contracts. Right-of-use assets and lease liabilities had been adjusted due to the lease modifications amounting to RMB4,942,000 and RMB4,754,000, respectively (2019: Nil).

附註：

- (i) 於截至二零二零年十二月三十一日止年度，本集團已與業主同意延長、終止或修改多項租賃合約之條款。租賃修訂令使用權資產及租賃負債分別調整為人民幣4,942,000元及人民幣4,754,000元(二零一九年：零)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

16 LEASES (Continued)

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to the leases:

16 租賃(續)

(b) 於合併綜合收益表確認之金額

合併綜合收益表列示以下與租賃有關之金額：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (Restated) (已重列)
Depreciation charge of right-of-use assets	使用權資產之折舊費用		
Land use rights	土地使用權	(4,377)	(4,737)
Properties	物業	(40,293)	(41,086)
		(44,670)	(45,823)
– from continuing operations	– 來自持續經營業務	(29,785)	(37,474)
– from discontinued operations	– 來自已終止經營業務	(14,885)	(8,349)
		(44,670)	(45,823)
Interest expense on lease liabilities	租賃負債利息開支		
– from continuing operations	– 來自持續經營業務	(2,182)	(3,125)
– from discontinued operations	– 來自已終止經營業務	(1,722)	(5,361)
		(3,904)	(8,486)
Expenses relating to short-term leases	與短期租賃有關之開支		
– from continuing operations	– 來自持續經營業務	(7,258)	(3,470)
– from discontinued operations	– 來自已終止經營業務	(1,281)	(4,767)
		(8,539)	(8,237)
Gain on lease modification	租賃修訂之收益		
– from continuing operations	– 來自持續經營業務	188	–

Depreciation of approximately RMB27,186,000 (2019: RMB26,776,000) is included in administrative expenses; and RMB17,484,000 (2019: RMB19,047,000) in cost of sales in the consolidated statement of comprehensive income, respectively. The total cash outflow for leases in 2020 was RMB53,206,000 (2019: RMB88,733,000).

折舊約人民幣27,186,000元(二零一九年：人民幣26,776,000元)及人民幣17,484,000元(二零一九年：人民幣19,047,000元)分別計入合併綜合收益表之行政費用及銷售成本。於二零二零年，租賃之現金流出總額為人民幣53,206,000元(二零一九年：人民幣88,733,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

17 INVESTMENT PROPERTIES

17 投資物業

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	770,831	623,829
Transfer from property, plant and equipment (note 19)	自物業、廠房及設備轉撥 (附註19)	–	187,242
Amortisation	攤銷		
– from continuing operations	– 來自持續經營業務	(12,809)	(2,025)
– from discontinued operations	– 來自已終止經營業務	(16,086)	(19,834)
Disposals	出售	(77,141)	–
Impairment	減值		
– from discontinued operations	– 來自已終止經營業務	–	(18,381)
Derecognised through disposal of subsidiaries	透過出售附屬公司終止確認	(37,596)	–
Derecognised through disposal of Huicong Tianjin Group (note 26(b))	透過出售慧聰天津集團終止確認 (附註26(b))	(492,851)	–
At 31 December	於十二月三十一日	134,348	770,831

As at 31 December 2020, the Group held two properties (2019: four properties) as investment properties and measured at cost.

於二零二零年十二月三十一日，本集團持有兩幢物業（二零一九年：四幢物業）作為投資物業，並按成本計量。

As at 31 December 2020, the fair value of the investment properties held by the Group was determined by independent valuers at RMB425,698,000 (2019: RMB1,000,351,000).

於二零二零年十二月三十一日，本集團所持投資物業之公平值由獨立估值師釐定為人民幣425,698,000元（二零一九年：人民幣1,001,351,000元）。

The fair value of investment properties as at 31 December 2020 is derived using the income approach (2019: income approach and market comparison approach). The income valuation method is essentially a mean of valuing the investment properties by discounting cash flow projections based on reliable estimates of future cash flows, while the market comparison approach is essentially a mean of valuing the investment properties by assuming sale of each of these properties in its existing state with the benefit of vacant possession.

投資物業於二零二零年十二月三十一日之公平值使用收入法（二零一九年：收入法及市場比較法）得出。收入估值法為評估投資物業之必要方式，其透過根據對未來現金流量之可靠估計折現現金流量預測，而市場比較法為評估投資物業之必要方式，假設該等物業各自於其現況以交吉方式出售。

The fair value is valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and has recent experience in the location of the investment property valued.

公平值由獨立專業合資格估值師進行估值，彼等持有經認可相關專業資格並擁有所估值投資物業所在地區近期估值經驗。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

17 INVESTMENT PROPERTIES (Continued)

The Group's finance department includes a team that reviews the valuation performed by the independent valuer for financial reporting purpose. This team reports directly to the chief financial officer (CFO).

At each financial year end, finance department:

- Verifies all major inputs to the independent valuation report,
- Assesses property valuations movements when comparing to the prior year valuation report, and
- Holds discussion with the independent valuer.

The investment properties are leased to tenants under operating leases with rentals payable monthly. There are no other variable lease payments that depend on an index or rate.

For minimum lease payments receivable on leases of investment properties, refer to note 41.

During the year ended 31 December 2020, the Group sold the part of the investment properties in Shunde Household Electrical Appliances Centre and recognised a gain amounting to RMB40,082,000 and included in "Loss from discontinued operations" (2019: Nil). The proceeds amounted to approximately RMB117,223,000, and costs of disposal amounted to approximately RMB77,141,000.

During the year ended 31 December 2019, the recoverable amount of certain investment properties was lower than its carrying amount. The Group assessed the recoverable amount and, as a result, the carrying amount of the investment properties was written down to its recoverable amount of RMB770,831,000. An impairment loss of RMB18,381,000 was recognised in "Loss from discontinued operations". No impairment was recognised during the year ended 31 December 2020.

17 投資物業(續)

本集團財務部設有一支團隊，負責審閱由獨立估值師就財務報告進行之估值。該團隊直接向首席財務官(首席財務官)匯報。

於各財政年度末，財務部會：

- 核實獨立估值報告內所有主要輸入數據，
- 評估物業估值相較上一年估值報告之變動，及
- 與獨立估值師展開討論。

投資物業出租根據經營租賃出租予租戶，租金按月支付。概無其他取決於物價指數或市場租金的浮動租賃付款。

出租投資物業之應收最低租賃付款請參閱附註41。

於截至二零二零年十二月三十一日止年度，本集團出售部分順德家電城投資物業，確認收益為人民幣40,082,000元並計入「已終止經營業務之虧損」(二零一九年：無)。該等所得款項約為人民幣117,223,000元，而出售事項成本約為人民幣77,141,000元。

於截至二零一九年十二月三十一日止年度，若干投資物業之可回收金額低於其賬面值。本集團評估可回收金額，因此，投資物業之賬面值被撇銷至其可回收金額人民幣770,831,000元。人民幣18,381,000元之減值虧損於「已終止經營業務之虧損」中確認。截至二零二零年十二月三十一日止年度，概無確認減值。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

18 COMPLETED PROPERTIES HELD FOR SALE

18 持作銷售竣工物業

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	47,324	82,500
Properties sold	已售物業		
– from discontinued operations	– 來自已終止經營業務	(4,118)	(13,535)
Impairment	減值		
– from discontinued operations	– 來自已終止經營業務	–	(21,641)
Derecognised through disposal of Huicong Tianjin Group (Note 26(b))	通過出售慧聰天津集團終止確認 (附註26(b))	(43,206)	–
At 31 December	於十二月三十一日	–	47,324

All completed properties held for sale are located in the PRC and derecognised upon disposal of Huicong Tianjin Group. The cost of properties sold of approximately RMB4,118,000 (2019: RMB13,535,000) has been recognised as expense and included in “Loss from discontinued operations”.

所有持作銷售竣工物業均位於中國並於出售慧聰天津集團時終止確認。已售物業之成本約人民幣4,118,000元(二零一九年：人民幣13,535,000元)已確認為開支，並計入「來自已終止經營業務之虧損」。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

19 PROPERTY, PLANT AND EQUIPMENT

19 物業、廠房及設備

		Buildings	Computer and telecommunications equipment	Fixtures, fittings and office equipment	Leasehold improvements	Motor vehicles	Production equipment	Rental construction equipment	Construction in progress	Total
		樓宇	電腦及電訊設備	裝置、裝備及辦公設備	租賃物業裝修	汽車	生產設備	租賃建築設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日									
Cost	成本	336,234	90,732	25,981	17,540	20,971	3,835	246,986	23,193	765,472
Accumulated depreciation	累計折舊	(95,898)	(70,148)	(23,532)	(8,328)	(16,799)	(350)	(16,630)	-	(231,685)
Net book amount	賬面淨值	240,336	20,584	2,449	9,212	4,172	3,485	230,356	23,193	533,787
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	240,336	20,584	2,449	9,212	4,172	3,485	230,356	23,193	533,787
Additions	添置	986	1,610	1,047	569	780	1,167	-	124,921	131,080
Interest capitalised	資本化利息	-	-	-	-	-	-	-	1,016	1,016
Transfer	轉撥	-	-	-	-	-	-	142,937	(142,937)	-
Transfer to investment properties (note (ii))	轉撥至投資物業(附註(ii))	(187,242)	-	-	-	-	-	-	-	(187,242)
Disposals	出售	-	(76)	(192)	(415)	(43)	-	-	-	(726)
Deemed disposal of Zhongmo Group (note 26 (c))	視作出售中模集團(附註26(c))	-	(628)	(475)	(1,538)	(672)	(3,611)	(304,353)	(6,193)	(317,470)
Depreciation (note (i))	折舊(附註(i))									
- from continuing operations	- 來自持續經營業務	(11,124)	(8,186)	(802)	(3,686)	(1,782)	(1,041)	(68,940)	-	(95,561)
- from discontinued operations	- 來自已終止經營業務	(464)	(75)	(134)	(52)	(20)	-	-	-	(745)
Closing net book amount	年終賬面淨值	42,492	13,229	1,893	4,090	2,435	-	-	-	64,139
At 31 December 2019	於二零一九年十二月三十一日									
Cost	成本	57,575	75,838	10,413	13,973	17,023	-	-	-	174,822
Accumulated depreciation	累計折舊	(15,083)	(62,609)	(8,520)	(9,883)	(14,588)	-	-	-	(110,683)
Net book amount	賬面淨值	42,492	13,229	1,893	4,090	2,435	-	-	-	64,139

Notes to the Consolidated Financial Statements

合併財務報表附註

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

19 PROPERTY, PLANT AND EQUIPMENT (Continued)

19 物業、廠房及設備(續)

		Buildings	Computer and telecommunications equipment	Fixtures, fittings and office equipment	Leasehold improvements	Motor vehicles	Total
		樓宇	電腦及電訊設備	裝置、裝備及辦公設備	租賃物業裝修	汽車	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	42,492	13,229	1,893	4,090	2,435	64,139
Additions	添置	1,548	2,498	1,245	1,430	1,761	8,482
Disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團(附註26(b))	(14,959)	(83)	(247)	-	-	(15,289)
Partial disposal of JDSI Group (note 26(a))	部分出售家電世界集團(附註26(a))	-	(289)	(389)	(1,116)	-	(1,794)
Disposal of subsidiaries	出售附屬公司	-	(67)	(28)	-	-	(95)
Disposals	出售	-	(290)	(60)	(136)	(309)	(795)
Depreciation (note (i))	折舊(附註(i))						
- from continuing operations	- 來自持續經營業務	(1,242)	(6,369)	(958)	(3,317)	(1,059)	(12,945)
- from discontinued operations	- 來自已終止經營業務	(425)	(112)	(310)	-	(48)	(895)
Closing net book amount	年終賬面淨值	27,414	8,517	1,146	951	2,780	40,808
At 31 December 2020	於二零二零年十二月三十一日						
Cost	成本	36,258	71,548	7,327	10,895	14,562	140,590
Accumulated depreciation	累計折舊	(8,844)	(63,031)	(6,181)	(9,944)	(11,782)	(99,782)
Net book amount	賬面淨值	27,414	8,517	1,146	951	2,780	40,808

Note:

- (i) No depreciation was capitalised as cost of "Construction in progress" due to the deemed disposal of Zhongmo Group (2019: RMB1,041,000). Depreciation of RMB2,778,000 (2019: RMB2,594,000) is included in selling and marketing expenses; and RMB11,062,000 (2019: RMB23,731,000) in administrative expenses. No depreciation was included in cost of sales in the consolidated statement of comprehensive income due to the deemed disposal of Zhongmo Group (2019: RMB68,940,000).
- (ii) During the year ended 31 December 2019, the property, plant and equipment were reclassified as investment properties in the consolidated statement of financial position, given the change in the usage of the properties from self-use as operating office to external rental.

附註：

- (i) 由於視作出售中模集團並無折舊撥充資本為「在建工程」成本(二零一九年：人民幣1,041,000元)。折舊人民幣2,778,000元(二零一九年：人民幣2,594,000元)及人民幣11,062,000元(二零一九年：人民幣23,731,000元)分別計入合併綜合收益表之銷售及市場推廣費用以及行政費用內。由於視作出售中模集團，並無折舊計入合併綜合收益表之銷售成本(二零一九年：人民幣68,940,000元)。
- (ii) 截至二零一九年十二月三十一日止年度，鑒於物業用途由自用作營運辦公室改為外部租賃，故物業、廠房及設備於合併財務狀況表中獲重新分類為投資物業。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

20 INTANGIBLE ASSETS

20 無形資產

		Trade name								Total
		Goodwill	Customer relationship	and domain name	License	Technical Knowhow	Platform	Patent	Others	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日									
Cost	成本	1,843,785	346,900	160,199	554,000	104,862	115,900	43,200	69,836	3,238,682
Accumulated amortisation	累計攤銷	-	(113,595)	(42,106)	(12,635)	(28,712)	(139)	(7,569)	(41,874)	(246,630)
Net book value	賬面淨值	1,843,785	233,305	118,093	541,365	76,150	115,761	35,631	27,962	2,992,052
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	1,843,785	233,305	118,093	541,365	76,150	115,761	35,631	27,962	2,992,052
Additions	添置	-	-	-	-	-	-	-	773	773
Deemed disposal of Zhongmo Group (note 26 (c))	視作出售中模集團(附註26(c))	(14,933)	-	-	-	-	-	(26,416)	(3,747)	(45,096)
Impairment	減值									
- from continuing operations	- 來自持續經營業務	(38,426)	-	-	-	-	-	-	-	(38,426)
- from discontinued operations	- 來自已終止經營業務	(249,159)	-	-	-	(9,054)	-	-	-	(258,213)
Amortisation (note)	攤銷(附註)									
- from continuing operations	- 來自持續經營業務	-	(32,031)	(12,984)	(11,663)	-	(16,557)	(5,400)	(7,055)	(85,690)
- from discontinued operations	- 來自已終止經營業務	-	-	-	-	(15,015)	-	-	-	(15,015)
Currency translation differences	貨幣匯兌差異	1,141	-	-	-	1,100	-	-	-	2,241
Closing net book amount	年終賬面淨值	1,542,408	201,274	105,109	529,702	53,181	99,204	3,815	17,933	2,552,626
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日									
Cost	成本	1,833,819	346,900	160,199	554,000	106,962	115,900	11,100	47,048	3,175,928
Accumulated amortisation and impairment	累計攤銷及減值	(291,411)	(145,626)	(55,090)	(24,298)	(53,781)	(16,696)	(7,285)	(29,115)	(623,302)
Net book value	賬面淨值	1,542,408	201,274	105,109	529,702	53,181	99,204	3,815	17,933	2,552,626

Notes to the Consolidated Financial Statements

合併財務報表附註

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

20 INTANGIBLE ASSETS (Continued)

20 無形資產(續)

		Trade name								Total
		Goodwill	Customer relationship	and domain name	License	Technical Knowhow	Platform	Patent	Others	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度									
Opening net book amount	年初賬面淨值	1,542,408	201,274	105,109	529,702	53,181	99,204	3,815	17,933	2,552,626
Additions	添置	-	-	-	-	-	-	-	18	18
Impairment	減值									
- from continuing operations	- 來自持續經營業務	(19,626)	-	(37,565)	(518,039)	-	-	-	(3,108)	(578,338)
- from discontinued operations	- 來自已終止經營業務	-	-	-	-	(47,185)	-	-	-	(47,185)
Amortisation (note)	攤銷(附註)									
- from continuing operations	- 來自持續經營業務	-	(32,031)	(9,569)	(11,663)	-	(16,464)	(1,388)	(4,129)	(75,244)
- from discontinued operations	- 來自已終止經營業務	-	-	-	-	(6,584)	-	-	-	(6,584)
Partial disposal of JDSJ Group (note 26(a))	部分出售家電世界集團(附註26(a))	(15,957)	-	-	-	-	(2,739)	-	(10)	(18,706)
Currency translation differences	貨幣匯兌差異	-	-	-	-	588	-	-	-	588
Closing net book amount	年終賬面淨值	1,506,825	169,243	57,975	-	-	80,001	2,427	10,704	1,827,175
At 31 December 2020	於二零二零年十二月三十一日									
Cost	成本	1,564,877	346,900	160,199	554,000	-	112,000	11,100	47,053	2,796,129
Accumulated amortisation and impairment	累計攤銷及減值	(58,052)	(177,657)	(102,224)	(554,000)	-	(31,999)	(8,673)	(36,349)	(968,954)
Net book value	賬面淨值	1,506,825	169,243	57,975	-	-	80,001	2,427	10,704	1,827,175

Note: Amortisation of intangible assets is included in administrative expenses in the consolidated statement of comprehensive income.

附註：無形資產之攤銷計入合併綜合收益表之行政費用內。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

20 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill and other intangible assets

Managements monitors and reviews the business performance at the operating segment level. Goodwill and other intangible assets are allocated to the following cash generating units ("CGUs").

20 無形資產(續)

商譽及其他無形資產減值測試

管理層按經營分部層次監察及審閱業務表現。商譽及其他無形資產分配予下列現金產生單位(「現金產生單位」)。

		As at 31 December			
		於十二月三十一日			
		2020	2020	2019	2019
		二零二零年	二零二零年	二零一九年	二零一九年
		Goodwill	Other	Goodwill	Other
		商譽	intangible	商譽	intangible
		assets	assets	assets	assets
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Technology-driven new retail segment	科技新零售事業群				
Online-services – B2B2C business	線上服務 – B2B2C業務	980,247	207,134	980,247	240,382
New technology retails solutions	新技術零售解決方案	454,720	80,000	454,720	96,000
Smart Industries segment	智慧產業事業群				
Anti-counterfeiting products and services	防偽產品及服務	50,314	20,770	50,314	26,407
Online services – garment industry (note i)	線上服務 – 服裝行業 (附註i)	–	–	–	41,140
Trading services – cotton industry	交易服務 – 棉花行業	21,544	10,218	21,544	12,874
Platform and corporate services segment	平台及企業服務事業群				
Integrated marketing and advertising services (note ii)	整合營銷及廣告服務 (附註ii)	–	–	–	53,180
Financing services (note iii)	融資服務(附註iii)	–	–	19,626	534,310
Electronic appliance e-business (note iv)	電器電子商務(附註iv)	N/A 不適用	N/A 不適用	15,957	3,204
Other intangible assets	其他無形資產	–	2,228	–	2,721
		1,506,825	320,350	1,542,408	1,010,218

The recoverable amount of the CGUs are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period or ten year period depending on individual CGU circumstances. Cash flows beyond the five or ten years period are extrapolated using the estimated growth rates stated in Note (v). Management estimates the pre-tax discount rate that reflects market assessment of the time value of money and specific risk relating to the industry.

現金產生單位之可收回金額按使用價值計算釐定。該等計算依據個別現金產生單位採用經管理層批准涵蓋五年或十年期間之財政預算作出之稅前現金流量預測。五年或十年期間後之現金流量採用附註(v)所述之估計增長率推算。管理層估計可反映貨幣時間值之市場評估以及該行業特定風險之稅前貼現率。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

20 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill and other intangible assets (Continued)

As a result of the impairment assessment, the Group recognised

- impairment for intangible assets for the “online services-garment industry” CGU amounting to RMB37,645,000 (2019: impairment for goodwill RMB38,426,000) (note (i));
- impairment for intangible assets for the “integrated marketing and advertising services” CGU of RMB47,185,000 (2019: impairment for goodwill and other intangible assets RMB258,213,000) (note (ii)) (which had been recognised in discontinued operations); and
- impairment for the goodwill and intangible assets for “financing services” CGU amounting to RMB540,693,000 (2019: Nil) (note (iii)).

On 27 August 2020, the Group agreed to transfer 30% of the equity interest in JDSJ Group to Guangdong Lingqiu Commercial Trading Co., Ltd and 25% of the equity interest in JDSJ Group to Xinyu Congying Internet Technology Partnership (Limited Partnership). The goodwill and intangible assets for electronic appliance e-business was derecognised upon partial disposal of JDSJ Group (Note 26(a)).

For details, refer to the following notes.

