



ZHENGYE
INTERNATIONAL

正業國際控股有限公司

ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED

Incorporated in Bermuda with limited liability
於百慕達註冊成立的有限公司

Stock Code 股份代號：3363.HK

www.zhengye-cn.com

Annual Report | 年報

2020



VISION 願景

Strive to become

China's leading environmentally
friendly paper packaging enterprise

致力成為

中國領先環保
紙類包裝企業





Financial Highlights

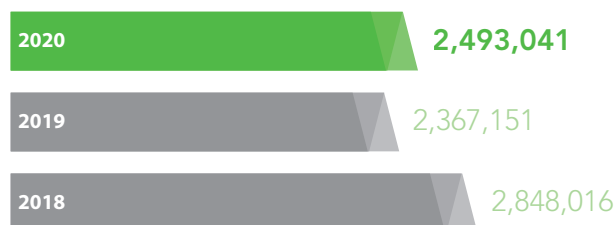
財務摘要

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2020	2019
		二零二零年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收入	2,493,041	2,367,151
Profit attributable to the Owners of the Company	本公司擁有人年內應佔全面收益總額	54,772	82,184
		RMB (cents)	RMB (cents)
		人民幣(分)	人民幣(分)
Dividend per Share	每股股息	3.00	3.00
Return on Equity Attributable to the Owners of the Company	本公司擁有人應佔權益回報率	5.67%	8.88%

REVENUE

收入

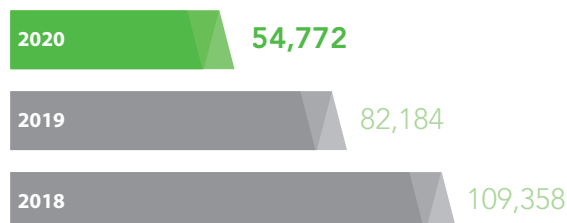
RMB'000
人民幣千元



PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

本公司擁有人年內應佔全面收益總額

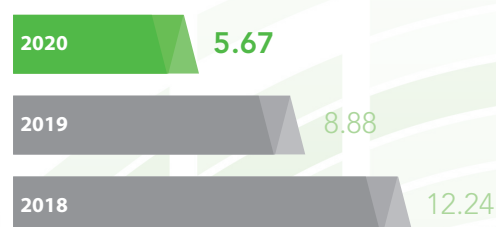
RMB'000
人民幣千元



RETURN ON EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

本公司擁有人應佔權益回報率

%
百分比



DIVIDEND PER SHARE

每股股息

RMB (cents)
人民幣(分)



Contents

目錄

Corporate Information	公司資料	02
Chairman's Statement	董事長報告	05
Management Discussion and Analysis	管理層討論與分析	07
Corporate Governance Report	企業管治報告	26
Biographical Details of Directors and Senior Management	董事及高級管理層履歷	39
Directors' Report	董事會報告	46
Independent Auditor's Report	獨立核數師報告	59
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	64
Consolidated Statement of Financial Position	綜合財務狀況表	65
Consolidated Statement of Changes in Equity	綜合權益變動表	67
Consolidated Statement of Cash Flows	綜合現金流量表	68
Notes to the Consolidated Financial Statements	綜合財務報表附註	70
Financial Summary	財務摘要	174

Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. Hu Zheng (*Chairman*)
(Mr. Hu Jianpeng as his alternate)
Mr. Hu Hancheng (*Co-Chairman*)
(Mr. Hu Jianjun as his alternate)
Mr. Hu Hanchao
(Mr. Tan Xijian as his alternate)

Non-Executive Director

Mr. Chen Riyue

Independent Non-Executive Directors

Mr. Chung Kwok Mo John
Mr. Liew Fui Kiang
Mr. Shin Yick Fabian

Chief Executive Officer

Mr. Hu Jianpeng

Company Secretary

Mr. Kersen Chan (resigned on 1 April 2021)
Mr. Li Kin Wai (appointed on 1 April 2021)