Note:

- (i) Impairment provision for goodwill and other intangible assets related to “online services – garment industry” CGU

On 18 December 2015, the Group completed the acquisition of the entire equity interest in ZhongFu Holdings Limited (“Zhongfu”), which is principally engaged in the online service business in relation to the garment industry in the PRC. The total consideration was HK\$170,807,500 (equivalent to approximately RMB144,573,000). The Group recognised identifiable intangible assets amounting to RMB69,900,000 and goodwill amounting to RMB38,426,000 in relation to such acquisition and allocated to the “Online services – garment industry” CGU at the acquisition date.

Management has been reviewing the business development and operations of Zhongfu where the operating environment for online service providers on the garment industry continued to be very challenging. In the light of the changing market conditions, the Group has initiated transformation of Zhongfu’s business plan from being a traditional online services provider to an advanced technology-driven retails solution provider since 2019.

The Directors assessed the recoverable amount of the CGU with reference to the valuation performed by Ravia Global Appraisal Advisory Limited, an independent professional valuer.

20 無形資產(續)

商譽及其他無形資產減值測試(續)

由於進行減值評估，本集團

- 就「線上服務－服裝行業」現金產生單位確認無形資產減值人民幣37,645,000元(二零一九年：商譽減值人民幣38,426,000元)(附註(i))；
- 就「整合營銷及廣告服務」現金產生單位確認無形資產減值人民幣47,185,000元(二零一九年：商譽及其他無形資產減值人民幣258,213,000元)(附註(ii))(已於已終止經營業務中確認)；及
- 就「融資服務」現金產生單位確認商譽及無形資產減值人民幣540,693,000元(二零一九年：零)(附註(iii))。

於二零二零年八月二十七日，本集團同意向廣東領球商貿有限公司轉讓於家電世界集團之30%股權，及向新余聰穎網絡科技合夥企業(有限合夥)轉讓於家電世界集團之25%股權。在部分出售家電世界集團後，已終止確認電器電商業務之商譽及無形資產(附註26(a))。

有關詳情，請參閱以下附註。

附註：

- (i) 有關「線上服務－服裝行業」現金產生單位之商譽及其他無形資產減值撥備

於二零一五年十二月十八日，本集團完成收購中服控股有限公司(「中服」)，主要於中國從事有關服裝行業之線上服務業務)之全部股權。總代價為170,807,500港元(相當於約人民幣144,573,000元)。本集團已於收購日期就有關收購事項確認可識別無形資產人民幣69,900,000元及商譽人民幣38,426,000元，並分配至「線上服務－服裝行業」之現金產生單位。

管理層一直審閱中服之業務發展及營運，服裝行業線上服務供應商之經營環境依然挑戰重重。鑒於市場情況不斷變化，本集團自二零一九年起展開中服業務轉型計劃，將其由傳統線上服務供應商轉型為先進科技零售解決方案供應商。

董事經參考獨立專業估值師瑞豐環球評估諮詢有限公司進行之估值後評估現金產生單位之可收回金額。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

20 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill and other intangible assets (Continued)

Note: (Continued)

- (i) Impairment provision for goodwill and other intangible assets related to "online services – garment industry" CGU (Continued)

The recoverable amount of this CGU is determined based on a value-in-use calculation which uses a revised cash flow projection based on financial budgets of the ZhongFu Holdings Group covering a five-financial years business plan. Management consider the financial budgets prepared is appropriate after considering the revised business development plan, sustainability of business growth, stability of core business developments and achievement of business targets. The financial model assumes an average growth rate of 5% (2019:12%) for five financial years budgets, a pre-tax discount rate of 14% (2019:20%) per annum and a terminal growth rate of 3% (2019: 3%) per annum beyond the five years period taking into account of long term gross domestic product growth, inflation rate and other relevant economic factors.

During the year ended 31 December 2020, due to fierce competition in the e-commerce industry and the outbreak of Coronavirus disease ("COVID-19"), the business transformation plans cannot be implemented successfully as expected. These factors lead to a substantial decline in revenue of Zhongfu as compared to the prior financial budget. As a result, the management has provided full impairment loss on the intangible assets related to "Online services – garment industry" CGU amounting to RMB37,645,000 (2019: provision for impairment of goodwill of RMB38,426,000).

20 無形資產(續)

商譽及其他無形資產減值測試(續)

附註：(續)

- (i) 有關「線上服務－服裝行業」現金產生單位之商譽及其他無形資產減值撥備(續)

此現金產生單位之可收回金額按使用價值計算釐定。該等計算採用基於涵蓋中服五個財政年度之財政預算作出之經修訂現金流量預測進行。考慮到經修訂業務發展計劃、業務增長可持續性、核心業務發展穩定性及業務達標情況，管理層認為所編製之財務預算屬合適。經計及長期國內生產總值增長、通脹率及其他相關經濟因素，財務模式假設五個財政年度預算之平均增長率為5%（二零一九年：12%）、稅前貼現率為每年14%（二零一九年：20%），而超出五年期間之最終增長率為每年3%（二零一九年：3%）。

截至二零二零年十二月三十一日止年度，由於電子商務行業競爭激烈及爆發新型冠狀病毒病（「COVID-19」），業務轉型計劃無法按預期成功實施。這些因素導致中服的銷售收入與過往財政預算相比大幅下降。因此，管理層已就有關「線上服務－服裝行業」現金產生單位之無形資產計提全數減值虧損撥備人民幣37,645,000元（二零一九年：商譽減值撥備人民幣38,426,000元）。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

20 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill and other intangible assets (Continued)

Note: (Continued)

- (ii) Impairment provision for goodwill and other intangible assets related to “integrated marketing and advertising services” CGU

On 13 January 2017, the Group acquired the entire equity interest in Huijia Yuantian Limited (“Huijia”), which is principally engaged in the integrated marketing and advertising services in the PRC. The total consideration was RMB362,000,000. The Group recognised identifiable intangible assets amounting to RMB105,500,000 in total and goodwill amounting to RMB250,096,000 in relation to such acquisition and allocated to the “Integrated marketing and advertising services” CGU at the acquisition date.

During the year ended 31 December 2019, due to the downtrend of the automotive industry in China, which is the major customer sector of Huijia. The performance of Huijia is significantly lower than the budgeted amount, therefore, the management has revised the budget forecast and made a provision for impairment of goodwill and other intangible assets of RMB258,213,000.

As at 31 December 2019, the recoverable amount of this CGU is determined based on a value-in-use calculation which uses cash flow projection based on the revised financial budgets of the Huijia covering five financial years. The directors and management considered financial budgets prepared is appropriate after considering the revised business development plan, sustainability of business growth, stability of core business developments and achievement of business targets. The financial model assumes an average growth rate of: -12% for five financial years budgets, a pre-tax discount rate of 19% per annum and a terminal growth rate of 3% per annum beyond the five years period taking into account of long term gross domestic product growth, inflation rate and other relevant economic factors.

During the year ended 31 December 2020, due to the outbreak of Coronavirus disease (“COVID-19”), lots of small and medium enterprises had tightened their advertising budget; hence Huijia’s business transformation plans cannot be implemented successfully as expected. As a result, the Group had decided to discontinue the operation of integrated marketing and advertising services operated by Huijia Yuantian Limited and has provided full impairment loss on the intangible assets related to “Integrated marketing and advertising services” CGU amounting to RMB47,185,000.

20 無形資產(續)

商譽及其他無形資產減值測試(續)

附註：(續)

- (ii) 有關「整合營銷及廣告服務」現金產生單位之商譽及其他無形資產減值撥備

於二零一七年一月十三日，本集團收購慧嘉元天有限公司(「慧嘉」，主要於中國從事整合營銷及廣告服務業務)之全部股權。總代價為人民幣362,000,000元。本集團已於收購日期就有關收購事項確認可識別無形資產合共人民幣105,500,000元及商譽人民幣250,096,000元，並分配至「整合營銷及廣告服務」之現金產生單位。

截至二零一九年十二月三十一日止年度，減值主要由於中國汽車工業(慧嘉主要客戶行業)之下行趨勢所致。截至二零一九年十二月三十一日止年度，慧嘉之業績遠低於預算金額，因此，管理層已修改預算預測，並就商譽及其他無形資產減值虧損作出撥備人民幣258,213,000元。

於二零一九年十二月三十一日，此現金產生單位之可收回金額按使用價值計算釐定。該等計算採用基於涵蓋慧嘉五個財政年度之經修訂財政預算作出之現金流量預測進行。考慮到經修訂業務發展計劃、業務增長可持續性、核心業務發展穩定性及業務達標情況，董事及管理層認為所編製之財務預算屬合適。經計及長期國內生產總值增長、通脹率及其他相關經濟因素，財務模式假設五個財政年度預算之平均增長率為-12%、稅前貼現率為每年19%，而超出五年期間之最終增長率為每年3%。

截至二零二零年十二月三十一日止年度，由於爆發新型冠狀病毒病(「COVID-19」)，大量中小企業收緊其廣告預算；因此慧嘉之業務轉型計劃無法按預期成功實施。因此，本集團已決定終止慧嘉元天有限公司經營的整合營銷及廣告服務業務，並就有關「整合營銷及廣告服務」現金產生單位之無形資產計提全數減值虧損撥備人民幣47,185,000元。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

20 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill and other intangible assets (Continued)

Note: (Continued)

- (iii) Impairment provision for goodwill and intangible assets related to "Financing Services" CGU

On 28 November 2017, the Group step-up acquired 30% of the equity interest of Chongqing Digital China Huicong Micro-Credit Co. Ltd ("Micro-Credit"), which principally engaged in the integrated marketing and advertising services in the PRC. Upon completion of the acquisition, the Group held 70% of equity interest and obtained control over Micro-Credit and reclassified as investment in subsidiary. The Group recognised identifiable intangible assets amounting to RMB561,900,000 in total and goodwill amounting to RMB19,626,000 in relation to such acquisition and allocated to the "Financing Services" CGU at the acquisition date.

The Directors assessed the recoverable amount of the CGU with reference to the valuation performed by Ravia Global Appraisal Advisory Limited, an independent professional valuer.

As at 31 December 2020, the recoverable amount of this CGU is determined based on a value-in-use calculation which uses cash flow projection based on the revised financial budgets of the Micro-Credit covering ten financial years which reflected management's latest development plan over the financing services business, included but not limited to further working capital to be injected into this segment.

Management has been reviewing the business development and regulatory requirement for operating micro-lending in PRC. On 7 September 2020, the China Banking and Insurance Regulatory Commission ("CBIRC") issued the "Notice on Strengthening the Supervision and Management of Micro-lending Companies", which aims to further strengthen the supervision and management, standardise business behavior, prevent and resolve risks, and promote the standardised and healthy development of the industry of micro-lending companies. The notice will significantly impact the micro-lending companies from all aspects of business operations.

20 無形資產(續)

商譽及其他無形資產減值測試(續)

附註：(續)

- (iii) 有關「融資服務」現金產生單位之商譽及其他無形資產減值撥備

於二零一七年十一月二十八日，本集團分階段收購重慶神州數碼慧聰小額貸款有限公司（「小額貸款」），主要於中國從事整合營銷及廣告服務業務之30%股權。收購事項完成後，本集團持有70%股權並取得了小額貸款的控制權，並將其分類為於附屬公司的投資。本集團已於收購日期就有關收購事項確認可識別無形資產合共人民幣561,900,000元及商譽人民幣19,626,000元，並分配至「融資服務」之現金產生單位。

董事經參考獨立專業估值師瑞豐環球評估諮詢有限公司進行之估值後評估現金產生單位之可收回金額。

於二零二零年十二月三十一日，該現金產生單位之可收回金額按使用價值計算釐定。該等計算依據涵蓋小額貸款十個財政年度之經修訂財政預算作出之現金流量預測進行，而該預算反映管理層對融資服務業務的最新發展計劃，包括但不限於進一步向該分部注入營運資金。

管理層持續審閱關於中國經營小額貸款的業務發展及監管規定。於二零二零年九月七日，中國銀行保險監督管理委員會（「中國銀監會」）發布《關於加強小額貸款公司監督管理的通知》，旨在進一步加強監督管理、規範經營行為、防範化解風險，促進小額貸款公司行業規範健康發展。該通知將對小額貸款公司業務運營生重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

20 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill and other intangible assets (Continued)

Note: (Continued)

- (iii) Impairment provision for goodwill and intangible assets related to "Financing Services" CGU (Continued)

In view of the stricter regulatory requirement and uncertainties in pose, the Group revised the financial budgets after considering the revised business development plan, working capital injection plans, products offering and other risk factors faced by Micro-Credit. The financial model assumes an average growth rate of 17% (2019: 23%) for ten financial years budgets, a pre-tax discount rate of 15% (2019: 16%) per annum and a terminal growth rate of 3% (2019: 3%) per annum beyond the ten years period taking into account of long term gross domestic product growth, inflation rate and other relevant economic factors.

As at 31 December 2020, the recoverable amount of this CGU determined based on the value-in-use calculations was lower than the carrying amount of this CGU. Accordingly, the management has provided full impairment loss on goodwill, license right and other intangible assets of RMB540,693,000 and charged to profit or loss in the year ended 31 December 2020 (2019: Nil).

- (iv) On 27 August 2020, the Group agreed to transfer 30% of the equity interest in JDSJ Group to Guangdong Lingqiu Commercial Trading Co., Ltd and 25% of the equity interest in JDSJ Group to Xinyu Congying Internet Technology Partnership (Limited Partnership).

The goodwill and intangible assets for electronic appliance e-business was derecognised upon partial disposal of JDSJ Group (Note 26(a)).

- (v) Table below sets out the key assumptions for those CGUs that have significant goodwill and intangible assets allocated:

		As at 31 December 2020 於二零二零年 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
Anti-counterfeiting products and services	防偽產品及服務		
Average growth rate	平均增長率	10%	11%
Pre-tax discount rate	稅前貼現率	9%	15%
Terminal growth rate	最終增長率	3%	3%
Online services – B2B2C business	線上服務 – B2B2C業務		
Average growth rate	平均增長率	11%	12%
Pre-tax discount rate	稅前貼現率	8%	12%
Terminal growth rate	最終增長率	3%	3%

20 無形資產(續)

商譽及其他無形資產減值測試(續)

附註：(續)

- (iii) 有關「融資服務」現金產生單位之商譽及其他無形資產減值撥備(續)

鑒於監管規定更加嚴格及存在不確定因素，並考慮到經修訂業務發展計劃、營運資金注資計劃、產品供應及小額貸款面臨之其他風險因素，本集團已修改財務預算。經計及長期國內生產總值增長、通脹率及其他相關經濟因素，財務模式假設五個財政年度預算之平均增長率為17%(二零一九年：23%)、稅前貼現率為每年15%(二零一九年：16%)，而超出十年期間之最終增長率為每年3%(二零一九年：3%)。

於二零二零年十二月三十一日，該現金產生單位之可收回金額根據使用價值計算低於該現金產生單位之賬面值。因此，管理層已就商譽、牌照及其他無形資產計提全數減值虧損撥備人民幣540,693,000元，並已於截至二零二零年十二月三十一日止年度之損益內扣除。(二零一九年：零)。

- (iv) 於二零二零年八月二十七日，本集團同意向廣東領球商貿有限公司轉讓於家電世界集團之30%股權，及向新余聰穎網絡科技合夥企業(有限合夥)轉讓於家電世界集團之25%股權。

電器電子商務的商譽及無形資產已於部分出售家電世界集團時終止確認(附註26(a))。

- (v) 下表載列有重大商譽及無形資產分配至該等現金產生單位之主要假設：

Notes to the Consolidated Financial Statements

合併財務報表附註

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

20 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill and other intangible assets (Continued)

Note: (Continued)

- (v) Table below sets out the key assumptions for those CGUs that have significant goodwill and intangible assets allocated: (Continued)

		As at 31 December 2020 於二零二零年 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
Online services – garment industry	線上服務 – 服裝行業		
Average growth rate	平均增長率	5%	12%
Pre-tax discount rate	稅前貼現率	14%	20%
Terminal growth rate	最終增長率	3%	3%
Integrated marketing and advertising services	整合營銷及廣告服務		
Average growth rate	平均增長率	N/A 不適用	-12%
Pre-tax discount rate	稅前貼現率	N/A 不適用	19%
Terminal growth rate	最終增長率	N/A 不適用	3%
Financing services	融資服務		
Average growth rate	平均增長率	17%	23%
Pre-tax discount rate	稅前貼現率	15%	16%
Terminal growth rate	最終增長率	3%	3%
Trading services-cotton industry	交易服務 – 棉花行業		
Average growth rate	平均增長率	14%	15%
Pre-tax discount rate	稅前貼現率	18%	20%
Terminal growth rate	最終增長率	3%	3%
Electronic appliance e-business	電器電子商務		
Average growth rate	平均增長率	N/A 不適用	40%
Pre-tax discount rate	稅前貼現率	N/A 不適用	25%
Terminal growth rate	最終增長率	N/A 不適用	3%
New technology retails solutions	新技術零售解決方案		
Average growth rate	平均增長率	57%	59%
Pre-tax discount rate	稅前貼現率	24%	24%
Terminal growth rate	最終增長率	3%	3%

The financial budgets covering 5 years period for all CGUs, except for financing services which covered 10 years to reflect its revised expansion plan.

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of these CGUs to exceed its recoverable amount.

20 無形資產(續)

商譽及其他無形資產減值測試(續)

附註：(續)

- (v) 下表載列有重大商譽及無形資產分配至該等現金產生單位之主要假設：(續)

所有現金產生單位之財政預算涵蓋五年期間，涵蓋十年期間以反映其經修訂擴展計劃之融資服務除外。

董事及管理層已考慮及評估其他主要假設之合理可能變動，並無發現任何可能會導致該等現金產生單位之賬面值超出其可收回金額的情況。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

21 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES 21 應收賬款、按金、預付款項及其他應收款項

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables	應收賬款	530,570	477,227
Less: provision for impairment of trade receivables	減：應收賬款減值撥備	(52,286)	(63,529)
Trade receivables, net	應收賬款淨額	478,284	413,698
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	732,604	490,980
		1,210,888	904,678
Less: Non-current portion	減：非流動部分	(884)	(3,568)
Current portion	流動部分	1,210,004	901,110

(a) Trade receivables

The Group generally grants a credit period ranging from 90 days to 270 days to customers depending on business segment. The aging analysis of the gross trade receivables based on invoice date is as follows:

(a) 應收賬款

本集團一般依據業務分部給予客戶介乎90天至270天之信貸期。應收賬款總額按發票日期之賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current to 90 days	即期至90天	454,297	301,627
91 to 180 days	91至180天	31,417	47,678
181 to 270 days	181至270天	6,710	42,664
271 to 365 days	271至365天	5,364	26,999
Over 1 year	超過一年	32,782	58,259
		530,570	477,227

Notes to the Consolidated Financial Statements

合併財務報表附註

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

21 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

(a) Trade receivables (Continued)

Note:

Movements in the provision for impairment of trade receivables are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	63,529	32,427
Provision for impairment of trade receivables	應收賬款減值撥備		
– from continuing operations	– 來自持續經營業務	18,132	21,312
– from discontinued operations	– 來自已終止經營業務	26,201	12,592
Write off for impaired trade receivables	已減值應收賬款撇銷	(50,916)	(1,934)
Disposal of Huicong Tianjin Group	出售慧聰天津集團	(4,660)	–
Deemed disposal of Zhongmo Group	視作出售中模集團	–	(868)
At 31 December	於十二月三十一日	52,286	63,529

The carrying amounts of trade receivables approximate their fair values.

Balances are denominated in RMB and there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers nationally dispersed.

The maximum exposure to credit risk at the reporting date is the fair values of trade receivables disclosed above. The Group did not hold any collateral as security.

21 應收賬款、按金、預付款項及其他應收款項(續)

(a) 應收賬款(續)

附註：

應收賬款之減值撥備變動如下：

應收賬款之賬面值與其公平值相若。

結餘以人民幣計值，由於本集團眾多客戶分散於中國各地，故本集團之應收賬款概無集中信貸風險。

於報告日期之最高信貸風險為上文所披露應收賬款之公平值。本集團並無持有任何抵押品作擔保。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

21 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

(b) Deposits, prepayments and other receivables

21 應收賬款、按金、預付款項及其他應收款項(續)

(b) 按金、預付款項及其他應收款項

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current portion	非流動部分：		
– Deposits	– 按金	884	3,568
Current portion	流動部分：		
– Deposits	– 按金	8,659	5,986
– Prepayments (note (i))	– 預付款項(附註(i))	712,993	343,315
– Amount due from an associate (note (ii))	– 應收一間聯營公司款項 (附註(ii))	–	67,120
– Refund receivable from a supplier (note (iii))	– 應收一名供應商退款 (附註(iii))	–	33,752
– Other receivables for disposal of a financial assets at fair value through other comprehensive income	– 出售按公平值計入其他全面 收入之金融資產之其他 應收款項	–	17,600
– Other receivables	– 其他應收款項	10,068	19,639
		731,720	487,412
		732,604	490,980
The fair values are as follows:	公平值如下：		
– Deposits	– 按金	9,543	9,554
– Prepayments	– 預付款項	712,993	343,315
– Other receivables	– 其他應收款項	10,068	138,111
		732,604	490,980
Denominated in:	以下列貨幣計值：		
HK dollars	港元	563	1,862
Renminbi	人民幣	732,041	489,118
		732,604	490,980

Note (i):

At 31 December 2020 and 2019, the amount mainly represented prepayment to suppliers for B2B trading platform business.

Note (ii):

The amount was unsecured, non-interest bearing and is repayable on demand. Such amount is denominated in RMB and approximates its fair value, which had been fully settled during year ended 31 December 2020.

附註(i):

於二零二零及二零一九年十二月三十一日，該金額主要指向B2B交易平臺業務供應商預付之款項。

附註(ii):

該金額為無抵押、免息及須按要償還。有關金額以人民幣計值及與其公平值相若，並已於截至二零二零年十二月三十一日止年度悉數結清。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

21 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

(b) Deposits, prepayments and other receivables

(Continued)

Note (iii):

The amount represented a prepayment to a supplier in 2018 who failed to deliver the goods in accordance with contract terms. The Group negotiated with the supplier and asked for a refund. During the year ended 31 December 2019, the Group commenced legal proceeding to seek for law enforcement to recover the amount. On 6 May 2020, the High People's Court decided in favor of the Group and ordered the supplier to repay the total amount of RMB33,752,000. However, the Directors believe that the balance's recoverability is uncertain as the supplier's financial abilities are questionable. Therefore, the whole balance amounting to RMB33,752,000 was fully provided for as of 31 December 2020.

22 LOANS AND INTEREST RECEIVABLES

Loans and interest receivables reflect the outstanding balance of loans granted to associates, employees and customers.

21 應收賬款、按金、預付款項及其他應收款項(續)

(b) 按金、預付款項及其他應收款項(續)

附註(iii)：

該金額指於二零一八年向一名供應商預付之款項，而該名供應商無法按照合約條款交付貨品。本集團已與該名供應商磋商，並要求退款。截至二零一九年十二月三十一日止年度，本集團展開法律程序，以尋求執法收回有關金額。於二零二零年五月六日，高級人民法院宣判本集團勝訴，裁定該名供應商償還合共人民幣33,752,000元之款項。然而，由於該供應商之財政能力存疑，董事認為不一定能收回該筆結餘。因此，截至二零二零年十二月三十一日，已就整筆結餘人民幣33,752,000元悉數作出撥備。

22 應收貸款及利息

應收貸款及利息指授予聯營公司、客戶及僱員之貸款未償還結餘。

		As at 31 December	
		於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Loans to customers of financing services business (note)	貸款予融資服務業務之客戶(附註)	1,601,442	1,684,983
Loans to employees	貸款予僱員	3,885	3,885
Loans to associates (note (c))	貸款予聯營公司(附註(c))	90,721	60,867
Interest receivables	應收利息	10,762	25,443
Loans and interest receivables, gross	應收貸款及利息總額	1,706,810	1,775,178
Less: impairment allowance on loans to customers of financing services business (note 3.1 (b)(iii))	減：貸款予融資服務業務之客戶之減值撥備(附註3.1(b)(iii))	(184,149)	(140,014)
Less: impairment allowance on loans to employees	減：貸款予僱員之減值撥備	(34)	(31)
Less: impairment allowance on loans to associates and joint ventures (note (c))	減：貸款予聯營公司及合營企業之減值撥備(附註(c))	(5,523)	(1,006)
Less: impairment allowance on interest receivables	減：應收利息減值撥備	(289)	(148)
Loans and interest receivables, net	應收貸款及利息淨額	1,516,815	1,633,979
Less: Non-current portion	減：非流動部分	(571,438)	(42,257)
Current portion	流動部分	945,377	1,591,722

Notes to the Consolidated Financial Statements

合併財務報表附註

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

22 LOANS AND INTEREST RECEIVABLES (Continued)

Note:

- (a) Analysed by nature

The balance comprises loans granted in financing service business:

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Loans to customers of financing services business	貸款予融資服務業務之客戶	1,601,442	1,684,983
Less: impairment allowance	減：減值撥備	(184,149)	(140,014)
		1,417,293	1,544,969

- (b) Analysed by type of collateral

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Unsecured loans	無抵押貸款	1,159,965	1,169,729
Guaranteed loan	有擔保貸款	182,832	190,684
Collateralised loans	已質押貸款	258,645	324,570
Loan to customers, gross	貸款予客戶總額	1,601,442	1,684,983
Less: impairment allowance	減：減值撥備	(184,149)	(140,014)
Loan receivables, net	應收貸款淨額	1,417,293	1,544,969

- (c) Loans to associates

The Group granted loans of RMB20,800,000, RMB20,800,000 and RMB5,940,000 to 慧德控股有限公司 (“Hui De”) during the years ended 31 December 2014, 2015 and 2016 respectively. During the year ended 31 December 2020, loans and interest receivable of approximately RMB65,298,000 were written off while RMB47,540,000 was included in continuing operations and RMB17,758,000 was included in discontinued operations, as a result of the loans restructuring while the Group disposal of Huicong Tianjin Group and the net liability position of Hui De as at 31 December 2020.

The Group granted loans amounting to RMB80,000,000 to an associate 浙江慧聰投資有限公司 (“Zhejiang Huicong”) during the year ended 31 December 2020. The loan receivables will mature on 2021 and are interest bearing at rate of 10% per annum.

22 應收貸款及利息(續)

附註：

- (a) 按性質分析

有關結餘包括於融資服務業務授出之貸款：

- (b) 按抵押品類型分析

- (c) 貸款予聯營公司

截至二零一四年、二零一五年及二零一六年十二月三十一日止年度，本集團向慧德控股有限公司（「慧德」）分別授出貸款人民幣20,800,000元、人民幣20,800,000元及人民幣5,940,000元。截至二零二零年十二月三十一日止年度，應收貸款及利息約人民幣65,298,000元由於本集團在出售慧聰天津集團時重組貸款以及於二零二零年十二月三十一日慧德之淨負債狀況而撇銷，而人民幣47,540,000元及人民幣17,758,000元已分別計入持續經營業務及已終止持續經營業務。

截至二零二零年十二月三十一日止年度，本集團向一間聯營公司浙江慧聰投資有限公司（「浙江慧聰」）授出貸款人民幣80,000,000元。應收貸款將於二零二一年到期，並按年利率10%計息。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

23 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2020:

23 附屬公司

以下為於二零二零年十二月三十一日之主要附屬公司清單：

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of registered share capital	Effective interest held	Proportion of ordinary shares held by non-controlling interests (%)
名稱	註冊成立地點及法定實體類別	主要業務及經營地點	已註冊股本詳情	所持實際權益	非控股權益所持普通股比例(%)
Hong Kong Huicong International Group 香港慧聰國際集團有限公司	British Virgin Islands, limited 英屬處女群島，有限公司	Investment holding in Hong Kong 投資控股－香港	21,000,000 ordinary shares of US\$0.01 21,000,000股 每股面值0.01美元之普通股	100%	–
HC Group (Hong Kong) Limited 慧聰網(香港)有限公司	Hong Kong, liability company 香港，有限公司	Investment holding in Hong Kong 投資控股－香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值1港元之普通股	100%	–
Orange Triangle Inc.	State of Delaware, USA 美國，德拉瓦州	Investment holding 投資控股	200 shares of US\$0.01 200股每股面值0.01美元之股份	89.34%	10.66%
Orange Triangle (HK) Limited	Hong Kong, liability company 香港，有限公司	Investment holding in Hong Kong 投資控股－香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之普通股	89.34%	10.66%
Zale Inc.	Cayman Islands, limited liability company 開曼群島，有限公司	Investment holding in Cayman Islands 投資控股－開曼群島	500,000,000 ordinary shares of US\$0.0001 each 500,000,000股 每股面值0.0001美元之普通股	89.34%	10.66%
Zale (Hong Kong) Limited	Hong Kong, liability company 香港，有限公司	Investment holding in Hong Kong 投資控股－香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之普通股	89.34%	10.66%
Z. Tech Holdings Limited	Cayman Islands 開曼群島	Investment holding in Cayman Islands 投資控股－開曼群島	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元之普通股	89.34%	10.66%
ZhongFu Holdings Limited 中服控股有限公司	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in BVI 投資控股－英屬處女群島	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元之普通股	100%	–

Notes to the Consolidated Financial Statements

合併財務報表附註

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

23 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2020:
(Continued)

23 附屬公司(續)

以下為於二零二零年十二月三十一日之主要附屬公司清單：(續)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of registered share capital	Effective interest held	Proportion of ordinary shares held by non-controlling interests (%)
名稱	註冊成立地點及法定實體類別	主要業務及經營地點	已註冊股本詳情	所持實際權益	非控股權益所持普通股比例(%)
Saidian HK Limited	Hong Kong, liability company 香港·有限公司	Investment holding in Hong Kong 投資控股—香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之普通股	100%	—
北京慧聰國際資訊有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB500,000,000 人民幣500,000,000元	100%	—
北京慧聰互聯信息技術有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB2,200,000,000 人民幣2,200,000,000元	100%	—
北京慧聰建設信息諮詢有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB36,000,000 人民幣36,000,000元	100%	—
北京兆信信息技術股份有限公司	The PRC, limited liability company 中國·有限公司	Anti-counterfeiting Technology Development in the PRC 開發防偽技術—中國	RMB56,580,000 人民幣56,580,000元	80.25%	19.75%
慧聰融資租賃有限公司	The PRC, limited liability company 中國·有限公司	Finance leasing services in the PRC 融資租賃服務—中國	US\$30,000,000 30,000,000美元	100%	—
北京橙三角科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	US\$150,000 150,000美元	89.34%	10.66%
北京知行銳景科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB10,000,000 人民幣10,000,000元	89.34%	10.66%

Notes to the Consolidated Financial Statements

合併財務報表附註

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

23 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2020:
(Continued)

23 附屬公司(續)

以下為於二零二零年十二月三十一日之主要附屬公司清單：(續)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of registered share capital	Effective interest held	Proportion of ordinary shares held by non-controlling interests (%)
名稱	註冊成立地點及法定實體類別	主要業務及經營地點	已註冊股本詳情	所持實際權益	非控股權益所持普通股比例(%)
寧波慧聰供應鏈管理有限公司	The PRC, limited liability company 中國·有限公司	Provision of trading and agency services in the PRC 提供買賣及代理服務—中國	RMB20,000,000 人民幣20,000,000元	42.80%	57.20%
上海慧旌電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of trading and agency services in the PRC 提供買賣及代理服務—中國	RMB200,000,000 人民幣200,000,000元	100%	—
廣東慧鼎投資有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB220,000,000 人民幣220,000,000元	100%	—
北京凱迅兆通防偽科技有限公司	The PRC, limited liability company 中國·有限公司	Anti-counterfeiting Technology development in the PRC 開發防偽技術—中國	RMB10,000,000 人民幣10,000,000元	80.25%	19.75%
杭州賽典信息科技有限公司	The PRC, limited liability company 中國·有限公司	Investment holding in the PRC 投資控股—中國	US\$1,000,000 1,000,000美元	100%	—
杭州賽點科技有限公司	The PRC, limited liability company 中國·有限公司	Investment holding in the PRC 投資控股—中國	RMB5,250,000 人民幣5,250,000元	100%	—
浙江中服網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB10,000,000 人民幣10,000,000元	80.38%	19.62%

Notes to the Consolidated Financial Statements 合併財務報表附註

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

23 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2020:
(Continued)

23 附屬公司(續)

以下為於二零二零年十二月三十一日之主要附屬公司清單：(續)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of registered share capital	Effective interest held	Proportion of ordinary shares held by non-controlling interests (%)
名稱	註冊成立地點及法定實體類別	主要業務及經營地點	已註冊股本詳情	所持實際權益	非控股權益所持普通股比例(%)
浙江諾天網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 於中國提供業務信息	RMB5,000,000 人民幣5,000,000元	80.38%	19.62%
重慶神州數碼慧聰小額貸款有限公司	The PRC, limited liability company 中國·有限公司	Provision of loan service in the PRC 提供貸款服務—中國	RMB1,000,000,000 人民幣1,000,000,000元	70%	30%
上海棉聯電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of B2B e-commerce services for spot cotton trading 就現貨棉花提供B2B電商服務	RMB63,505,000 人民幣63,505,000元	51%	49%
北京融商通聯科技有限公司	The PRC, limited liability Company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB36,821,000 人民幣36,821,000元	89.34%	10.66%

¹ 寧波慧聰供應鏈管理有限公司 is accounted for as a subsidiary of the Group as the Group is able to control the board of the Company through entering into an acting in concert agreement with other minority shareholders.

¹ 由於本集團通過與其他少數股東訂立一致行動協議而擁有對本公司董事會之控制權，故寧波慧聰供應鏈管理有限公司入賬列作本集團的一間附屬公司。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

23 SUBSIDIARIES (Continued)

(a) Material non-controlling interests

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information Guangdong Huicong Household Appliances City Investment Co., Ltd 廣東慧聰家電城投資有限公司 and Chongqing Digital China Huicong Micro-credit Company Limited 重慶神州數碼慧聰小額貸款有限公司 that has non-controlling interests that are material to the Group.

Summarised consolidated statement of financial position

		Guangdong Huicong Household Appliances City Investment Co., Ltd 廣東慧聰家電城投資有限公司		Chongqing Digital China Huicong Micro-credit Company Limited 重慶神州數碼慧聰小額貸款有限公司	
		As at 31 December 於十二月三十一日	As at 31 December 於十二月三十一日	As at 31 December 於十二月三十一日	As at 31 December 於十二月三十一日
		2020 二零二零年 RMB'000 (Note) 人民幣千元 (附註)	2019 二零一九年 RMB'000	2020 二零二零年 RMB'000	2019 二零一九年 RMB'000
Current Assets	流動資產	NA 不適用	180,440	758,847	1,367,868
Liabilities	負債	NA 不適用	(522,727)	(86,759)	(159,478)
Net current (liabilities)/assets	流動(負債)/資產淨額	NA 不適用	(342,287)	672,088	1,208,390
Non-current Assets	非流動資產	NA 不適用	745,198	599,270	30,558
Liabilities	負債	NA 不適用	(155,958)	-	-
Net non-current assets	非流動資產	NA 不適用	589,240	599,270	30,558
Net assets	資產淨值	NA 不適用	246,953	1,271,358	1,238,948
Accumulated non-controlling interest	累計非控股權益	NA 不適用	168,274	381,407	491,904

As at 31 December 2020, the non-controlling interests balances of Chongqing Digital China Huicong Micro-credit Company Limited amounted to approximately RMB381,407,000 (2019: RMB491,904,000).

Note:

Guangdong Huicong Household Appliances City Investment Co., Ltd was disposed of together with Huicong Tianjin Group on 23 November 2020. The non-controlling interest was derecognised upon the disposal date. Please refer to Note 26(b) for details.

23 附屬公司(續)

(a) 重大非控股權益

具重大非控股權益附屬公司之財務資料概要

下文載列廣東慧聰家電城投資有限公司及重慶神州數碼慧聰小額貸款有限公司之財務資料概要，該兩間公司持有對本集團而言屬重大之非控股權益。

合併財務狀況表概要

於二零二零年十二月三十一日，重慶神州數碼慧聰小額貸款有限公司之非控股權益結餘約為人民幣381,407,000元(二零一九年：人民幣491,904,000元)。

附註：

廣東慧聰家電城投資有限公司已於二零二零年十一月二十三日與慧聰天津集團一併出售。該非控股權益已於出售日期終止確認。有關詳情請參閱附註26(b)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

23 SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)

Summarised financial information on subsidiaries with material non-controlling interests (Continued)

Summarised statement of comprehensive income

23 附屬公司(續)

(a) 重大非控股權益(續)

具重大非控股權益附屬公司之財務資料概要(續)

綜合收益表概要

		Guangdong Huicong Household Appliances City Investment Co., Ltd		Chongqing Digital China Huicong Micro-credit Company Limited	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue/interest income	銷售收入／利息收入	NA不適用	11,508	108,070	113,545
(Loss)/profit before tax	除稅前(虧損)／溢利	NA不適用	(99,752)	(490,157)	29,113
Income tax (expenses)/credit	所得稅(開支)／抵免	NA不適用	(36,160)	121,834	(17,996)
(Loss)/profit after tax	除稅後(虧損)／溢利	NA不適用	(135,912)	(368,323)	11,117
Other comprehensive income	其他全面收入	NA不適用	-	-	-
Total comprehensive (loss)/income	全面(虧損)／收入總額	NA不適用	(135,912)	(368,323)	11,117
Total comprehensive (loss)/income allocated to non-controlling interests	分配至非控股權益之全面(虧損)／收入總額	NA不適用	(92,610)	(110,497)	3,335
Dividends paid to non-controlling interests	已付非控股權益股息	NA不適用	-	-	-

Notes to the Consolidated Financial Statements

合併財務報表附註

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

23 SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)
Summarised financial information on subsidiaries with
material non-controlling interests (Continued)
Summarised cash flow statement

23 附屬公司(續)

(a) 重大非控股權益(續)
具重大非控股權益附屬公司之財務資料概
要(續)
現金流量表概要

		Guangdong Huicong Household Appliances City Investment Co., Ltd		Chongqing Digital China Huicong Micro-credit Company Limited	
		廣東慧聰家電城投資有限公司	重慶神州數碼慧聰小額貸款有限公司		
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Net cash (used in)/generated from operating activities	經營業務(所用)/產生現金淨額	NA不適用	(12,258)	81,185	123,988
Net cash used in investing activities	投資活動所用現金淨額	NA不適用	-	-	-
Net cash used in financing activities	融資活動所用現金淨額	NA不適用	(6,295)	(81,120)	(125,000)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值物(減少)/增加淨額	NA不適用	(18,553)	65	(1,012)

24 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

24 採用權益法列賬之投資

		As at 31 December	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Associates	聯營公司	896,087	969,248
Joint venture	合營企業	303	-
		896,390	969,248

Notes to the Consolidated Financial Statements

合併財務報表附註

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

24 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued) 24 採用權益法列賬之投資(續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Movements in the investment in associates are as follows:	於聯營公司之投資變動如下：		
At 1 January	於一月一日	969,248	677,808
Additions	添置	6,250	60
Additions upon partial disposal of JDSJ Group (Note 26(a))	部分出售家電世界集團之添置(附註26(a))	30,000	—
Additions upon deemed disposal of Zhongmo Group (Note 26(c))	視作出售中模集團之添置(附註26(c))	—	296,371
Disposal	出售	(801)	(750)
Dividends received from an associate	已收一間聯營公司股息	(17,452)	(21,815)
Share of post-tax (losses)/profits of associates	分佔聯營公司除稅後(虧損)/溢利	(81,181)	13,593
Share of other comprehensive (loss)/income of an associate	分佔一間聯營公司其他綜合(虧損)/溢利	(9,977)	6,716
Impairment	減值	—	(2,735)
At 31 December	於十二月三十一日	896,087	969,248

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Movements in the investment in a joint venture are as follows:	於一間合營企業之投資變動如下：		
At 1 January	於一月一日	—	—
Addition	添置	1,840	5
Share of post-tax losses	分佔除稅後虧損	(1,537)	(5)
At 31 December	於十二月三十一日	303	—

Set out below are associates and joint ventures which, in opinion of directors, are material to the Group as at 31 December 2020 and 2019. The associates and joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of establishment or registration is also their principal place of business.

以下載列董事認為於二零二零年及二零一九年十二月三十一日對本集團屬重大之聯營公司及合營企業。下列聯營公司及合營企業之股本中僅包括普通股，由本集團直接持有，而成立或註冊國家亦為其主要營業地點。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

24 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued) 24 採用權益法列賬之投資(續)

Name of entity 實體名稱	Place of business/ country of establishment 營業地點/成立國家	% of effective interest 實際權益百分比		Nature of the relationship 關係性質	Measurement method 計量方式	Carrying amount 賬面值	
		As at 31 December 於十二月三十一日				As at 31 December 於十二月三十一日	
		2020 二零二零年	2019 二零一九年			2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
慧德嘉美科技有限公司(前稱: 慧德控股有限公司)(Hui De Jia Mei Technology Ltd, 中國 formerly known as, Hui De Holding Co., Ltd.*)	PRC	12	12	Associate (note i) 聯營公司(附註i)	Equity method 權益法	-	18,122
浙江慧聰投資有限公司 (Zhejiang Huicong Investment Co., Ltd*)	PRC 中國	29.6	29.6	Associate (note ii) 聯營公司(附註ii)	Equity method 權益法	34,465	35,740
內蒙古呼和浩特金谷農村商業銀行有限公司 (Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Ltd)	PRC 中國	9.8	9.8	Associate (note iii) 聯營公司(附註iii)	Equity method 權益法	495,970	567,192
湖南中模雲建築科技有限公司(前稱中模雲(天津)建築科技有限公司) (Hunan Zhongmoyun Construction Science and Technology Co., Limited, formerly known as Zhongmoyun (Tianjin) Construction Science and Technology Co., Limited)	PRC 中國	35.4	36.1	Associate (note iv) 聯營公司(附註iv)	Equity method 權益法	285,807	296,371
廣東家電世界電子商務有限公司 (家電世界集團) (JDSJ Group)	PRC 中國	20	-	Associate (note v) 聯營公司 (附註v)	Equity method 權益法	30,189	-
Other immaterial associates and joint ventures 其他非重大聯營公司及合營企業						49,959	51,823
						896,390	969,248

* English names are translated for identification purpose only

* 英文名稱僅翻譯作識別用途。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

24 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued) 24 採用權益法列賬之投資(續)

Note:

- i Hui De Jia Mei Technology Ltd* (formerly known as Hui De Holding Co., Ltd*) (“慧德嘉美”) provides investment management and project investments in the PRC. The Group holds 60% interests of its subsidiary, 天津慧亞瑟信息技術有限公司, which in turn holds 20% of interests in 慧德嘉美.
- ii Zhejiang Huicong Investment Co., Limited* (“浙江慧聰”) engages in investment in real estate construction and management in the PRC. The Group directly holds 20% equity shares of 浙江慧聰 and indirectly holds 9.6% equity interests through 慧德嘉美. Hence, the Group effectively holds 29.6% equity interest in 浙江慧聰.
- iii The Group directly holds 9.8% of equity interest of Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Ltd (“Jingu”), which provides products and services on bank deposits, loans and advances in PRC and other business approved by the China Banking Regulatory Commission (“CBRC”). On 27 June 2018, the Group obtained approval from the CBRC for the director appointment, which allows the Group to exercise significant influence to Jingu. During the year ended 31 December 2020, the Group received dividend from Jingu amounting to RMB17,452,000 (2019: RMB21,815,000).
- iv As at 31 December 2020, the Group director holds 35.4% equity interests in Hunan Zhongmoyun Construction Science and Technology Co., Limited* (“湖南中模”), which is engaged in construction and formwork industry in the PRC. The Group directly holds 35.4% equity shares of 湖南中模雲建築科技有限公司. Please refer to note 26(c) for details.
- v JDSJ Group is engaged in the e-commerce for home appliances in the PRC through its websites and mobile applications. As at 31 December 2020, the Group holds 20% equity interest of JDSJ Group. Please refer to note 26(a) for details.
- * English names are translated for identification purpose only.