Audit Committee

Mr. Chung Kwok Mo John (*Chairman*)
Mr. Liew Fui Kiang
Mr. Shin Yick Fabian

Remuneration Committee

Mr. Shin Yick Fabian (*Chairman*)
Mr. Liew Fui Kiang
Mr. Chung Kwok Mo John
Mr. Hu Zheng

Nomination Committee

Mr. Hu Zheng (*Chairman*)
Mr. Chung Kwok Mo John
Mr. Liew Fui Kiang
Mr. Shin Yick Fabian

董事會

執行董事

胡正先生(*董事長*)
(胡健鵬先生為其候補董事)
胡漢程先生(*聯席董事長*)
(胡健君先生為其候補董事)
胡漢朝先生
(譚錫健先生為其候補董事)

非執行董事

陳日月先生

獨立非執行董事

鍾國武先生
劉懷鏡先生
冼易先生

行政總裁

胡健鵬先生

公司秘書

陳鉅升先生(於二零二一年四月一日辭任)
李健威先生(於二零二一年四月一日獲委任)

審核委員會

鍾國武先生(*主席*)
劉懷鏡先生
冼易先生

薪酬委員會

冼易先生(*主席*)
鍾國武先生
劉懷鏡先生
胡正先生

提名委員會

胡正先生(*主席*)
鍾國武先生
劉懷鏡先生
冼易先生

Corporate Information 公司資料

Risk Management Committee

Mr. Liew Fui Kiang (*Chairman*)
Mr. Shin Yick Fabian
Mr. Chung Kwok Mo John
Mr. Hu Zheng

Budget Management Committee

Mr. Hu Hanchao (*Chairman*)
Mr. Hu Zheng
Mr. Hu Hancheng

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Headquarter and Principal Place of Business In China

20th Floor, Building 2, Ocean Plaza
28 Boai No. 6 Road, Eastern District
Zhongshan City, Guangdong
The People's Republic of China

Principal Place of Business In Hong Kong

Suite 2502, 25th Floor
Chinaweal Centre
414-424 Jaffe Road
Wan Chai
Hong Kong

Authorized Representatives

Mr. Hu Zheng
Mr. Kersen Chan (resigned on 1 April 2021)
Mr. Li Kin Wai (appointed on 1 April 2021)

Legal Adviser

As to Hong Kong
Loeb & Loeb LLP

As to Bermuda law
Conyers Dill & Pearman

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

風險管理委員會

劉懷鏡先生(主席)
鍾國武先生
冼易先生
胡正先生

預算管理委員會

胡漢朝先生(主席)
胡正先生
胡漢程先生

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

中國總公司及主要營業地點

中華人民共和國
廣東省中山市
東區博愛六路28號
遠洋廣場2幢20樓

香港主要營業地點

香港
灣仔
謝斐道414-424號
中望商業中心
25樓2502室

授權代表

胡正先生
陳鉅升先生(於二零二一年四月一日辭任)
李健威先生(於二零二一年四月一日獲委任)

法律顧問

香港法律
樂博律師事務所

百慕達法律
Conyers Dill & Pearman

核數師

德勤•關黃陳方會計師行
執業會計師
註冊公眾利益實體核數師

Corporate Information 公司資料

Principal Share Registrar And Transfer Office in Bermuda

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

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

Principal Bankers

Bank of China
Industrial and Commercial Bank of China
Industrial Bank Company Limited

Share Information

Stock code: 3363

Company's Official Website Address

<http://www.zhengye-cn.com>

百慕達主要股份過戶登記總處

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東 183 號
合和中心 54 樓

主要往來銀行

中國銀行
中國工商銀行
興業銀行股份有限公司

股份資料

股份編號：3363

本公司官方網站

<http://www.zhengye-cn.com>

Chairman's Statement 董事長報告

Dear Shareholders,
致尊敬的股東：

On behalf of the board of directors (the “**Board**”), I am pleased to present the annual report of Zhengye International Holdings Company Limited (the “**Company**” or “**Zhengye International**”, together with its subsidiaries, our “**Group**” or the “**Group**”) for the year ended 31 December 2020 (the “**Year**” or the “**Reporting Period**”).