附註：

- i 慧德嘉美科技有限公司(前稱：慧德控股有限公司)(「慧德嘉美」)於中國提供投資管理及項目投資服務。本集團持有其附屬公司天津慧亞瑟信息技術有限公司之60%權益，而天津慧亞瑟信息技術有限公司持有慧德嘉美之20%權益股。
- ii 浙江慧聰投資有限公司(「浙江慧聰」)於中國從事房地產建築投資及管理業務。本集團直接持有浙江慧聰之20%股本權益，並透過慧德嘉美間接持有其9.6%股本權益。因此，本集團實際上持有浙江慧聰之29.6%股本權益。
- iii 本集團直接持有內蒙古呼和浩特金谷農村商業銀行股份有限公司(「金谷」)之9.8%股本權益，其於中國提供有關銀行存款、貸款及墊款產品及服務以及中國銀行業監督管理委員會(「中國銀監會」)批准之其他業務。於二零一八年六月二十七日，本集團已就委任董事獲得中國銀監會批准，其使本集團可對金谷行使重大影響力。截至二零二零年十二月三十一日止年度，本集團已收金谷股息人民幣17,452,000元。(二零一九年：人民幣21,815,000元)。
- iv 於二零二零年十二月三十一日，本集團董事持有湖南中模雲建築科技有限公司(「湖南中模」)之35.4%股本權益，其於中國從事建築及模架行業。本集團直接持有湖南中模雲建築科技有限公司之35.4%權益股。有關詳情請參閱附註26(c)。
- v 家電世界集團透過其網站及移動應用程序於中國從事家電電商。於二零二零年十二月三十一日，本集團持有家電世界集團20%股本權益。有關詳情請參閱附註26(a)。
- * 英文名稱僅翻譯作識別用途。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

24 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

24 採用權益法列賬之投資(續)

(a) Investment in associates

Summarised consolidated financial information for associates

Set out below are the summarised financial information for the associates which, in the opinion of director, are material to the Group and are accounted for using the equity method.

(a) 於聯營公司之投資

聯營公司之合併財務資料概要

下文載列董事認為對本集團屬重大且按權益法列賬之聯營公司之合併財務資料概要。

		Hui De Jia Mei Technology Ltd		Zhejiang Huicong Investment		Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Ltd.		Hunan Zhongmoyun Construction Science and Technology Co., Limited		JDSJ Group	
		慧德嘉美科技有限公司		浙江慧聰投資		內蒙古呼和浩特特金谷農村商業銀行股份有限公司		湖南中模雲建築科技有限公司		家電世界集團	
		As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
		於十二月三十一日		於十二月三十一日		於十二月三十一日		於十二月三十一日		於十二月三十一日	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Current	流動										
Total current assets	流動資產總值	1,041,568	1,334,183	622,035	706,713	Note i 附註i	Note i 附註i	373,821	193,137	122,261	N/A 不適用
Total current liabilities	流動負債總額	(964,076)	(1,355,148)	(440,579)	(530,553)	Note i 附註i	Note i 附註i	(441,708)	(421,132)	(105,163)	N/A 不適用
Non-current	非流動										
Total non-current assets	非流動資產總值	3,024	124,655	455	4,429	Note i 附註i	Note i 附註i	417,566	330,146	3,554	N/A 不適用
Total non-current liabilities	非流動負債總額	(239,542)	-	(7,695)	-	Note i 附註i	Note i 附註i	(190,869)	-	-	N/A 不適用
Net assets	資產淨值	(159,026)	103,690	174,216	180,589	4,617,021	5,233,722	158,810	102,151	20,652	N/A 不適用
Opening net assets	年初資產淨值	103,690	187,185	180,589	197,736	5,233,722	5,099,248	102,151	-	19,434	N/A 不適用
Capital injection	注資	-	-	-	-	1,790	239	29,620	-	-	N/A 不適用
(Loss)/profit for the year	年內(虧損)/溢利	(262,716)	(83,495)	(6,373)	(17,147)	(516,486)	284,423	27,039	-	1,218	N/A 不適用
Other reserve movement	其他儲備變動	-	-	-	-	(102,005)	(150,188)	-	-	-	N/A 不適用
Closing net assets	年終資產淨值	(159,026)	103,690	174,216	180,589	4,617,021	5,233,722	158,810	102,151	20,652	N/A 不適用
Direct equity interest held	所持直接股本權益	12%	12%	20%	20%	9.8%	9.8%	35.4%	36.1%	20%	N/A 不適用
Share of net asset value held by Group	本集團佔資產淨值	(19,038)	12,443	34,843	36,118	452,468	512,905	56,219	36,856	4,130	N/A 不適用
Others (note (iii))	其他(附註(iii))	-	5,679	(378)	(378)	43,502	54,287	229,588	259,515	26,059	N/A 不適用
Carrying amount	賬面值	-	18,122	34,465	35,740	495,970	567,192	285,807	296,371	30,189	N/A 不適用

Note i: As at the end of 2020, the total assets and total liabilities are of RMB64,814,421,000 (2019: RMB64,185,581,000) and RMB60,197,400,000(2019: RMB58,951,859,000), respectively.

附註i: 於二零二零年末，總資產及總負債分別為人民幣64,814,421,000元(二零一九年：人民幣64,185,581,000元)及人民幣60,197,400,000元(二零一九年：人民幣58,951,859,000元)。

Note ii: Others mainly represent notional goodwill and notional intangible assets arising from acquisition of associates. For Zhejiang Huicong, the balance represents uninjected share capital.

附註ii: 其他主要代表收購聯營公司產生之名義商譽及名義無形資產。就浙江慧聰而言，該結餘指未注資股本。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

24 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued) 24 採用權益法列賬之投資(續)

(a) Investment in associates (Continued)

*Summarised consolidated financial information for associates
(Continued)*

(a) 於聯營公司之投資(續)

聯營公司之合併財務資料概要(續)

		Hui De Jia Mei Technology Ltd		Zhejiang Huicong Investment		Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Ltd.		Hunan Zhongmoyun Construction Science and Technology Co., Limited		JDSJ Group	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	銷售收入	43,726	176,032	39,294	167,545	-	-	490,354	-	66,641	-
Interest income	利息收入	-	-	-	-	2,118,448	2,096,573	-	-	-	-
(Loss)/profit after tax	除稅後(虧損)/溢利	(262,176)	(83,495)	(6,373)	(17,147)	(516,486)	284,423	27,039	-	1,218	-
Other comprehensive (loss)/income	其他全面(虧損)/收入	-	-	-	-	(102,005)	68,597	-	-	-	-
Total comprehensive (loss)/income	全面(虧損)/收入總額	(262,176)	(83,495)	(6,373)	(17,147)	(618,491)	353,020	27,039	-	1,218	-

The information above reflects the amounts presented in the consolidated financial statements of the associates (and not HC Group Inc.'s share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

上述資料反映於聯營公司合併財務報表所呈列之金額(並非慧聰集團有限公司所佔該等金額)，因本集團與聯營公司之會計政策差異而作出調整。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

24 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(b) Individually immaterial associates and joint venture

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates and joint venture that are accounted for using the equity method.

24 採用權益法列賬之投資(續)

(b) 個別非重大聯營公司及合營企業

除上述披露之聯營公司權益外，本集團亦於若干採用權益法列賬之個別非重大聯營公司及合營企業中擁有權益。

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Aggregate carrying amount of individually immaterial associates and joint venture	個別非重大聯營公司及合營企業總賬面值	49,959	51,823
Aggregate amounts of the Group's share of: Post-tax loss	本集團應佔以下各項總額： 除稅後虧損	(2,437)	(810)

25 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Disposal of certain interest in Zhongmo Group

In April 2019, Beijing Huicong Zaichuang Technology Co., Limited ("Beijing Zaichuang"), a subsidiary of the Company, has entered into a share purchase agreement with 天津楊林源管理諮詢合夥企業 ("天津楊林源"). Pursuant to the agreement, Beijing Zaichuang agreed to transfer 5% of the issued share of Zhongmo to 天津楊林源 for a consideration of RMB4,330,000.

In May 2019, Zhongmoyun Construction and Science Technology Co., Ltd. ("Zhongmo") has further entered into a share purchase agreement with the non-controlling interests of its subsidiaries, 湖南中模綠建科技有限公司 and 湖南玖安模架工程技術有限公司 (the "Subsidiaries"). Pursuant to the agreement, Zhongmo acquired the remaining equity interests in the Subsidiaries settled by the allotment and issuance of 20% Zhongmo's shares as consideration.

The Group recognised a decrease in non-controlling interests of RMB3,020,000 and increase in other reserve of RMB7,350,000. After the above transactions, the Group held 36.8% of the issued shares of Zhongmo, it is continued to be accounted for as a subsidiary of the Group by controlling the board of directors through entering into an acting in concert agreement with another shareholder.

25 與非控股權益進行之交易

出售中模集團之若干權益

於二零一九年四月，本公司附屬公司北京慧聰再創科技有限公司(「北京再創」)與天津楊林源管理諮詢合夥企業(「天津楊林源」)訂立一份購股協議。根據協議，北京再創同意向天津楊林源轉讓中模5%已發行股份，代價為人民幣4,330,000元。

於二零一九年五月，中模雲建築科技有限公司(「中模」)與其附屬公司湖南中模綠建科技有限公司及湖南玖安模架工程技術有限公司(「該等附屬公司」)之非控股權益進一步訂立購股協議。根據協議，中模收購該等附屬公司之餘下股權，以配發及發行20%中模股份作代價償付。

本集團確認非控股權益減少人民幣3,020,000元及其他儲備增加人民幣7,350,000元。於上述交易後，本集團持有中模36.8%已發行股份，其通過與另一名股東訂立一致行動協議持有對董事會之控制權，繼續入賬列作本集團的一間附屬公司。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

26 PARTIAL DISPOSAL/DEEMED DISPOSAL/ DISPOSAL OF SUBSIDIARIES

(a) Partial disposal of subsidiaries – JDSJ Group

On 27 August 2020, the Group entered into the equity transfer agreement with 廣東領球商貿有限公司 (“Guangdong Lingqiu Commercial Trading Co., Ltd”), 新余聰穎網絡科技合夥企業(有限合夥) (“Xinyu Congying Internet Technology Partnership (Limited Partnership)”) and JDSJ Group. The Group agreed to transfer 30% of the equity interest in JDSJ Group to Guangdong Lingqiu Commercial Trading Co., Ltd at a consideration of RMB45,000,000 and 25% of the equity interest in JDSJ Group to Xinyu Congying Internet Technology Partnership (Limited Partnership) at a consideration of RMB22,500,000. Upon completion of transaction, the Group owns 20% of the equity interest in JDSJ Group. JDSJ Group ceased to be the subsidiaries of the Group, but has been accounted as an investment in associates in the consolidated financial statement using equity method. Disposal gains amounting to RMB65,323,000 was recognised as “other gains, net” in the consolidated statement of comprehensive income.

The major classes of assets and liabilities of JDSJ Group as at the date of disposal were as follows:

26 部分出售／視作出售／出售附屬公司

(a) 部分出售附屬公司—家電世界集團

於二零二零年八月二十七日，本集團與廣東領球商貿有限公司、新余聰穎網絡科技合夥企業(有限合夥)及家電世界集團訂立股權轉讓協議。本集團同意以代價人民幣45,000,000元向廣東領球商貿有限公司轉讓於家電世界之30%股權及以代價人民幣22,500,000元向新余聰穎網絡科技合夥企業(有限合夥)轉讓於家電世界之25%股權。於交易完成後，本集團擁有家電世界20%的股權。家電世界集團不再為本集團附屬公司，而是以權益法於本集團合併財務報表入帳列作於聯營公司的投資。出售收益人民幣65,323,000元於合併綜合收益表確認為「其他收益淨額」。

家電世界集團於出售日期的主要資產及負債類別如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	1,794
Goodwill and intangible assets	商譽及無形資產	18,706
Deferred tax assets	遞延稅項資產	1,587
Inventories	存貨	33,381
Prepayment and other receivables	預付款項及其他應收款項	53,163
Trade receivables	應收賬款	3,955
Cash and cash equivalents	現金及現金等值物	8,790
Trade and other payables	應付賬款及其他應付款項	(19,194)
Income tax payables	應繳所得稅	(322)
Deferred tax liabilities	遞延稅項負債	(685)
Bank borrowings	銀行借貸	(10,000)
Contract liabilities	合約負債	(53,729)
Net assets disposed of	出售資產淨值	37,446
Less: net assets attributable to non-controlling interests	減：非控股權益應佔資產淨值	(5,269)
Net assets attributable to the Group	本集團應佔資產淨值	32,177

Notes to the Consolidated Financial Statements

合併財務報表附註

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

26 PARTIAL DISPOSAL/DEEMED DISPOSAL/ DISPOSAL OF SUBSIDIARIES (Continued) 26 部分出售／視作出售／出售附屬公司(續)

(a) Partial disposal of subsidiaries – JDSJ Group (Continued)

(a) 部分出售附屬公司－家電世界集團(續)

		RMB'000 人民幣千元
Cash consideration	現金代價	67,500
Less net assets attributable to the Group disposed of	減：本集團應佔出售資產淨值	(32,177)
		35,323
Fair value of the 20% equity interests retained in JDSJ Group as investment in associate (note 24)	於家電世界所保留20%股權之公平值 (列作於聯營公司之投資)(附註24)	30,000
Gain on partial disposal of JDSJ Group (note 7)	部分出售家電世界集團之收益(附註7)	65,323
Net cash inflow arising on disposal:	出售產生的現金流入淨額：	
Cash consideration	現金代價	67,500
Cash and cash equivalents disposed of	出售現金及現金等值物	(8,790)
		58,710

The fair value of the 20% retained equity interest in JDSJ Group held by the Group as at completion date is determined by valuation performed by an independent professional valuer. The valuation involved significant judgements and estimates, including forecast revenue growth rate, terminal growth rate and discount rate used in the projection period.

The notional goodwill arising from the recognition of investments in JDSJ Group is calculated based on the difference between the fair value of the 20% retained equity interest in JDSJ Group and the share of the fair value of the net assets of JDSJ Group as at the date of partial disposal.

本集團於完成日期所持有於家電世界集團之20%保留股權之公平值由獨立專業估值師進行之估值而釐定。估值涉及重大判斷及估計，包括於預測期間所用之預測銷售收入增長率、最終增長率及貼現率。

確認於家電世界集團之投資所產生之名義商譽基於家電世界集團之20%保留股權之公平值與分佔家電世界集團於部分出售之日之資產淨值公平值之差額計算。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

26 PARTIAL DISPOSAL/DEEMED DISPOSAL/ DISPOSAL OF SUBSIDIARIES (Continued) 26 部分出售／視作出售／出售附屬公司(續)

(a) Partial disposal of subsidiaries – JDSJ Group

(Continued)

The notional goodwill arising on the disposal of JDSJ Group is as follows:

		RMB'000 人民幣千元
Fair value of the equity interests retained in JDSJ Group	於家電世界集團保留之股權公平值	30,000
Share of the fair value of net assets	分佔資產淨值公平值	(3,887)
Share of the intangible assets:	分佔無形資產：	
– Patent	– 專利	(4,000)
Notional goodwill	名義商譽	22,113

Since Xinyu Congying Internet Technology Partnership is held and controlled by the chief executive officer and director of JDSJ Group, the difference between consideration received and the fair value of the 25% equity instrument transferred was recognised as a share based payment expense of RMB21,620,000 to the employee services received by the Group.

JDSJ Group contributed revenue and profit after tax of RMB359,452,000 and RMB8,842,000 to the Group during the year upon completion of disposal, respectively.

(a) 部分出售附屬公司－家電世界集團

(續)

出售家電世界集團所產生之名義商譽如下：

由於新余聰穎網絡科技合夥企業由家電世界集團首席執行官兼董事持有及控制，故已收代價與已轉讓權益工具25%之公平值間之差額，已確認為就本集團獲提供僱員服務所作以股份支付之開支人民幣21,620,000元。

於完成出售事項後之年度，家電世界集團分別為本集團貢獻銷售收入人民幣359,452,000元及除稅後溢利人民幣8,842,000元。

(b) Disposal of subsidiaries – Huicong Tianjin Group

On 23 November 2020, the Group entered into agreement with 廣東豐明物業管理有限公司 (“Guangdong Fengming Property Management Co., Ltd.”) and agreed to transfer 60% of the equity interest in Huicong Tianjin Group. Huicong Tianjin Group ceased to be subsidiaries of the Group. A disposal loss amounting to RMB43,041,000 was recognised and included in discontinued operations in the consolidated statement of comprehensive income.

(b) 出售附屬公司－慧聰天津集團

於二零二零年十一月二十三日，本集團與廣東豐明物業管理有限公司訂立協議，同意轉讓慧聰天津集團之60%股權。慧聰天津集團不再為本集團附屬公司。出售虧損人民幣43,041,000元於合併綜合收益表確認及入賬列作已終止經營業務。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

26 PARTIAL DISPOSAL/DEEMED DISPOSAL/ DISPOSAL OF SUBSIDIARIES (Continued)

26 部分出售／視作出售／出售附屬 公司(續)

(b) Disposal of subsidiaries – Huicong Tianjin Group (Continued)

The major classes of assets and liabilities of Huicong Tianjin Group as at the date of disposal were as follows:

(b) 出售附屬公司－慧聰天津集團(續)

慧聰天津集團於出售日期之主要資產及負債類別如下：

		RMB'000 人民幣千元
Investment properties	投資物業	492,851
Property, plant and equipment	物業、廠房及設備	15,289
Right-of-use assets	使用權資產	144,596
Deferred tax assets	遞延稅項資產	7,703
Completed properties held for sale	持作銷售竣工物業	43,206
Prepayment and other receivables	預付款項及其他應收款項	11,854
Trade receivables	應收賬款	61,302
Cash and cash equivalents	現金及現金等值物	146
Trade and other payables	應付賬款及其他應付款項	(55,886)
Bank borrowings	銀行借貸	(135,000)
Other borrowings	其他借貸	(80,000)
Lease liabilities	租賃負債	(29,447)
Contract liabilities	合約負債	(73,126)
Deferred government grant	遞延政府補助	(156,779)
Other tax payable	其他應繳稅項	(85,940)
Net assets disposed of	出售資產淨值	160,769
Less: net assets attributable to non-controlling interests	減：非控股權益應佔資產淨值	(101,728)
Net assets attributable to the Group	本集團應佔資產淨值	59,041
Net losses on disposal:	出售虧損淨額：	
Cash consideration	現金代價	16,000
Less net assets attributable to the Group disposed of	減：本集團應佔出售資產淨值	(59,041)
		(43,041)
Net cash inflow arising on disposal:	出售產生的現金流入淨額：	
Cash consideration	現金代價	16,000
Cash and cash equivalents disposed of	出售現金及現金等值物	(146)
		15,854

Huicong Tianjin Group contributed revenue and loss after tax of RMB10,812,000 and RMB17,188,000 to the Group's consolidated financial statements during the year of completion of disposal, respectively.