本人謹此代表董事會（「**董事會**」），向各位提呈正業國際控股有限公司（「**本公司**」或「**正業國際**」），連同其附屬公司統稱（「**本集團**」）截至二零二零年十二月三十一日止（「**年內**」或「**報告期內**」）的全年業績報告。

In 2020, affected by the global spread and repetition of the COVID-19 epidemic, the world economy and trade have fallen sharply, which caused the complexity and severity in the external environment. In the first half of the year, China's economy was affected by the epidemic under greater downward pressure. As the epidemic prevention achieved initial results and the economy recovered better after the third quarter, the effect of the economic rebound continued to appear. During the Reporting Period, due to the insufficient start-up of the epidemic and the restriction of overall social demand for the first half of the year, the Group's downstream orders decreased, and sales were also under pressure. With the complete implementation of the waste prohibition, the price of imported paper was gradually stabilized in the third quarter, resulted a moderate increase in price of domestic packaging paper. Meanwhile, social demand has been restored under the traditional sales season in the fourth quarter. The supply and demand environment has been improved and the Company's operations have continued to be improved.

For the year ended 31 December 2020, the turnover of the Group was approximately RMB2,493,041,000, a slightly increase of 5.32% year-on-year (2019: RMB2,367,151,000). The gross profit of the Group recorded RMB390,865,000, the gross profit margin decreased 3.28 percentage points to 15.68% year-on-year, it was mainly due to the cost increase after “coal to gas” and the downtime loss of some paper machine production lines equipment undergoing speed-up transformation for the two main papermaking bases of the Group. Profit and comprehensive income attributable to equity owners for the year amounted to RMB54,772,000, a year-on-year decrease of 33.35%. Basic earnings per share was approximately RMB11 cents.

二零二零年受新型冠狀病毒疫情在全球擴散蔓延以及階段性反復的影響，世界經濟和貿易大幅下滑，外部環境複雜嚴峻。中國經濟上半年受疫情影響下行壓力較大，隨著防疫取得階段性成果和第三季度後經濟恢復較好，經濟反彈效果也在不斷顯現。報告期內，上半年因疫情開工不足及整體社會需求受限，本集團下游訂單減少，銷售也因此承壓；而隨著禁廢令徹底落地，第三季度起進口紙價格逐步企穩，國內包裝紙價格呈現溫和上漲，同時社會需求修復，進入第四季度傳統銷售旺季，供需環境改善，公司經營持續向好。

截至二零二零年十二月三十一日止年度，本集團總體營業額約達人民幣2,493,041,000元，同比上升5.32%（二零一九年：人民幣2,367,151,000元）。本集團的毛利為人民幣390,865,000元，毛利率約15.68%，同比下降3.28百分點，這是由於本集團兩個主要造紙基地「煤改氣」後成本增加以及部分紙機生產線設備進行提速改造的停機損失影響。本公司擁有人應佔期內溢利及全面收益額為人民幣54,772,000元，同比下跌33.35%。每股基本盈利約為人民幣11分。

Chairman's Statement

董事長報告

In 2021, as countries successfully develop and produce vaccines for COVID-19 and carry out large-scale community vaccination, global epidemic control will gradually take effect, the economies of various countries will gradually recover, the demand for social goods will be resumed, and the market will be back on track. In China, the momentum of economic recovery will continue, and consumption and manufacturing investment are gradually recovering. The epidemic has changed people's consumption habits. Online consumption has greatly increased consumers' desire to buy and consumption frequency. In the context of economic recovery and consumption growth, Zhengye International continues to be optimistic that the paper packaging business will benefit from the increasingly mature and growing e-commerce and continuous improvement of logistics and distribution services. For this reason, starting from the second half of 2020, the Group will continue to increase investment in the paper-based packaging sector, add world-leading printing equipment and update existing production equipment to increase production capacity and improve production processes. Thanks to Zhengye International's insistence on product quality and customer service, it has continued to maintain and successfully develop a number of well-known domestic brand customers, covering logistics, food and beverage, fast-moving consumer goods and other industries.