於完成出售事項後之年度，慧聰天津集團分別為本集團合併財務報表貢獻銷售收入人民幣10,812,000元及除稅後虧損人民幣17,188,000元。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

26 PARTIAL DISPOSAL/DEEMED DISPOSAL/ DISPOSAL OF SUBSIDIARIES (Continued)

(c) Deemed disposal of subsidiaries – Zhongmo Group

On 26 December 2019, the Group's subsidiary Zhongmoyun Construction and Science Technology Co., Ltd. ("Zhongmo") completed its share placement to an independent third party in which the investors subscribed 1.96% of newly issued shares in Zhongmo with an aggregate consideration of RMB20 million. Upon completion of the above transaction, the Group's interest in Zhongmo was diluted from 36.80% to 36.08%. Following the completion of the transaction, the memorandum of articles of Zhongmo had been revised, and the acting in concert agreement that the Group had entered with another shareholder as disclosed in Note 25 have also been terminated. Accordingly, the Group only has right to appoint two directors out of five positions in the Board of directors of Zhongmo, and will no longer be able to control Zhongmo Group but continue to exercise significant influence over Zhongmo Group. As a result, Zhongmo Group ceased to be subsidiaries of the Group with effect from 26 December 2019 and Zhongmo Group has then been accounted for as investment in associates in the consolidated financial statements using the equity method of accounting. Such transaction was recognised as deemed disposal of subsidiaries. A fair value gain on deemed disposal of Zhongmo Group amounting to RMB246,797,000 was recognised as "other gains, net" in the consolidated statement of comprehensive income.

26 部分出售／視作出售／出售附屬 公司(續)

(c) 視作出售出售附屬公司－中模集團

於二零一九年十二月二十六日，本集團附屬公司中模雲建築科技有限公司(「中模」)完成向一名獨立第三方配股，投資者以總代價人民幣2千萬元認購中模1.96%新發行股份。上述交易完成後，本集團於中模之權益由36.80%攤薄至36.08%。該交易完成後，中模之組織章程大綱作出修訂，且於附註25所披露本集團與另一名股東訂立之一致行動協議亦告終止。據此，本集團僅有權於中模董事會之五個職位中委任兩名董事，且不再控制中模集團，惟繼續對中模集團施以重大影響力。因此，中模集團自二零一九年十二月二十六日起不再作為本集團附屬公司，且中模集團自此之後以權益會計法於合併財務報表中入賬列作於聯營公司之投資。有關交易確認為視作出售附屬公司。視作出售中模集團之公平值收益人民幣246,797,000元於合併綜合收益表內確認為「其他收益淨額」。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

26 PARTIAL DISPOSAL/DEEMED DISPOSAL/ DISPOSAL OF SUBSIDIARIES (Continued)

26 部分出售／視作出售／出售附屬 公司(續)

(c) Deemed disposal of subsidiaries – Zhongmo Group

(Continued)

The major classes of assets and liabilities of Zhongmo Group as at the date of deemed disposal were as follows:

(c) 視作出售出售附屬公司－中模集團

(續)

於視作出售日期，中模集團之主要資產及負債類別如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	317,470
Right-of-use assets	使用權資產	6,804
Goodwill and intangible assets	商譽及無形資產	45,096
Trade receivables	應收賬款	89,375
Inventories	存貨	7,092
Contract related assets	合約相關資產	62,290
Prepayment and other receivables	預付款項及其他應收款項	46,217
Cash and cash equivalents	現金及現金等值物	6,190
Trade and other payables	應付賬款及其他應付款項	(99,807)
Income tax payables	應繳所得稅	(20,398)
Deferred tax liabilities	遞延稅項負債	(6,073)
Bank borrowings	銀行借貸	(10,900)
Other Borrowings	其他借貸	(61,126)
Contract liabilities	合約負債	(22,591)
Lease liabilities	租賃負債	(7,119)
Amount due to the Group	應付本集團款項	(217,220)
Net assets disposed of	出售資產淨值	135,300
Less: net assets attributable to non-controlling interests	減：非控股權益應佔資產淨值	(85,726)
Net assets attributable to the Group	本集團應佔資產淨值	49,574
Net gain on deemed disposal:	視作出售收益淨額：	
Fair value of the 36.08% equity interests retained in Zhongmo as investment in associate (note 24)	於中模保留之36.08%股權公平值 (列作於聯營公司之投資)(附註24)	296,371
Less net assets attributable to the Group disposed of	減：出售本集團應佔資產淨值	(49,574)
Fair value gains on deemed disposal of Zhongmo Group (note 7)	視作出售中模集團之 公平值收益(附註7)	246,797
Net cash outflow arising on disposal:	視作出售產生之現金流出淨額：	
Cash and cash equivalents disposed of	出售現金及現金等值物	6,190

Notes to the Consolidated Financial Statements 合併財務報表附註

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

26 PARTIAL DISPOSAL/DEEMED DISPOSAL/ DISPOSAL OF SUBSIDIARIES (Continued)

(c) Deemed disposal of subsidiaries – Zhongmo Group (Continued)

The fair value of the 36.08% retained equity interests in Zhongmo Group held by the Group as at completion date is determined by valuation performed by an independent professional valuer. The valuation involved significant judgements and estimates, including forecast revenue growth rate, gross profit margin, terminal growth rate and discount rate used in the projection period.

The notional goodwill arising from the recognition of investments in Zhongmo Group is calculated based on the difference between the fair value of the 36.08% retained equity interest in Zhongmo Group and the share of the fair value of the net assets of Zhongmo Group as at the date of deemed disposal.

The notional goodwill arising on the deemed disposal of Zhongmo Group is as follows:

		RMB'000 人民幣千元
Fair value of the equity interests retained in Zhongmo Group	於中模集團保留之股權公平值	296,371
Share of the fair value of net assets (excluding intangible assets)	分佔資產淨值公平值(不包括無形資產)	(34,737)
Share of the intangible assets:	分佔無形資產：	
– Patent	– 專利	(82,876)
– Contract	– 合約	(9,633)
– Patent	– 專利	(1,696)
Notional goodwill	名義商譽	167,429

During the year end 31 December 2019, Zhongmo Group contributed revenue and profit after tax amounting to RMB400,033,000 and RMB39,991,000 to the Group, respectively.

26 部分出售／視作出售／出售附屬公司(續)

(c) 視作出售出售附屬公司－中模集團(續)

本集團於完成日期所持有於中模集團之36.08%保留股權之公平值由獨立專業估值師進行之估值而釐定。估值涉及重大判斷及估計，包括於預測期間所用之預測銷售收入增長率、毛利率、最終增長率及貼現率。

確認於中模集團之投資所產生之名義商譽基於中模集團之36.08%保留股權之公平值與分佔中模集團於視作出售之日之資產淨值公平值之差額計算。

視作出售中模集團所產生之名義商譽如下：

截至二零一九年十二月三十一日止年度，中模集團分別為本集團貢獻銷售收入人民幣400,033,000元及除稅後溢利人民幣39,991,000元。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

27 按公平值計入損益及其他全面收入之金融資產

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income	
	按公平值計入損益之金融資產		按公平值計入其他全面收入之金融資產	
	As at 31 December		As at 31 December	
	於十二月三十一日		於十二月三十一日	
	2020	2019	2020	2019
	二零二零年	二零一九年	二零二零年	二零一九年
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Contingent considerations in relation to acquisition of Huijia Yuantian Limited		22,671	-	-
Trading securities – listed securities	-	-	80,716	65,387
Equity investment – unlisted securities	20,234	20,592	-	-
Financial assets	20,234	43,263	80,716	65,387
Less: non-current portion	(20,234)	(20,592)	(80,716)	(65,387)
Current portion	-	22,671	-	-

Contingent consideration represents the contingent shares issued for the acquisition of Huijia Yuantian Limited in prior year. Since the sellers and guarantors of Huijia could not completed the performance target set out in the sale and purchase agreement, the Group is entitled to repurchase the shares placed in the custodian accounts at HK\$1 and cancel the shares accordingly. The fair value of the contingent consideration was measured up to the announcement date of Huijia performance target and subsequently derecognised on the date of share repurchase by the Company when the right of share exchange expires.

During the year ended 31 December 2020, the contingent consideration is derecognised. According to the audited consolidated financial statement of Huijia for the year ended 31 December 2019 dated 27 March 2019, the audited consolidated distributable profit attributable to equity holders of Huijia for the year ended 31 December 2019 is less than RMB23,660,000, being the minimum level of Huijia Performance Target for the year ended 31 December 2019. According to the subscription agreement dated 5 January 2018 entered into between the Huijia Sellers and the Company, no Shares at be released to Huijia Sellers, and the Company will buy back and cancel 10,909,091 Shares at HK\$1. The decrease in the fair value of RMB8,317,000 up to 27 March 2020 (2019: increase of RMB21,931,000) was charged/credited to "other gains, net" in the consolidated statement of comprehensive income. The total number of 10,909,091 shares were subsequently cancelled on 31 July 2020, please refer to note 32(a) for details.

For the fair value of the financial assets at fair value, please refer to note 3.3.

或然代價指於過往年度就收購慧嘉元天有限公司而發行之或然股份。由於慧嘉之賣方及擔保人無法完成買賣協議所載之績效目標，本集團有權以1港元從託管人賬目中購回所配發之股份，並註銷有關股份。該或然代價公平值之計量截至慧嘉公佈履約目標日期為止，其隨後已於本公司在換股權到期時購回股份當日終止確認。

截至二零二零年十二月三十一日止年度，已終止確認或然代價。根據慧嘉日期為二零一九年三月二十七日之截至二零一九年十二月三十一日止年度經審核財務報表，慧嘉股東應佔經審核合併可供分派溢利少於人民幣23,660,000元（即慧嘉截至二零一九年十二月三十一日止年度履約目標之最低水平）。根據慧嘉賣方與本公司所訂立日期為二零一八年一月五日之認購協議，並無股份發放予慧嘉賣方，且本公司以1港元回購及註銷10,909,091股股份。截至二零二零年三月二十七日，人民幣8,317,000元（二零一九年：增加人民幣21,931,000元）之公平值減少自合併綜合收益表「其他收益淨額」中扣除／計入合併綜合收益表「其他收益淨額」。合共10,909,091股股份隨後於二零二零年七月三十一日註銷，有關詳情，請參閱附註32(a)。

有關按公平值計量之金融資產之公平值，請參閱附註3.3。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

28 FINANCIAL INSTRUMENTS BY CATEGORY

28 按類別劃分之金融工具

		Financial assets at amortised cost 按攤銷 成本計量之 金融資產 RMB'000 人民幣千元	Financial assets at fair value through profit or loss 按公平值 計入損益 之金融資產 RMB'000 人民幣千元	Financial assets at fair value through other comprehensive income 按公平值計入 其他全面收入 之金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2020	於二零二零年 十二月三十一日				
Financial assets at fair value through other comprehensive income	按公平值計入其他全面 收入之金融資產	-	-	80,716	80,716
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產	-	20,234	-	20,234
Trade and other receivables (excluding non-financial assets)	應收賬款及其他應收款項 (不包括非金融資產)	497,895	-	-	497,895
Finance lease receivables	融資租賃應收款項	377,635	-	-	377,635
Loans and interest receivables	應收貸款及利息	1,516,815	-	-	1,516,815
Restricted bank deposit	受限制銀行存款	25,848	-	-	25,848
Cash and cash equivalents	現金及現金等值物	254,301	-	-	254,301
Total	總計	2,672,494	20,234	80,716	2,773,444

Notes to the Consolidated Financial Statements

合併財務報表附註

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

28 FINANCIAL INSTRUMENTS BY CATEGORY 28 按類別劃分之金融工具(續)

(Continued)

		Financial assets at amortised cost 按攤銷 成本計量之 金融資產 RMB'000 人民幣千元	Financial assets at fair value through profit or loss 按公平值 計入損益 之金融資產 RMB'000 人民幣千元	Financial assets at fair value through other comprehensive income 按公平值計入 其他全面收入 之金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於二零一九年 十二月三十一日				
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	-	-	65,387	65,387
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	-	43,263	-	43,263
Trade and other receivables (excluding non-financial assets)	應收賬款及其他應收款項 (不包括非金融資產)	561,363	-	-	561,363
Finance lease receivables	融資租賃應收款項	329,747	-	-	329,747
Loans and interest receivables	應收貸款及利息	1,633,979	-	-	1,633,979
Restricted bank deposit	受限制銀行存款	282,171	-	-	282,171
Cash and cash equivalents	現金及現金等值物	331,893	-	-	331,893
Total	總計	3,139,153	43,263	65,387	3,247,803

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Liabilities at amortised cost	按攤銷成本計量之負債		
Bank borrowings (note 36)	銀行借貸(附註36)	895,308	1,591,089
Other borrowings (note 36)	其他借貸(附註36)	340,959	713,312
Trade payables	應付賬款	478,940	128,209
Other payables (excluding non-financial liabilities)	其他應付款項 (不包括非金融負債)	138,733	98,033
Convertible bonds – liabilities portion	可換股債券－負債部分	-	90,670
Lease liabilities	租賃負債	32,649	91,995
Total	總計	1,886,589	2,713,308

Notes to the Consolidated Financial Statements

合併財務報表附註

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

29 FINANCE LEASE RECEIVABLES

Certain equipment have been leased out through finance leases entered into by the Group. Finance lease receivables, net of provision, comprised of the following:

29 融資租賃應收款項

若干設備已通過由本集團訂立之融資租賃出租。融資租賃應收款項(扣除撥備)包括以下部分：

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Minimum finance lease receivables:	最低融資租賃應收款項：		
Within 1 year	一年內	326,700	168,625
Between 1 to 5 years	一年至五年內	88,900	205,340
Gross amount of finance lease receivables	融資租賃應收款項總額	415,600	373,965
Less: unearned finance income	減：未實現融資收入	(30,578)	(40,556)
Net amount of finance lease receivables	融資租賃應收款項淨額	385,022	333,409
Less: impairment allowance	減：減值撥備	(7,387)	(3,662)
Carrying amount of finance lease receivables	融資租賃應收款項賬面值	377,635	329,747
Present value of minimum finance lease receivables:	最低融資租賃應收款項現值：		
Within 1 year	一年內	297,641	153,481
Between 1 to 5 years	一年至五年內	79,994	176,266
		377,635	329,747
Of which:	其中：		
Non-current	非即期	79,994	176,266
Current	即期	297,641	153,481
		377,635	329,747

During the year ended 31 December 2020, provision for impairment of RMB3,725,000 (2019: RMB3,215,000) was recognised in the consolidated statement of comprehensive income.

截至二零二零年十二月三十一日止年度，減值撥備人民幣3,725,000元(二零一九年：人民幣3,215,000元)於合併綜合收益表內確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

30 INVENTORIES

30 存貨

		As at 31 December 於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Merchandise held for trading	持作貿易貨品	150,117	143,953
Others	其他	3,338	3,570
		153,455	147,523

The cost of inventories recognised as expense and included in "cost of revenue" amounted to approximately RMB13,683,153,000 (2019: RMB13,490,899,000).

確認為開支並計入「銷售成本」之存貨成本金額約為人民幣13,683,153,000元(二零一九年：人民幣13,490,899,000元)。

31 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

31 現金及現金等值物以及受限制銀行存款

		As at 31 December 於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash at bank and on hand	銀行現金及手頭現金	254,301	330,393
Fixed deposits	定期存款	-	1,500
Cash and cash equivalents	現金及現金等值物	254,301	331,893
Restricted bank deposit	受限制銀行存款	25,848	282,171
		280,149	614,064
Denominated in:	以下列貨幣計值：		
- Hong Kong Dollars	- 港元	5,516	299,220
- Renminbi	- 人民幣	272,475	310,692
- US Dollars	- 美元	2,151	4,152
- British Pounds	- 英鎊	7	-
		280,149	614,064

Notes to the Consolidated Financial Statements

合併財務報表附註

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

31 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS (Continued)

The fixed deposits were highly liquid with original maturities of three months or less. As at 31 December 2020, cash and cash equivalents of approximately RMB266,794,000 (2019: RMB310,543,000) of the Group were denominated in Renminbi and deposited with banks in the PRC. The conversion of the Renminbi denominated balance into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

Restricted bank deposit included bank balances pledged as security for trade of RMB25,848,000 and they are denominated in Renminbi as at 31 December 2020. Restricted bank deposit as at 31 December 2019 mainly included bank balances pledged as security for borrowings of RMB 282,171,000 and they are denominated in Hong Kong Dollars.

32 SHARE CAPITAL

		Number of ordinary shares 普通股數目	Par value 面值 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	1,120,402,210	103,625
Buy-back shares (note a)	購回股份(附註a)	(1,100,000)	(97)
Exercise of share options (note c)	行使購股權(附註c)	1,250,000	110
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	1,120,552,210	103,638
Buy-back shares (note a)	購回股份(附註a)	(10,909,091)	(997)
Issuance of shares (note b)	發行股份(附註b)	200,000,000	18,310
Exercise of share options (note c)	行使購股權(附註c)	288,000	26
At 31 December 2020	於二零二零年十二月三十一日	1,309,931,119	120,977

The total authorised number of ordinary shares is 2,000,000,000 shares (2019: 2,000,000,000 shares) with a par value of HK\$0.1 per share (2019: HK\$0.1 per share). All issued shares are fully paid.

The total number of issued shares of the Company was 1,309,931,119 as at 31 December 2020 (2019: 1,120,552,210).

31 現金及現金等值物以及受限制銀行存款(續)

定期存款具有高流動性，原到期日為三個月或以下。於二零二零年十二月三十一日，本集團之現金及現金等值物約人民幣266,794,000元(二零一九年：人民幣310,543,000元)以人民幣計值，並已存入中國之銀行。將以人民幣計值之結餘款項兌換為外幣須受中國政府頒佈之外匯管制規則及規例所規限。

於二零二零年十二月三十一日，受限制銀行存款包括賬款人民幣25,848,000元抵押作擔保之銀行結餘，其以人民幣計值。於二零一九年十二月三十一日，受限制銀行存款主要包括就借貸人民幣282,171,000元抵押作擔保之銀行結餘，其以港元計值。

32 股本

普通股法定總數為每股面值0.1港元(二零一九年：每股0.1港元)之2,000,000,000股股份(二零一九年：2,000,000,000股股份)。所有已發行股份均已繳足。

於二零二零年十二月三十一日，本公司已發行股份總數為1,309,931,119股股份(二零一九年：1,120,552,210股股份)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

32 SHARE CAPITAL (Continued)

(a) Buy-back of shares

During the year ended 31 December 2020, the Company had cancelled 10,909,091 of its ordinary shares (2019: repurchased and cancelled 1,100,000 of its ordinary shares). RMB997,000 and RMB13,357,000 had been deducted from share capital and share premium respectively (2019: RMB97,000 and RMB2,937,000 respectively).

(b) Issuance of shares

On 20 May 2020, the Company issued 200,000,000 shares by placement to two independent third parties, at a price of HK\$1.2 per share. The proceeds net of transaction costs, amounted to approximately HK\$238,500,000 (equivalent to RMB218,426,000). The placement resulted in an increase of share capital and share premium by approximately RMB18,310,000 and RMB200,116,000, respectively.

(c) Share options

On 20 June 2019, a total of 10,000,000 share options were granted to a director pursuant to share option scheme. The grantee can exercise these options at an exercise price of HK\$4.6 per share in the ten year period starting from the expiry of the twelve months from the date of granting of option, being 20 June 2019, Commencing from the first anniversary of the date of grant, the relevant grantee may exercise options up to 33.3% and gradually up to 100% at the third anniversary of the date of grant.

During the year ended 31 December 2019, 1,250,000 shares of the Company were issued upon the exercise of share options under the share option scheme of the Company at exercise price of HK\$0.82 and resulted in approximately RMB110,000 increase in share capital and RMB785,000 increase in share premium.

During the year ended 31 December 2020, 288,000 shares were issued upon exercise of share options under the share option scheme of the company at exercise price ranging from HK\$0.82 to HK\$1.108, and resulted in approximately RMB26,000 increase in share capital and RMB214,000 increase in share premium.