The Group is also concerned that the national environmental protection policy guides the society to reduce or eliminate the use of plastic packaging. Substituting paper for plastic will bring new opportunities to the paper packaging industry, and the global packaging industry is undergoing profound changes. Thanks to the recovery and stable development of the entire macro economy, the rapid development of many downstream industries including electronic information, daily consumption, food and beverage, health medicine and other industries has played a huge leading role in the rapid growth of China's packaging industry and has brought a broad market space for healthy development of paper packaging products. Zhengye International will continue to increase research and development investment in paper packaging product design, and develop more integrated packaging solutions that meet environmental protection needs for customers, so that product packaging will be more sustainable.

Under the waste ban, China's domestic waste paper gap will cause the cost of packaging paper to rise, and the pattern of upstream and downstream industrial chains in the industry will undergo profound changes. Strengthening the industrial integration of the paper packaging industry and upstream papermaking and waste paper recycling industries will become new pattern for the development of the industry. Zhengye International will continue to deepen the green packaging industry, and go hand in hand with customers on the social responsibility of environmental protection for common development. Thank our customers, suppliers, Shareholders and all employees for their unremitting support!

Hu Zheng
Chairman
Hong Kong, China

26 March 2021

二零二一年，隨著各國成功研發生產新型冠狀病毒疫苗及開展社區大規模接種，全球疫情控制將會逐步呈效，各國經濟逐漸復蘇，社會商品需求獲得修復，市場將重回正軌。在中國，經濟恢復向上的動能仍將持續，消費和製造業投資也在逐步恢復，疫情改變了人們的消費習慣，線上消費使得消費者的購買意欲及消費頻率都大大增加。在經濟恢復以及消費增長的大背景下，正業國際持續看好紙類包裝業務將會受惠於日漸發展成熟並增長的電子商務以及持續完善的物流配送服務，為此，本集團自二零二零年下半年起，持續加大對紙包裝板塊投入，新增全球領先的印刷設備以及更新現有生產設備以提升產能及改進生產流程。得益於正業國際對產品品質及客戶服務的堅守，已持續維護並成功開拓多家國內知名大品牌客戶，涵蓋物流、食品飲料、快速消耗品等各行業。

本集團亦關注到國家環保政策引導社會減少或淘汰塑膠包裝的使用，以紙代塑將為紙包裝行業帶來新的契機，全球包裝業正在發生深刻變化。得益於整個宏觀經濟的恢復及穩定發展，電子資訊、日用消費、食品飲料、健康醫藥等行業在內的眾多下游行業的快速發展為中國包裝工業的快速增長起到了巨大的帶動作用，為紙制包裝產品的健康發展帶來了廣闊的市場空間。正業國際將持續增加紙制包裝產品設計的研究與發展（「研發」）投入，為客戶開發更多滿足環保需要的一體化包裝解決方案，使產品包裝更具可持續性。

禁廢令下，中國國內廢紙缺口將導致包裝紙成本上漲，行業內上、下游產業鏈的格局將發生深度變化，加強紙包裝行業以及上游造紙、廢紙回收行業的產業整合將成為行業發展的新格局。正業國際將持續堅持深耕綠色包裝行業，並與客戶在環境保護的社會責任上攜手並進，共同發展。感謝本公司客戶、供應商、股東及全體員工的不懈支持！

董事長
胡正
中國香港

二零二一年三月二十六日

Management Discussion and Analysis

管理層討論與分析

Business review

The Group mainly provides supporting paper-based packaging products for well-known domestic and foreign manufacturers of air conditioners, food seasonings and consumer electronic products, etc. At the same time, it provides comprehensive services including design, printing, logistics and other customer services to customers with integrated packaging solutions. In addition, in order to enhance the competitiveness of the Group's paper-based packaging products, the Group has also extended the back-end industry chain to use recycled waste paper as raw materials to produce corrugated medium paper for the Group's paper packaging products and external sales.