32 股本(續)

(a) 購回股份

截至二零二零年十二月三十一日止年度，本公司已註銷10,909,091股普通股(二零一九年：購回及註銷1,100,000股普通股)。已自股本及股份溢價分別扣除人民幣997,000元及人民幣13,357,000元(二零一九年：分別扣除人民幣97,000元及人民幣2,937,000元)。

(b) 發行股份

於二零二零年五月二十日，本公司透過以每股1.2港元的價格向兩名獨立第三方進行配售的方式發行200,000,000股股份。所得款項扣除交易成本後約為238,500,000港元(相當於人民幣218,426,000元)。配股令股本及股份溢價分別增加約人民幣18,310,000元及人民幣200,116,000元。

(c) 購股權

於二零一九年六月二十日，已根據購股權計劃向一名董事授出合共10,000,000份購股權。承授人可於購股權授出日期(即二零一九年六月二十日)起計十二個月屆滿開始之十年內，按行使價每股4.6港元行使該等購股權。自授出日期一週年起，有關承授人可行使最多33.3%購股權，並可於授出日期起計三週年逐步行使最多100%購股權。

截至二零一九年十二月三十一日止年度，本公司購股權計劃項下的購股權按行使價0.82港元獲行使後，1,250,000股本公司股份獲發行，致使股本及股份溢價分別增加約人民幣110,000元及人民幣785,000元。

截至二零二零年十二月三十一日止年度，本公司購股權計劃項下的購股權按行使價0.82港元至1.108港元獲行使後，288,000股本公司股份獲發行，致使股本及股份溢價分別增加約人民幣26,000元及人民幣214,000元。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

32 SHARE CAPITAL (Continued)

(c) Share options (Continued)

The assumptions for valuation of fair value of share options are as follows:

	7 April 2010 二零一零年 四月七日	28 March 2011 二零一一年 三月二十八日	3 April 2013 二零一三年 四月三日	18 November 2013 二零一三年 十一月十八日	13 October 2017 二零一七年 十月十三日	19 July 2018 二零一八年 七月十九日	20 June 2019 二零一九年 六月二十日
Exercise price (in HK dollar)	0.82	1.108	4.402	9.84	6.476	4.6	4.6
Fair value per option (in RMB)	0.3706	0.4590	2.5027	5.0125	3.3530	1.9516	1.6542
Risk free interest rate (in %)	2.865	2.820	1.111	1.915	1.745	2.13	1.44
Expected life (in years)	3.4-5.9	3.8-4.9	9.1-9.6	4.7-7.9	4.9	10	10
Volatility (in %)	79.8	77.4	75	71.5	62	70	65
Expected dividend per share (HK cents)	-	-	-	-	5.67	-	-

At the working date before options were granted, 6 April 2010, 25 March 2011, 2 April 2013, 15 November 2013, 12 October 2017, 18 July 2018 and 19 June 2019 the market value per share was HK\$0.82, HK\$1.1, HK\$4.3, HK\$9.23, HK\$6.40, HK\$4.58 and HK\$3.31 respectively.

32 股本(續)

(c) 購股權(續)

評估購股權公平值所用之假設如下：

於購股權獲授出前之工作日(二零一零年四月六日、二零一一年三月二十五日、二零一三年四月二日、二零一三年十一月十五日、二零一七年十月十二日、二零一八年七月十八日及二零一九年六月十九日)·每股市值分別為0.82港元、1.1港元、4.3港元、9.23港元、6.40港元、4.58港元及3.31港元。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

32 SHARE CAPITAL (Continued)

32 股本(續)

(c) Share options (Continued)

The details of the share options are summarised as follows:

(c) 購股權(續)

有關購股權之詳情概述如下：

	7 April 2010 二零一零年 四月七日	28 March 2011 二零一一年 三月二十八日	3 April 2013 二零一三年 四月三日	18 November 2013 二零一三年 十一月十八日	13 October 2017 二零一七年 十月十三日	19 July 2018 二零一八年 七月十九日	20 June 2019 二零一九年 六月二十日
<i>Tranche 1</i>							
<i>第一批</i>							
% of the total share options	50%	50%	20%	10%	20%	33.3%	33.3%
佔全部購股權之百分比	50%	50%	20%	10%	20%	33.3%	33.3%
Vesting period	7 April 2010– 7 April 2011	28 March 2011– 28 March 2012	3 April 2013– 3 April 2014	18 November 2013– 18 November 2014	13 October 2017– 13 October 2018	19 July 2018– 19 July 2019 (note i)	20 June 2019– 20 June 2020 (note ii)
歸屬期	二零一零年四月 七日至二零一一年 四月七日	二零一一年三月 二十八日至二零一二年 三月二十八日	二零一三年四月 三日至二零一四年 四月三日	二零一三年十一月 十八日至二零一四年 十一月十八日	二零一七年十月 十三日至二零一八年 十月十三日	二零一八年七月 十九日至二零一九年 七月十九日(附註i)	二零一九年六月 二十日至二零二零年 六月二十日(附註ii)
Exercise period	7 April 2011– 6 April 2020	28 March 2012– 27 March 2021	3 April 2014– 2 April 2023	18 November 2014– 17 November 2023	13 October 2018– 12 October 2027	19 July 2019– 18 July 2028	20 June 2020– 19 June 2029
行使期	二零一一年四月 七日至二零二零年 四月六日	二零一二年三月 二十八日至 二零一二年三月 二十七日	二零一四年四月 三日至二零二三年 四月二日	二零一四年十一月 十八日至二零二三年 十一月十七日	二零一八年十月 十三日至二零二七年 十月十二日	二零一九年七月 十九日至二零二八年 七月十八日	二零二零年六月 二十日至二零二九年 六月十九日
<i>Tranche 2</i>							
<i>第二批</i>							
% of the total share options	50%	50%	20%	10%	20%	33.3%	33.3%
佔全部購股權之百分比	50%	50%	20%	10%	20%	33.3%	33.3%
Vesting period	7 April 2010– 7 April 2012	28 March 2011– 28 March 2013	3 April 2013– 3 April 2015	18 November 2013– 18 November 2015	13 October 2017– 13 October 2019	19 July 2018– 19 July 2020 (note i)	20 June 2019– 20 June 2021 (note ii)
歸屬期	二零一零年四月 七日至二零一二年 四月七日	二零一一年三月 二十八日至 二零一三年三月 二十八日	二零一三年四月 三日至二零一五年 四月三日	二零一三年十一月 十八日至二零一五年 十一月十八日	二零一七年十月 十三日至二零一九年 十月十三日	二零一八年七月 十九日至二零二零年 七月十九日(附註i)	二零一九年六月 二十日至二零二一年 六月二十日(附註ii)
Exercise period	7 April 2012– 6 April 2020	28 March 2013– 27 March 2021	3 April 2015– 2 April 2023	18 November 2015– 17 November 2023	13 October 2019– 12 October 2027	19 July 2020– 18 July 2028	20 June 2021– 19 June 2029
行使期	二零一二年四月 七日至二零二零年 四月六日	二零一三年三月 二十八日 至二零二一年 三月二十七日	二零一五年四月 三日至二零二三年 四月二日	二零一五年十一月 十八日至二零二三年 十一月十七日	二零一九年十月 十三日至二零二七年 十月十二日	二零二零年七月 十九日至二零二八年 七月十八日	二零二一年六月 二十日至二零二九年 六月十九日

Notes to the Consolidated Financial Statements 合併財務報表附註

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

32 SHARE CAPITAL (Continued)

32 股本(續)

(c) Share options (Continued)

(c) 購股權(續)

	7 April 2010 二零一零年 四月七日	28 March 2011 二零一一年 三月二十八日	3 April 2013 二零一三年 四月三日	18 November 2013 二零一三年 十一月十八日	13 October 2017 二零一七年 十月十三日	19 July 2018 二零一八年 七月十九日	20 June 2019 二零一九年 六月二十日
<i>Tranche 3</i>							
<i>第三批</i>							
% of the total share options	N/A	N/A	20%	20%	20%	33.4%	33.4%
佔全部購股權之百分比	不適用	不適用	20%	20%	20%	33.4%	33.4%
Vesting period	N/A	N/A	3 April 2013– 3 April 2016	18 November 2013– 18 November 2016	13 October 2017– 13 October 2020	19 July 2018– 19 July 2021 (note i)	20 June 2019– 20 June 2022 (note ii)
歸屬期	不適用	不適用	二零一三年四月 三日至二零一六年 四月三日	二零一三年十一月 十八日至二零一六年 十一月十八日	二零一七年十月 十三日至二零二零年 十月十三日	二零一八年七月 十九日至二零二一年 七月十九日(附註i)	二零一九年六月 二十日至二零二二年 六月二十日(附註ii)
Exercise period	N/A	N/A	3 April 2016– 2 April 2023	18 November 2016– 17 November 2023	13 October 2020– 12 October 2027	19 July 2021– 18 July 2028	20 June 2022– 19 June 2029
行使期	不適用	不適用	二零一六年四月 三日至二零二三年 四月二日	二零一六年十一月 十八日至二零二三年 十一月十七日	二零二零年十月 十三日至二零二七年 十月十二日	二零二一年七月 十九日至二零二八年 七月十八日	二零二二年六月 二十日至二零二九年 六月十九日
<i>Tranche 4</i>							
<i>第四批</i>							
% of the total share options	N/A	N/A	20%	30%	20%	N/A	N/A
佔全部購股權之百分比	不適用	不適用	20%	30%	20%	不適用	不適用
Vesting period	N/A	N/A	3 April 2013– 3 April 2017	18 November 2013– 18 November 2017	13 October 2017– 13 October 2021	N/A	N/A
歸屬期	不適用	不適用	二零一三年四月 三日至二零一七年 四月三日	二零一三年十一月 十八日至二零一七年 十一月十八日	二零一七年十月 十三日至二零二一年 十月十三日	不適用	不適用
Exercise period	N/A	N/A	3 April 2017– 2 April 2023	18 November 2017– 17 November 2023	13 October 2021– 12 October 2027	N/A	N/A
行使期	不適用	不適用	二零一七年四月 三日至二零二三年 四月二日	二零一七年十一月 十八日至二零二三年 十一月十七日	二零二一年十月 十三日至二零二七年 十月十二日	不適用	不適用

Notes to the Consolidated Financial Statements

合併財務報表附註

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

32 SHARE CAPITAL (Continued)

32 股本(續)

(c) Share options (Continued)

(c) 購股權(續)

	7 April 2010 二零一零年 四月七日	28 March 2011 二零一一年 三月二十八日	3 April 2013 二零一三年 四月三日	18 November 2013 二零一三年 十一月十八日	13 October 2017 二零一七年 十月十三日	19 July 2018 二零一八年 七月十九日	20 June 2019 二零一九年 六月二十日
<i>Tranche 5</i> 第五批							
% of the total share options 佔全部購股權之百分比	N/A 不適用	N/A 不適用	20% 20%	30% 30%	20% 20%	N/A 不適用	N/A 不適用
Vesting period 歸屬期	N/A 不適用	N/A 不適用	3 April 2013– 3 April 2018 二零一三年四月 三日至二零一八年 四月三日	18 November 2013– 17 November 2018 二零一三年十一月 十八日至二零一八年 十一月十七日	13 October 2017– 13 October 2022 二零一七年十月 十三日至二零二二年 十月十三日	N/A 不適用	N/A 不適用
Exercise period 行使期	N/A 不適用	N/A 不適用	3 April 2018– 2 April 2023 二零一八年四月 三日至二零二三年 四月二日	18 November 2018– 17 November 2023 二零一八年十一月 十八日至二零二三年 十一月十七日	13 October 2022– 12 October 2027 二零二二年十月 十三日至二零二七年 十月十二日	N/A 不適用	N/A 不適用

Note

- (i) The share option granted on 19 July 2018 was also subjected to the revenue target of the Company and the performance target of the Grantee.
- (ii) The share option granted on 20 June 2019 was also subjected to the performance target of the Company.

附註：

- (i) 於二零一八年七月十九日授出之購股權亦須待本公司達成銷售收入目標及承授人達成績效目標後方可作實。
- (ii) 於二零一九年六月二十日授出之購股權亦須待本公司達成績效目標後方可作實。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

32 SHARE CAPITAL (Continued)

(c) Share options (Continued)

Movements in the number of share options outstanding and their exercise prices are as follows:

(i) Share Option Scheme

	Expiry date 到期日	2020 二零二零年		2019 二零一九年	
		Exercise price in HK\$ per share 每股港元行使價	Share options 購股權	Exercise price in HK\$ per share 每股港元行使價	Share options 購股權
At 1 January	於一月一日	0.82	188,000	0.82	1,438,000
		1.108	200,000	1.108	200,000
		4.402	1,500,000	4.402	1,500,000
		9.84	3,380,000	9.84	9,972,000
		6.476	29,930,000	6.476	29,930,000
		4.6	30,150,000	4.6	36,000,000
		4.6	10,000,000	4.6	-
Granted	已授出	0.82	-	0.82	-
		1.108	-	1.108	-
		4.402	-	4.402	-
		9.84	-	9.84	-
		6.476	-	6.476	-
		4.6	-	4.6	-
		4.6	-	4.6	10,000,000
Lapsed, forfeited or exercised	已失效、沒收或行使	0.82	(188,000)	0.82	-
		1.108	(100,000)	1.108	(1,250,000)
		4.402	-	4.402	-
		9.84	(500,000)	9.84	(6,592,000)
		6.476	(299,300)	6.476	-
		4.6	(10,574,406)	4.6	-
		4.6	(166,500)	4.6	(5,850,000)
At 31 December 於十二月三十一日	7 April 2020 二零二零年四月七日	0.82	-	0.82	188,000
	27 March 2021 二零二一年三月二十七日	1.108	100,000	1.108	200,000

32 股本(續)

(c) 購股權(續)

未行使購股權數目及其行使價之變動如下：

(i) 購股權計劃

Notes to the Consolidated Financial Statements

合併財務報表附註

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

32 SHARE CAPITAL (Continued)

(c) Share options (Continued)

(i) Share Option Scheme (Continued)

Expiry date 到期日	2020 二零二零年		2019 二零一九年	
	Exercise price in HK\$ per share 每股港元行使價	Share options 購股權	Exercise price in HK\$ per share 每股港元行使價	Share options 購股權
3 April 2023 二零二三年四月三日	4.402	1,500,000	4.402	1,500,000
18 November 2023 二零二三年十一月十八日	9.84	2,880,000	9.84	3,380,000
13 October 2027 二零二七年十月十三日	6.476	29,630,700	6.476	29,930,000
19 July 2028 二零二八年七月十九日	4.6	19,575,594	4.6	30,150,000
20 June 2029 二零二九年六月二十日	4.6	9,833,500	4.6	10,000,000

During the year ended 31 December 2020, the equity-settled share based compensation under share option scheme of RMB14,883,000 (2019: RMB52,979,000) is included in employee benefit expenses.

截至二零二零年十二月三十一日止年度，以權益結算的購股權計劃項下以股份支付之補償人民幣14,883,000元(二零一九年：人民幣52,979,000元)已計入僱員福利開支。

(d) Share Award Scheme

On 23 November 2011 and pursuant to the Share Award Scheme, the Board resolved to grant an aggregate of 24,181,000 shares to 72 selected employees (including an executive director of the Company), subject to a vesting period of 42 months.

On 20 August 2012, the shareholders resolved to grant Guo Jiang, the then executive director of the Company, 16,700,000 shares, subjected to a vesting period of 72 months.

On 8 July 2019, the Board resolved to grant an aggregate of 28,100,000 shares to 21 selected employees (including two executive directors of the Company) subjected to a vesting period of 36 months and a performance target of the Company.

(d) 股份獎勵計劃

於二零一一年十一月二十三日，根據股份獎勵計劃，董事會議決向72位經甄選僱員(包括本公司一名執行董事)授出合共24,181,000股股份，歸屬期為42個月。

於二零一二年八月二十日，股東議決向本公司時任執行董事郭江授出16,700,000股股份，歸屬期為72個月。

於二零一九年七月八日，董事會議決向21名經選定僱員(包括本公司兩名執行董事)授出合共28,100,000股股份，歸屬期為36個月而股份獎勵計劃亦須待本公司達成績效目標後方可作實。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

32 SHARE CAPITAL (Continued)

(d) Share Award Scheme (Continued)

The following table represents the movements for number of shares under the Share Award Scheme for the years ended 31 December 2020 and 2019:

		Number of shares (in thousand unit) 股份數目 (千股)
At 1 January 2019	於二零一九年一月一日	13,000
Shares purchased from the market	市場購得股份	8,715
Shares vested during the year	本年度已歸屬股份	(2,520)
<hr/>		
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	19,195
Shares purchased from the market	市場購得股份	16,565
Shares vested during the year	本年度已歸屬股份	(7,526)
<hr/>		
At 31 December 2020	於二零二零年十二月三十一日	28,234

The following is a summary of the shares granted, vested and lapsed during the year since the set up of the Share Award Scheme:

以下為本年度自設立股份獎勵計劃起已授出、歸屬及失效之股份概要：

		Number of shares (in thousand unit) 股份數目 (千股)	
		2020 二零二零年	2019 二零一九年
At 1 January	於一月一日	38,580	13,000
Granted during the year	本年度已授出	-	28,100
Shares vested during the year	本年度已歸屬股份	(7,526)	(2,520)
<hr/>			
Allocated but not vested	已分配但未歸屬	31,054	38,580

The Group has adopted the requirements under HKFRS 2 to account for the equity compensation expenses of the shares granted at the date of grant at fair value.

本集團已採納香港財務報告準則第2號之規定，於授出日期按公平值將已授出股份之權益薪酬開支入賬。

During the year ended 31 December 2020, the equity-settled share based compensation under share award scheme of RMB16,512,000 (2019: RMB27,706,000) is included in employee benefit expenses.

截至二零二零年十二月三十一日止年度，以權益結算的股份獎勵計劃項下以股份支付之補償人民幣16,512,000元(二零一九年：人民幣27,706,000元)已計入僱員福利開支。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

33 OTHER RESERVES

33 其他儲備

		Share premium	Convertible bond reserve	Other reserve	Merger reserve	Share-based compensation reserves	Share and capital redemption reserve	Exchange Reserve	Shares held for share reward scheme	Financial assets at fair value through other comprehensive income reserve	Total
		股份溢價	可換股債券儲備	其他儲備	合併儲備	以股份支付之補償儲備	股份及資本贖回儲備	匯兌儲備	股份獎勵計劃所持股份	按公平值計入其他全面收入之金融資產之儲備	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	2,668,590	15,723	197,382	109,817	188,330	1,592	18,159	(90,588)	(16,856)	3,092,149
Fair value loss on financial assets at fair value through other comprehensive income, net of deferred tax	按公平值計入其他全面收入之金融資產之公平值虧損，扣除遞延稅項	-	-	-	-	-	-	-	-	7,816	7,816
Currency translation difference	貨幣匯兌差異	-	-	-	-	-	-	3,513	-	-	3,513
Buy-back of shares	購回股份	(2,937)	-	-	-	-	97	-	-	-	(2,840)
Share based compensation	以股份支付之補償	-	-	-	-	80,685	-	-	-	-	80,685
Share purchase under shared award scheme	根據股份獎勵計劃購買股份	-	-	-	-	-	-	-	-	-	-
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	-	-	-	-	-	-	-	(21,247)	-	(21,247)
Exercise of share options	行使購股權	785	-	-	-	-	-	-	-	-	785
Vesting of awarded shares	歸屬獎勵股份	(3,400)	-	-	-	(8,417)	-	-	11,817	-	-
Redemption of convertible bonds – equity portion	贖回可換股債券 – 股權部分	-	(3,364)	-	-	-	-	-	-	-	(3,364)
Transactions with non-controlling interests	與非控股權益進行之交易	-	-	(4,550)	-	-	-	-	-	-	(4,550)
At 31 December 2019	於二零一九年十二月三十一日	2,663,038	12,359	192,832	109,817	260,598	1,689	21,672	(100,018)	(9,040)	3,152,947

Notes to the Consolidated Financial Statements

合併財務報表附註

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

33 OTHER RESERVES (Continued)

33 其他儲備(續)

		Share premium	Convertible bond reserve	Other reserve	Merger reserve	Share-based compensation reserves	Share and capital redemption reserve	Exchange Reserve	Shares held for share reward scheme	Financial assets at fair value through other comprehensive income reserve	Total
		股份溢價	可換股債券儲備	其他儲備	合併儲備	以股份支付之補償儲備	股份及資本贖回儲備	匯兌儲備	所持股份計劃	按公平值計入其他金融資產之儲備	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020	於二零二零年一月一日	2,663,038	12,359	192,832	109,817	260,598	1,689	21,672	(100,018)	(9,040)	3,152,947
Fair value loss on financial assets at fair value through other comprehensive income, net of deferred tax	按公平值計入其他全面收入之金融資產之公平值虧損，扣除遞延稅項	-	-	-	-	-	-	-	-	7,054	7,054
Currency translation difference	貨幣匯兌差異	-	-	-	-	-	-	(4,853)	-	-	(4,853)
Issuance of new shares	發行新股	200,116	-	-	-	-	-	-	-	-	200,116
Buy-back shares	購回股份	(13,357)	-	-	-	-	997	-	-	-	(12,360)
Share based compensation	以股份支付之補償	-	-	-	-	60,496	-	-	-	-	60,496
Share purchase under shared award scheme	根據股份獎勵計劃購買股份	-	-	-	-	-	-	-	-	-	-
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	-	-	-	-	-	-	-	(17,577)	-	(17,577)
Exercise of share options	行使購股權	214	-	-	-	-	-	-	-	-	214
Vesting of awarded shares	歸屬獎勵股份	(39,883)	-	-	-	(23,369)	-	-	63,252	-	-
Early redemption of convertible bonds – equity portion	提早贖回可換股債券 – 股權部分	-	(12,359)	-	-	-	-	-	-	-	(12,359)
Transactions with non-controlling interests	與非控股權益進行之交易	-	-	(7,237)	-	-	-	-	-	-	(7,237)
At 31 December 2020	於二零二零年十二月三十一日	2,810,128	-	185,595	109,817	297,725	2,686	16,819	(54,343)	(1,986)	3,366,441

Notes to the Consolidated Financial Statements

合併財務報表附註

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

33 OTHER RESERVES (Continued)

In accordance with the relevant PRC regulations applicable to wholly foreign owned enterprises, the PRC subsidiaries are required to appropriate to reserve fund an amount of not less than 10% of the profit after income tax, calculated based on the PRC accounting standards. Should the accumulated total of this reserve fund reach 50% of the registered capital of the PRC subsidiaries, the subsidiaries will not be required to make any further appropriation. The reserve fund can only be used, upon approval by the shareholders' meeting or similar authorities, to offset accumulated losses or increase capital.

During the year ended 31 December 2020, retained earnings amounting to approximately RMB13,109,000 (2019: RMB8,017,000) had been transferred to the statutory reserve. Due to the disposal of subsidiaries, statutory reserve of RMB31,514,000 (2019: RMB7,106,000) had been disposed accordingly. As at 31 December 2020, retained earnings comprise statutory reserve fund of RMB94,316,000 (2019: RMB112,721,000).

33 其他儲備(續)

根據適用於外商獨資企業之相關中國法規，中國附屬公司須按照中國會計準則計算撥出不少於除所得稅後溢利10%至儲備金。倘此儲備金累計總額達致中國附屬公司之註冊資本50%，則附屬公司將毋須作出任何進一步撥資。於獲得股東大會或同類機關之批准後，該儲備金僅可用作抵銷累計虧損或增資。

截至二零二零年十二月三十一日止年度，留存收益約人民幣13,109,000元(二零一九年：人民幣8,017,000元)已轉撥至法定儲備。由於出售附屬公司，已就此出售法定儲備人民幣31,514,000元(二零一九年：人民幣7,106,000元)。於二零二零年十二月三十一日，留存收益包括法定儲備金人民幣94,316,000元(二零一九年：人民幣112,721,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

34 DEFERRED GOVERNMENT GRANTS

34 遞延政府補助

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current	非流動	–	155,958
Current	流動	1,600	11,450
		1,600	167,408

As at 31 December 2019, deferred government grants mainly represented a government grant amounting to RMB165,808,000 which was to subsidise the Group to provide rental discount to the prospective tenants of the O2O business exhibition centre in Shunde of Guangzhou.

於二零一九年十二月三十一日，遞延政府補助主要指人民幣165,808,000元之政府補助，用以資助本集團向廣州順德O2O商業展覽中心之準租戶所提供之租金折扣。

The balance was derecognised upon disposal of Huicong Tianjin Group during the year ended 31 December 2020. For details, please refer to note 26(b).

該結餘於截至二零二零年十二月三十一日止年度出售慧聰天津集團後終止確認。有關詳情，請參閱附註26(b)。

35 TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

35 應付賬款、應計費用及其他應付款項

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade payables (note a)	應付賬款(附註a)	478,940	128,209
Accrued salaries and staff benefits	應計薪酬及員工福利	27,326	32,518
Accrued agency commissions	應計代理佣金	7,914	15,432
Accrued expenses	應計費用	43,161	38,101
Deposit from customers	客戶存款	19,279	37,485
Other deposits	其他按金	40,000	–
Others	其他	28,379	7,015
		644,999	258,760

Notes to the Consolidated Financial Statements

合併財務報表附註

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

35 TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES (Continued)

35 應付賬款、應計費用及其他應付款項(續)

(a) The aging analysis of trade payables based on invoice date is as follows:

(a) 應付賬款按發票日期之賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current to 90 days	即期至90天	370,081	115,752
91 to 180 days	91至180天	106,296	9,984
181 to 365 days	181至365天	747	2,473
Over 1 year	超過一年	1,816	-
		478,940	128,209

36 BORROWINGS

36 借貸

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current portion:	非流動部分：		
Bank borrowings	銀行借貸	280,228	480,000
Other borrowings	其他借貸	-	23,539
		280,228	503,539
Current portion:	流動部分：		
Bank borrowings	銀行借貸	615,080	1,111,089
Other borrowings	其他借貸	340,959	689,773
		956,039	1,800,862
Total borrowings	借貸總額	1,236,267	2,304,401

Notes to the Consolidated Financial Statements 合併財務報表附註

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

36 BORROWINGS (Continued)

As at 31 December 2020, bank borrowings bear average interest rate of 7.00% per annum (2019: 6.69% per annum), mature ranging from 2021 to 2023 (2019: from 2020 to 2022), of which RMB130,000,000 (2019: RMB730,000,000) are secured by properties, investment properties and right-of-use assets with carrying value of RMB174,125,000 (2019: RMB979,310,000). The other bank borrowings included borrowings of RMB548,000,000 (2019: RMB563,000,000) provided by Jingu Bank and guaranteed by an associate company of the Group (2019: same).

As at 31 December 2019, bank borrowings of RMB248,500,000 was secured by restricted bank deposits with carrying amount of RMB282,171,000 and was fully settled in August and October 2020.

As at 31 December 2020, other borrowings with a total principal amount of RMB230,000,000 (2019: RMB200,000,000) were provided by an independent third party, of which RMB200,000,000 is repayable on demand while the remaining RMB30,000,000 is payable on May 2021 (2019: July 2020 and November 2020). This other borrowing is interest-free and secured by certain equity shares of a subsidiary (2019: same).

As at 31 December 2019, other borrowings of RMB27,816,000 were provided by a non-controlling shareholder of a subsidiary, in which 25% of its equity interest was formally owned by Mr. Liu Jun, an executive director of the Company. These borrowings are unsecured, mature ranging from 2020 to 2022 and bear average interest rate of 6.34% per annum (2019: 6.34% per annum). This other borrowing was fully settled in October 2020, and the corresponding interest expense during the year ended 31 December 2020 was RMB1,469,000 (2019: RMB1,763,000).

36 借貸(續)

於二零二零年十二月三十一日，銀行借貸按平均年利率7.00%(二零一九年：年利率6.69%)計息，於二零二一年至二零二三年到期(二零一九年：二零二零年至二零二二年)，其中為數人民幣130,000,000元(二零一九年：人民幣730,000,000元)以賬面值人民幣174,125,000元(二零一九年：人民幣979,310,000元)之物業、投資物業及使用權資產作抵押。其他銀行借貸包括借貸人民幣548,000,000元(二零一九年：人民幣563,000,000元)由金谷銀行提供，並由本集團一間聯營公司擔保(二零一九年：相同)。

於二零一九年十二月三十一日，銀行借貸人民幣248,500,000元由賬面值為人民幣282,171,000元之受限制銀行存款抵押並已於二零二零年八月及十月悉數償還。

於二零二零年十二月三十一日，本金總額為人民幣230,000,000元(二零一九年：人民幣200,000,000元)之其他借貸由一名獨立第三方提供，其中人民幣200,000,000元須按要求償還而餘額人民幣30,000,000元應於二零二一年五月支付(二零一九年：二零二零年七月及二零二零年十一月)。該筆其他借貸為免息並由一間附屬公司之若干權益股作抵押(二零一九年：相同)。

於二零一九年十二月三十一日，其他借貸人民幣27,816,000元由一間附屬公司之一名非控股股東提供，該公司之25%股權由本公司執行董事劉軍先生正式持有。此等借貸為無抵押、到期日介乎二零二零年至二零二二年，且按平均利率6.34%(二零一九年：年利率6.34%)計息。該筆其他借貸已於二零二零年十月悉數償還，而截至二零二零年十二月三十一日止年度之相關利息開支為人民幣1,469,000元(二零一九年：人民幣1,763,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

36 BORROWINGS (Continued)

The remaining other borrowings are provided by independent third parties, director of a subsidiary, a non-controlling shareholder of a subsidiary and associate companies (2019: independent third parties) and bear interest rate ranging from Nil to 10.0% per annum (2019: Nil to 14.3% per annum). Out of these other borrowings RMB88,001,000 (2019: RMB442,218,000) are secured by certain inventories (2019: either guaranteed by the Group, Executive Directors and Non-executive Directors of the Group or certain inventories, right-of-use assets, listed equity shares held by the Group and the equity of certain subsidiaries).

The table below summarises the maturity analysis of bank and other borrowings based on agreed scheduled repayments set out in the loan agreements.

		Bank borrowings		Other borrowings	
		銀行借貸		其他借貸	
		As at 31 December		As at 31 December	
		於十二月三十一日		於十二月三十一日	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within 1 year	一年內	615,080	1,111,089	340,959	689,773
Between 1 and 2 years	一年至兩年內	246,857	400,000	-	-
Between 2 and 5 years	兩年至五年內	33,371	80,000	-	23,539
		895,308	1,591,089	340,959	713,312

As at 31 December 2020, the Group has no undrawn banking facilities (2019: Nil).

36 借貸(續)

餘下其他借貸由獨立第三方、一間附屬公司之董事、一間附屬公司及聯營公司之非控股股東提供(二零一九年：獨立第三方)並按年利率介乎零至10.0%(二零一九年：年利率零至14.3%)計息。其中人民幣88,001,000元(二零一九年：人民幣442,218,000元)由若干存貨(二零一九年：本集團、本集團執行董事及非執行董事或若干存貨、使用權資產、本集團持有之已上市權益股及若干附屬公司之權益)抵押。

下表概述按貸款協議所載經協定預設還款日期編製之銀行及其他借貸到期日分析：

於二零二零年十二月三十一日，本集團並無未提取之銀行融資額度(二零一九年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

37 CONVERTIBLE BONDS

The Company issued convertible bonds with a coupon rate of 5% per annum at a total principal value of HK\$780,000,000 (Equivalent to approximately RMB615,342,000) on 27 November 2014 (the “2014 Convertible Bonds”). On 27 November 2017, at the request of the 2014 Convertible Bonds holders, the Company redeemed HK\$728,400,000 (equivalent to RMB616,059,000) of the outstanding principle of the bonds, which represent approximately 93.38% of the initial principal amount of the bond. The remaining portion mature on 27 November 2019 at its principal amount or can be converted into the Group’s shares at the bondholder’s option at rate of HK\$11.28 per share or at the option of the bondholder to redeem all or some only of the convertible bonds, with unconditional right, at their principal together with interest accrued but unpaid to such date. This convertible bonds had been fully redeemed at maturity date during the year ended 31 December 2019.

On 3 December 2018, the Company issued another convertible bond with principal amount of HK\$100,000,000 at a coupon rate of 2.85% addition to HIBOR (the “2018 Convertible Bonds”). The convertible bonds was redeemed at the principal amount of HK\$100,000,000 on 23 October 2020.

The liabilities component of convertible bonds recognised in the consolidated statement of financial position were as follows:

37 可換股債券

本公司於二零一四年十一月二十七日發行本金總額為780,000,000港元(相當於約人民幣615,342,000元)、票面息率每年5%之可換股債券(「二零一四年可換股債券」)。於二零一七年十一月二十七日,按二零一四年可換股債券持有人的要求,本公司贖回債券之尚未償還本金728,400,000港元(相當於人民幣616,059,000元),相當於債券初始本金額約93.38%。餘下部分於二零一九年十一月二十七日按其本金額到期,或可根據債券持有人的選擇以每股11.28港元兌換為本集團股份或按債券持有人的選擇以本金額連同直至該日期累計但未付利息以無條件權利贖回全部或部分可換股債券。截至二零一九年十二月三十一日止年度,該可換股債券已於到期日悉數贖回。

於二零一八年十二月三日,本公司按票面息率2.85%加香港銀行同業拆息利率(「二零一八年可換股債券」)發行另一項可換股債券,本金額為100,000,000港元。於二零二零年十月二十三日,可換股債券按本金額100,000,000港元贖回。

於合併財務狀況表確認之可換股債券負債部分如下:

		As at 31 December 於十二月三十一日	
		2020 二零二零年	2019 二零一九年
		RMB'000 人民幣千元	RMB'000 人民幣千元
2014 Convertible bond	二零一四年可換股債券	-	-
2018 Convertible bond	二零一八年可換股債券	-	90,670
Less: Non-current portion	減: 非流動部分	-	-
Current portion	流動部分	-	90,670

Notes to the Consolidated Financial Statements

合併財務報表附註

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

37 CONVERTIBLE BONDS (Continued)

37 可換股債券(續)

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
2014 Convertible bond	二零一四年可換股債券		
At 1 January	於一月一日	-	44,417
Effective interest expense (note 11)	實際利息開支(附註11)	-	3,070
Principal redeemed	已贖本金	-	(43,280)
Interest paid	已付利息	-	(4,411)
Currency translation differences	貨幣匯兌差異	-	204
At 31 December	於十二月三十一日	-	-

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
2018 Convertible bond	二零一八年可換股債券		
At 1 January	於一月一日	90,670	83,145
Effective interest expense (note 11)	實際利息開支(附註11)	9,103	9,513
Principal redeemed	已贖本金	(83,367)	-
Interest paid	已付利息	(14,540)	(2,750)
Currency translation difference	貨幣匯兌差異	(1,866)	762
At 31 December	於十二月三十一日	-	90,670

The carrying amounts of convertible bonds – liabilities component are denominated in HK\$.

可換股債券－負債部分之賬面值以港元計值。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

38 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same tax jurisdiction. The offset amounts are as follows:

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Deferred income tax assets (to be recovered after more than 12 months)	遞延所得稅資產 (將於超過十二個月後收回)	50,692	46,969
Deferred income tax liabilities (to be settled after more than 12 months)	遞延所得稅負債 (將於超過十二個月後清繳)	(73,581)	(236,517)
		(22,889)	(189,548)

The net movement on the deferred income tax account is as follows:

遞延所得稅賬目變動淨額如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	(189,548)	(242,808)
Partial disposal of JDSJ Group (note 26(a))	部分出售家電世界集團 (附註26(a))	(902)	—
Disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團(附註26(b))	(7,703)	—
Deemed disposal of subsidiaries	視作出售附屬公司	—	6,073
Charged to the other comprehensive income	於其他全面收入扣除	(3,366)	(73)
Charged to the profit or loss	於損益中扣除	177,794	47,025
Currency translation differences	貨幣匯兌差異	836	235
At 31 December	於十二月三十一日	(22,889)	(189,548)

As at 31 December 2020, deferred income tax liabilities of RMB137,978,000 (2019: RMB153,232,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of subsidiaries in the PRC. The unremitted earnings are to be used for reinvestment. The income tax liability is not recognised where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

於二零二零年十二月三十一日，就中國附屬公司之未匯出盈利而應付之預扣稅確認遞延所得稅負債為人民幣137,978,000元(二零一九年：人民幣153,232,000元)。未匯出盈利將用作再投資。倘暫時差額撥回之時間由本集團控制及暫時差額在可預見未來可能不會撥回，則不予確認所得稅負債。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

38 DEFERRED INCOME TAX (Continued)

The movements in deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same taxation jurisdiction, are as follows:

Deferred tax assets

		Tax losses		Bad debt provision		Total	
		稅項虧損		壞賬撥備		總計	
		2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	12,054	10,519	34,915	20,773	46,969	31,292
Partial disposal of JDSJ Group (note 26(a))	部分出售家電世界集團(附註26(a))	(1,587)	-	-	-	(1,587)	-
Disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團(附註26(b))	(7,703)	-	-	-	(7,703)	-
Credited to the profit or loss	計入損益	1,493	1,535	11,520	14,142	13,013	15,677
At 31 December	於十二月三十一日	4,257	12,054	46,435	34,915	50,692	46,969

Deferred tax liabilities

		Fair value gains		Deferred expenses		Total	
		公平值收益		遞延開支		總計	
		2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	233,454	263,608	3,063	10,492	236,517	274,100
Partial disposal of JDSJ World Group (note 26(a))	部分出售家電世界集團(附註26(a))	(685)	-	-	-	(685)	-
Deemed disposal of Zhongmo Group (note 26(c))	視作出售中模集團(附註26(c))	-	(6,073)	-	-	-	(6,073)
Credited to the other comprehensive income	計入其他全面收入	3,366	73	-	-	3,366	73
Credited to the profit or loss	計入損益	(161,718)	(23,919)	(3,063)	(7,429)	(164,781)	(31,348)
Currency translation difference	貨幣匯兌差異	(836)	(235)	-	-	(836)	(235)
At 31 December	於十二月三十一日	73,581	233,454	-	3,063	73,581	236,517

Deferred income tax assets are recognised for tax loss carried forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group have unrecognised tax losses of RMB465,880,000 as at 31 December 2020 (2019: RMB153,125,000), among which RMB202,777,000 and RMB263,103,000 will be expired from 2021 to 2025 and from 2021 to 2030, respectively (2019: RMB83,953,000 and RMB69,172,000 will be expired from 2020 to 2024 and from 2020 to 2029).

38 遞延所得稅(續)

年內遞延稅項資產與負債變動(未計及抵銷同一稅務司法權區結餘)如下：

遞延稅項資產

		Tax losses		Bad debt provision		Total	
		稅項虧損		壞賬撥備		總計	
		2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	12,054	10,519	34,915	20,773	46,969	31,292
Partial disposal of JDSJ Group (note 26(a))	部分出售家電世界集團(附註26(a))	(1,587)	-	-	-	(1,587)	-
Disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團(附註26(b))	(7,703)	-	-	-	(7,703)	-
Credited to the profit or loss	計入損益	1,493	1,535	11,520	14,142	13,013	15,677
At 31 December	於十二月三十一日	4,257	12,054	46,435	34,915	50,692	46,969

遞延稅項負債

		Fair value gains		Deferred expenses		Total	
		公平值收益		遞延開支		總計	
		2020	2019	2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	233,454	263,608	3,063	10,492	236,517	274,100
Partial disposal of JDSJ World Group (note 26(a))	部分出售家電世界集團(附註26(a))	(685)	-	-	-	(685)	-
Deemed disposal of Zhongmo Group (note 26(c))	視作出售中模集團(附註26(c))	-	(6,073)	-	-	-	(6,073)
Credited to the other comprehensive income	計入其他全面收入	3,366	73	-	-	3,366	73
Credited to the profit or loss	計入損益	(161,718)	(23,919)	(3,063)	(7,429)	(164,781)	(31,348)
Currency translation difference	貨幣匯兌差異	(836)	(235)	-	-	(836)	(235)
At 31 December	於十二月三十一日	73,581	233,454	-	3,063	73,581	236,517

相關稅務利益很大可能透過未來應課稅溢利變現時，則就遞延所得稅資產確認結轉稅項虧損。於二零二零年十二月三十一日，本集團之未確認稅項虧損為人民幣465,880,000元(二零一九年：人民幣153,125,000元)，其中人民幣202,777,000元及人民幣263,103,000元將分別於自二零二一年至二零二五年及自二零二一年至二零三零年到期(二零一九年：人民幣83,953,000元及人民幣69,172,000元將於自二零二零年至二零二四年及自二零二零年至二零二九年到期)。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

39 INCOME TAX PAYABLE AND OTHER TAXES PAYABLE 39 應繳所得稅及其他應繳稅項

		As at 31 December 於十二月三十一日	
		2020 二零二零年	2019 二零一九年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Income tax payable:	應繳所得稅：		
Corporate income tax	企業所得稅	66,843	45,535
Other taxes payable:	其他應繳稅項：		
Value added tax	增值稅	2,236	4,536
Cultural and development tax	文化及發展稅	–	566
Land appreciation tax	土地增值稅	–	84,108
Other taxes	其他稅項	744	1,278
		2,980	90,488

Notes to the Consolidated Financial Statements

合併財務報表附註

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

40 CASH GENERATED FROM OPERATIONS

40 經營業務產生之現金

(a) Reconciliation of loss before taxation to net cash generated from operating activities

(a) 除稅前虧損與經營業務產生之現金淨額對賬

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利		
– from continuing operations	– 來自持續經營業務	(874,572)	25,141
– from discontinued operations	– 來自已終止持續經營業務	(128,467)	(440,638)
Loss before income tax including discontinued operations	計入已終止持續經營業務之除所得稅前虧損	(1,003,039)	(415,497)
Adjustments for:	調整：		
Provision for impairment of trade receivables	應收賬款之減值撥備	44,333	33,904
Provision for impairment of loans and interest receivable, net	應收貸款及利息減值撥備淨額	113,598	39,534
Provision for impairment of other receivables	其他應收款項減值撥備	32,785	20,118
Provision for impairment of contract assets and finance lease receivables	合約資產及融資租賃應收款項之減值撥備	3,699	4,073
Provision for impairment of investment properties	投資物業減值撥備	–	18,381
Provision for impairment of inventories	存貨減值撥備	–	662
Provision for impairment of completed properties held for sale	持作銷售竣工物業減值撥備	–	21,641
Amortisation of intangible assets	無形資產攤銷	81,828	100,705
Amortisation of investment properties	投資物業攤銷	28,895	21,859
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,840	95,265
Depreciation of right-of-use assets	使用權資產折舊	44,670	45,823
Impairment loss on investment in associates	於聯營公司之投資之減值虧損	–	2,735
Share based compensation	以股份支付之補償	60,496	80,685
Gain on deemed disposal of Zhongmo Group	視作出售中模集團之收益	–	(246,797)
Gain on partial disposal of JDSJ Group (note 26(a))	部分出售家電世界集團之收益(附註26(a))	(65,323)	–
Loss on disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團之虧損(附註26(b))	43,041	–
Gain on disposal of subsidiaries	出售附屬公司之收益	(12,664)	–
Loss/(gain) on disposal of property, plant and equipment (note b)	出售物業、廠房及設備之虧損/(收益)(附註b)	69	(199)
Gain on disposal of investment properties	出售投資物業之收益	(40,082)	–
Loss/(gain) on disposal of associates, net	出售聯營公司之虧損/(收益)淨額	444	(1,140)
Gain on lease modification	租賃修改之收益	(188)	–
Dividend income	股息收入	(988)	(1,215)
Finance income	財務收入	(18,551)	(17,226)
Finance expense	財務開支	162,761	177,169
Share of losses/(profits) from investments accounted for using equity method	分佔按權益法入賬之投資虧損/(溢利)	82,718	(13,588)
Fair value loss/(gain) on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值虧損/(收益)	8,779	(25,765)
Impairment losses on intangible assets	無形資產減值虧損	605,897	9,054
Impairment losses on goodwill	商譽減值虧損	19,626	287,585
Operating profit before working capital changes	營運資金變動前經營溢利	206,644	237,766

Notes to the Consolidated Financial Statements

合併財務報表附註

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

40 CASH GENERATED FROM OPERATIONS (Continued) 40 經營業務產生之現金(續)

(a) Reconciliation of loss before taxation to net cash generated from operating activities (Continued)

(a) 除稅前虧損與經營業務產生之現金淨額對賬(續)

		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Operating profit before working capital changes	營運資金變動前經營溢利	206,644	237,766
Changes in working capital:	營運資金變動：		
Changes in completed properties held of sale	持作出售竣工物業變動	4,118	13,535
Changes in trade receivables and contract related assets	應收賬款及合約相關資產變動	(154,988)	(71,456)
Changes in deposits, prepayments and other receivables	按金、預付款項及其他應收款項變動	(359,068)	(175,677)
Changes in finance lease receivables	應收融資租賃款項變動	(51,613)	(104,507)
Changes in loans and interest receivables	應收貸款及利息變動	81,331	(123,494)
Changes in inventories	存貨變動	(39,395)	199,707
Changes in trade payables	應付賬款變動	350,731	126,854
Changes in accrued expenses and other payables	應計費用及其他應付款項變動	113,720	(59,591)
Changes in deferred government grants	遞延政府補助變動	(9,029)	(9,050)
Changes in contract liabilities	合約負債變動	271,730	60,899
Changes in other tax payable	其他應繳稅項變動	(7,248)	10,850
Net cash generated from operations	經營業務產生之現金淨額	406,933	105,836

Notes to the Consolidated Financial Statements

合併財務報表附註

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

40 CASH GENERATED FROM OPERATIONS (Continued) 40 經營業務產生之現金(續)

(b) Proceeds from disposal of property, plant and equipment

In the consolidated cash flow statements, proceeds from disposal of property, plant and equipment comprise:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net book amount:	賬面淨值：		
Property, plant and equipment (note 19)	物業、廠房及設備(附註19)	795	726
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損/(收益)	(69)	199
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	726	925

(b) 出售物業、廠房及設備之所得款項

在合併現金流量表內，出售物業、廠房及設備之所得款項包括：

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movement in net debt for each of the year presented.

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等值物	254,301	331,893
Restricted bank deposit	受限制銀行存款	25,848	282,171
Liquid investment (i)	流動投資(i)	100,950	85,979
Bank and other borrowings	銀行及其他借貸	(1,236,267)	(2,304,401)
Convertible bonds – liabilities portions	可換股債券 – 負債部分	–	(90,670)
Lease liabilities	租賃負債	(32,649)	(91,995)
Net debts	債務淨額	(887,817)	(1,787,023)
Cash and liquid investments	現金及流動投資	381,099	700,043
Gross debt at fixed interest rates	按固定利率計算之債務總額	(1,206,906)	(1,224,048)
Gross debt at floating interest rates	按浮動利率計算之債務總額	(62,010)	(1,263,018)
Net debts	債務淨額	(887,817)	(1,787,023)

(c) 債務淨額對賬

本節載列所示各年度之債務淨額及債務淨額變動之分析。

(i) Liquid investment comprise current investments that are traded in an active market, being the Group's financial assets held at fair value through other comprehensive income, financial assets held at fair value through profit or loss, excluding contingent consideration in relation to acquisition of Huijia Yuantian Limited and Zale Inc.

(i) 流動投資包括於活躍市場買賣之流動投資，即本集團按公平值計入其他全面收入持有之金融資產、按公平值計入損益持有之金融資產，不包括有關收購慧嘉元天有限公司及Zale Inc.之或然代價。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

40 CASH GENERATED FROM OPERATIONS (Continued) 40 經營業務產生之現金(續)

(c) Net debt reconciliation (Continued)

(c) 債務淨額對賬(續)

		Cash and cash equivalents 現金及 現金等值物 RMB'000 人民幣千元	Restricted bank deposits 受限制 銀行存款 RMB'000 人民幣千元	Liquid Investment 流動投資 RMB'000 人民幣千元	Bank and other borrowing 銀行及 其他借貸 RMB'000 人民幣千元	Convertible bonds- liabilities portions 可換股債券 一負債部分 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Net debt as at 1 January 2019	於二零一九年一月一日之 債務淨額	471,672	276,003	112,005	(2,127,338)	(127,562)	N/A 不適用	(1,395,220)
Effect on adoption of HKFRS 16	採納香港財務報告準則 第16號之影響	-	-	-	-	-	(163,310)	(163,310)
		471,672	276,003	112,005	(2,127,338)	(127,562)	(163,310)	(1,558,530)
Net cash flow	淨現金流量	(141,438)	-	(15,000)	(209,668)	43,280	73,963	(248,863)
Interest paid	已付利息	-	-	-	123,113	7,161	6,533	136,807
Deemed disposal of Zhongmo Group	視作出售中模集團	-	-	-	72,026	-	7,119	79,145
Exchange adjustment	匯兌調整	1,659	6,168	1,423	(6,747)	(966)	-	1,537
Interest expenses	利息開支	-	-	-	(155,787)	(12,583)	(8,486)	(176,856)
Other non-cash movements	其他非現金變動	-	-	(12,449)	-	-	(7,814)	(20,263)
Net debt as at 31 December 2019	於二零一九年十二月 三十一日之債務淨額	331,893	282,171	85,979	(2,304,401)	(90,670)	(91,995)	(1,787,023)
Net cash flow	淨現金流量	(77,999)	(247,995)	-	809,157	83,367	48,215	614,745
Interest paid	已付利息	-	-	-	176,091	14,540	4,991	195,622
Disposal of Huicong Tianjin Group (note 26(b))	出售慧聰天津集團 (附註26(b))	-	-	-	215,000	-	29,447	244,447
Partial disposal of JDSJ Group (note 26(a))	部分出售家電世界 集團(附註26(a))	-	-	-	10,000	-	-	10,000
Exchange adjustment	匯兌調整	407	(8,328)	(5,068)	5,556	1,866	-	(5,567)
Interest expenses	利息開支	-	-	-	(147,670)	(9,103)	(3,904)	(160,677)
Other non-cash movements	其他非現金變動	-	-	20,039	-	-	(19,403)	636
Net debt as at 31 December 2020	於二零二零年十二月 三十一日之債務淨額	254,301	25,848	100,950	(1,236,267)	-	(32,649)	(887,817)

Notes to the Consolidated Financial Statements

合併財務報表附註

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

41 COMMITMENTS UNDER OPERATING LEASE – AS A LESSOR

At 31 December 2020, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of buildings which expire as follows:

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within one year	一年內	38,705	22,171
In the second to fifth year inclusive	第二至五年(包括首尾兩年)	136,763	142,843
Over the fifth year	五年以上	308,000	348,000
		483,468	513,014

42 CONTINGENT LIABILITIES

As at 31 December 2020, there were no material contingent liabilities to the Group (2019: Nil).

43 FINANCIAL GUARANTEES

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. As at 31 December 2019, the amount of outstanding guarantees for mortgages were RMB16,828,000.

All financial guarantees were released upon disposal of Huicong Tianjin Group.

41 經營租賃承擔－作為出租人

於二零二零年十二月三十一日，本集團就樓宇之已到期不可撤銷經營租賃日後應收之最低租賃款項總額如下：

42 或然負債

於二零二零年十二月三十一日，本集團概無重大或然負債(二零一九年：無)。

43 財務擔保

本集團為其物業單位之若干買家安排銀行融資，並提供擔保以作為該等買家還款責任之抵押。該等擔保於以下較早者發生時終止：(i)於完成擔保登記時發出一般將於平均兩至三年期間取得之房產證；或(ii)物業買家償付按揭貸款。

根據擔保條款，倘該等買家拖欠按揭貸款付款，本集團須負責償還拖欠之按揭貸款本金連同應計利息及違約買家結欠銀行之罰款，而本集團有權接管及擁有相關物業之合法業權。本集團之擔保期由授出按揭貸款當日起計。於二零一九年十二月三十一日，按揭貸款之未償還擔保金額約為人民幣16,828,000元。

於出售慧聰天津集團後，所有財務擔保已解除。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

44 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY 44 本公司財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司財務狀況表

		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Assets	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	1,308,897	1,516,505
		1,308,897	1,516,505
Current assets	流動資產		
Loan to a subsidiary	貸款予一間附屬公司	594,654	1,128,835
Other receivables	其他應收款項	–	28,413
Restricted bank deposit	受限制銀行存款	–	147,804
Cash and cash equivalents	現金及現金等值物	2,103	6,225
Total assets	總資產	1,905,654	2,827,782
Equity	權益		
Capital and reserves	資本及儲備		
Share capital	股本	120,977	103,638
Other reserves	其他儲備	2,956,339	2,779,220
Accumulated losses	累計虧損	(1,186,630)	(487,320)
Total equity	總權益	1,890,686	2,395,538
Liabilities	負債		
Current liabilities	流動負債		
Convertible bond – liabilities component	可換股債券 – 負債部分	–	90,670
Other borrowings	其他借貸	–	322,570
Accrued expenses and other payables	應計費用及其他應付款項	14,968	19,004
Total liabilities	總負債	14,968	432,244
Total equity and liabilities	總權益及負債	1,905,654	2,827,782

Notes to the Consolidated Financial Statements

合併財務報表附註

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

44 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

44 本公司財務狀況表及儲備變動

(續)

(b) Reserve movement of the Company

(b) 本公司之儲備變動

		Accumulated losses 累計虧損 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	(113,366)	2,717,986
Comprehensive loss	全面虧損		
Loss for the year	本年度虧損	(377,221)	-
Other comprehensive income	其他全面收入		
Currency translation differences	貨幣匯兌差異	-	7,215
Transactions with owners	與權益持有人進行之交易		
Buy-back shares	購回股份	(97)	(2,840)
Share based compensation	以股份支付之補償	-	80,685
Share purchase under shared award scheme	根據股份獎勵計劃購買股份	-	(21,247)
Exercise of share options	行使購股權	-	785
Redemption of convertible bonds-equity portion	贖回可換股債券—股權部分	3,364	(3,364)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	(487,320)	2,779,220
Comprehensive loss	全面虧損		
Loss for the year	本年度虧損	(709,665)	-
Other comprehensive income	其他全面收入		
Currency translation differences	貨幣匯兌差異	-	(12,310)
Transactions with owners	與權益持有人進行之交易		
Issuance of new shares	發行新股	-	200,116
Buy-back shares	購回股份	(997)	(12,360)
Share based compensation	以股份支付之補償	-	31,395
Share purchase under shared award scheme	根據股份獎勵計劃購買股份	-	(17,577)
Exercise of share options	行使購股權	-	214
Redemption of convertible bonds-equity portion	贖回可換股債券—股權部分	11,352	(12,359)
At 31 December 2020	於二零二零年十二月三十一日	(1,186,630)	2,956,339

Notes to the Consolidated Financial Statements

合併財務報表附註

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

45 RELATED PARTY TRANSACTIONS

(a) Key management compensation

The remuneration of directors and other members of key management during the year were as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	6,972	8,751
Share-based payments	以股份為基礎之付款	33,571	51,134
		40,543	59,885

(b) Related party transaction

Other than those disclosed elsewhere in the consolidated financial statements, transactions were carried out with related parties in normal course of Group's business.

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Associates (note i)	聯營公司(附註i)	40,901	38,768
Associates (note ii)	聯營公司(附註ii)	9,587	4,994
Joint venture (note iii)	合營企業(附註iii)	—	1,132

45 關聯人士交易

(a) 關鍵管理人員薪酬

年內董事及其他關鍵管理成員之薪酬如下：

(b) 關聯人士交易

除合併財務報表其他部分所披露者外，本集團於日常業務過程中與關聯人士進行交易。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

45 RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transaction (Continued)

The Group has granted loan receivables to certain associates, a joint venture and certain key management personnel of the Group and subsidiaries. The loans are charged at terms mutually agreed by the parties concerned or in accordance with the terms of the underlying agreements, where appropriate.

Note:

- (i) Bank borrowings of RMB548,000,000 (2019: RMB563,000,000) were provided by Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Limited. The interest on the borrowings are charged at terms mutually agreed by the parties concerned or in accordance with the terms of the underlying agreements, where appropriate.
- (ii) The Group has granted loan receivables and finance lease receivables to certain associates, a joint venture and certain key management personnel of the Group and subsidiaries. The interest on the loans and finance lease receivables are charged at terms mutually agreed by the parties concerned or in accordance with the terms of the underlying agreements, where appropriate.
- (iii) The Group provided technical service fee to a joint venture. The transaction was conducted at negotiated prices between transacting parties.

45 關聯人士交易(續)

(b) 關聯人士交易(續)

本集團已向若干聯營公司、一間合營企業以及本集團及附屬公司之若干關鍵管理人員授出應收貸款。該等貸款按有關各方共同協定之條款或根據有關協議之條款(倘適用)收取費用。

附註：

- (i) 內蒙古呼和浩特金谷農村商業銀行股份有限公司提供銀行借貸人民幣548,000,000元(二零一九年：人民幣563,000,000元)。該等借貸利息按有關各方共同協定之條款或根據有關協議之條款(倘適用)收取費用。
- (ii) 本集團已向若干聯營公司、一間合營企業以及本集團及附屬公司之若干關鍵管理人員授出應收貸款及應收融資租賃款項。該等貸款及應收融資租賃款項利息按有關各方共同協定之條款或根據有關協議之條款(倘適用)收取費用。
- (iii) 本集團向一間合營企業提供技術服務費用。該交易由交易雙方按經協定價格進行。

Notes to the Consolidated Financial Statements

合併財務報表附註

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

45 RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balance

Saved as disclosed in note 20 and 36 to the consolidated financial statements, the Group has following balances with related parties as at 31 December 2020 and 2019, respectively.

45 關聯人士交易(續)

(c) 關聯人士結餘

除合併財務報表附註20及36所披露者外，於二零二零年及二零一九年十二月三十一日，本集團與關聯人士之結餘分別如下。

		As at 31 December	
		於十二月三十一日	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank borrowing and interest payable from:	來自以下人士之銀行借貸及應付利息：		
An associate (note i)	一間聯營公司(附註i)	549,045	564,250
Loan and interest receivable from:	應收以下人士之貸款及利息：		
Associates and a joint venture	聯營公司及一間合營企業	84,126	75,275
Deposit received from:	已收以下人士按金：		
Associates (note ii)	聯營公司(附註ii)	1,175	607
Key management personnel (note ii)	關鍵管理人員(附註ii)	-	2,440
Cash and cash equivalents from:	來自以下人士之現金及現金等值物：		
An associate (note iii)	一間聯營公司(附註iii)	340	496
Finance lease receivables from:	應收以下人士之融資租賃款項：		
Associates (note iv)	聯營公司(附註iv)	236,000	182,600
Trade receivables from:	來自以下人士之應收賬款：		
A joint venture (note v)	一間合營企業(附註v)	-	1,200

Notes to the Consolidated Financial Statements 合併財務報表附註

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

45 RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balance (Continued)

Note:

- (i) The balance represents bank borrowings from Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Limited, an associate of the Group. As at 31 December 2020, borrowings of RMB228,000,000 was matured on 20 October 2020, and was interest bearing at a rate of 7.1% per annum, and borrowings of RMB328,000,000 (2019: RMB335,000,000) will mature on 15 October 2021, and is interest bearing at a rate of 7.4% per annum (2019:7.4%per annum). Part of the borrowings of RMB220,000,000 (2019: nil) will mature on 15 September 2022, and is interest bearing at a rate of 6.9% per annum. These borrowings are guaranteed by another associate of the Group.

45 關聯人士交易(續)

(c) 關聯人士結餘(續)

附註：

- (i) 該結餘指來自本集團之一間聯營公司內蒙古呼和浩特金谷農村商業銀行股份有限公司之銀行借貸。於二零二零十二月三十一日，借貸人民幣228,000,000元於二零二零年十月二十日到期，並按年利率7.1%計息，而借貸人民幣328,000,000元(二零一九年：人民幣335,000,000元)將於二零二一年十月十五日到期，並按年利率7.4%(二零一九年：年利率7.4%)計息。部分借貸人民幣220,000,000元(二零一九年：零)將於二零二二年九月十五日到期，並按年利率6.9%計息。該等借貸由本集團之另一間聯營公司作擔保。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

45 RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balance (Continued)

Note: (Continued)

- (ii) The balance includes deposits received by a financing services company of the Group from certain associates and key management personnel of the Company as guarantee for the loan granted to their customers. The deposit would be refunded upon the repayment of the loans.
- (iii) The balance represents current deposits placed in Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Limited, an associate of the Group.
- (iv) The balance represents finance lease receivables of RMB193,000,000 (2019: RMB139,600,000) from Zhongmo Group, which become an associate of the Group since 26 December 2019. The finance lease receivable will mature from 2021 to 2022 and are interest bearing at rate of 10% per annum. Another finance lease receivable of RMB43,000,000 (2019: RMB43,000,000) to Zhejiang Huicong will mature on 2022 and are interest bearing at rate of 8% per annum.
- (v) During the year ended 31 December 2019, the Group provided technical service to the joint venture. The trade receivable was fully settled during the year ended 31 December 2020.

45 關聯人士交易(續)

(c) 關聯人士結餘(續)

附註：(續)

- (ii) 該結餘包括本集團一間融資服務公司向本集團若干聯營公司及一名關鍵管理人員收取之按金，作為授予其客戶之貸款擔保。於償還貸款後，該按金可予退還。
- (iii) 該結餘指存放於本集團的一間聯營公司內蒙古呼和浩特金農農村商業銀行股份有限公司之流動存款。
- (iv) 該結餘指應收中模集團(自二零一九年十二月二十六日起成為本集團之聯營公司)之融資租賃款項人民幣193,000,000元(二零一九年：人民幣139,600,000元)。應收融資租賃款項將於二零二一年至二零二二年到期，並按年利率10%計息。另一項應收浙江慧聰之融資租賃應收款項人民幣43,000,000元(二零一九年：人民幣43,000,000元)將於二零二二年到期，並按年利率8%計息。
- (v) 截至二零一九年十二月三十一日止年度，本集團向合營企業提供技術服務。貿易應收款項已於截至二零二零年十二月三十一日止年度悉數結清。

Notes to the Consolidated Financial Statements 合併財務報表附註

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

46 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

(a) Deemed disposal of 16.05% equity interest in Panpass

On 1 December 2020, Panpass Information Technology Co., Ltd (“PanPass”), a non-wholly owned subsidiary of the Group, entered into agreement with Beijing Xingshi Investment Holding Company Limited (“Subscriber”) whereby PanPass issued and the Subscriber subscribed 14,150,000 new ordinary shares of PanPass.

Prior to the date of the agreement, the Group held 80.25% equity interest in Panpass is PanPass. Upon Completion on 25 January 2021, the Group’s equity interest in PanPass who diluted to 64.20%.

(b) Disposal of the entire interest on Tianjin Guokai

On 5 January 2021, the Group, Beijing Little Rhino Horn Technology Co., Ltd., Tianjin Guokai Ruiton Education Technology Co., Ltd. and Hong Kong Huicong International Group Limited entered into an equity transfer agreement, pursuant to which the Group has conditionally agreed to transfer the entire equity interest in Tianjin Guokai to Beijing Little Rhino Horn Technology Group Limited at the consideration of RMB300,500,000.

Upon Completion, the Group will no longer hold any equity interest in Tianjin Guokai which will cease to be a subsidiary of the Company, and the financial statements of Tianjin Guokai will no longer be consolidated into those of the Group.

46 財務狀況表日期後的事件

(a) 視作出售兆信之16.05%股權

於二零二零年十二月一日，本集團非全資附屬公司北京兆信信息技術股份有限公司(「兆信」)與Beijing Xingshi Investment Holding Company Limited(「認購人」)訂立協議，而兆信發行且認購人認購兆信14,150,000股新普通股。

於該協議日期前，本集團持有兆信80.25%之股權。於二零二一年一月二十五日完成後，本集團於兆信持有之股權攤薄至64.20%。

(b) 出售天津國開之全部權益

於二零二一年一月五日，本集團、北京小犀角科技有限公司、天津國開瑞投教育科技有限公司及香港慧聰國際集團有限公司訂立股權轉讓協議，據此，本集團有條件同意轉讓於天津國開之全部股權予北京小犀角科技集團有限公司，代價為人民幣300,500,000元。

完成後，本集團將不再持有天津國開之任何股權，而天津國開將不再為本公司之附屬公司，且天津國開之財務報表將不再於本集團之財務報表進行合併處理。



ANNUAL REPORT 2020