The Group is committed to become one of the global leading eco-friendly packaging enterprises.

The Group's products mainly include paper-based packaging products (i.e. watermark cartons, colour printing cartons and honeycomb paper-based products) and corrugated medium paper. The Group currently comprised five wholly-owned subsidiaries and two holding companies in China that provide customers with quality products and services.

The Group's paper-based packaging products have been deeply involved in packaging of air-conditioning, condiment and consumer electronic products for many years. It has won the trust of many well-known domestic and foreign brands and has a group of customers who have established stable relationships for more than ten years. The corrugated medium paper products produced by the Group win customers' recognition with stable quality and innovative services in market segments.

In 2020, the packaging segment of the Group was affected by the COVID-19 epidemic in the first half of the year, and orders dropped sharply from the factories in Wuhan, Zhengzhou and Shijiazhuang. The management of the Group faced the difficulties and fully resumed the production and operation of the above three factories after the epidemic in China was brought under control in April. The overall production conditions of Wuhan and Shijiazhuang factories recovered after the second quarter, but Zhengzhou factory has halted production during the year due to insufficient orders and has commenced liquidation, and the liquidation loss was approximately RMB3,939,000. Also affected by the epidemic, the Zhongshan and Zhuhai factories in Guangdong Province have experienced growth in domestic consumption, significant shrinkage in global trade, and a rebound in China's export order growth. Downstream customer orders have recovered strongly. Zhongshan and Zhuhai factories took the lead in resuming production and operations while the epidemic relief, and started to increase production and sales in March 2020, and continued to maintain sales growth of more than 15%. During the period, the Group's packaging segment realised operating revenue of RMB800,193,000, slightly decreased of 0.88% as compared with RMB807,290,000 in the same period of last year, and profit increased by 22.10% compared with last year.

業務回顧

本集團主要為國內外知名空調、食品調味料及消費電子產品等製造商提供配套的紙製包裝產品，並同時提供包括設計、印刷、物流等客戶服務在內的全面服務，為客戶提供一體化的包裝解決方案。此外，為提升集團紙製包裝產品的競爭力，本集團還向後端產業鏈延伸，利用回收廢紙為原料生產瓦楞芯紙，作為本集團紙製包裝產品使用物料和對外銷售產品。

本集團致力成為全球領先的環保包裝生態企業之一。

本集團的產品主要包括紙製包裝產品(例如：水印紙箱、彩印紙箱、蜂窩紙製品)及瓦楞芯紙。本集團現於中國不同地區共有五家全資子公司及兩家控股子公司開展經營業務為客戶提供優質服務。

本集團紙製包裝產品在空調包裝、調味品包裝以及消費電子產品包裝等細分領域深耕多年，得到多個國內外知名品牌信任，擁有一批建立了長達十年以上穩定關係的客戶群。本集團生產的瓦楞芯紙產品在細分市場以品質穩定、創新服務贏得客戶青睞。

二零二零年，本集團包裝板塊在上半年受新型冠狀病毒疫情影響，武漢、鄭州和石家莊工廠訂單銳減，本集團管理層直面困難，在四月中國疫情得到控制後全力恢復上述三家工廠的生產運營，武漢和石家莊工廠於第二季度後整體生產狀況恢復良好，但鄭州工廠還是因訂單不足而於年內停產清算，清算損失約人民幣3,939,000元。同樣受疫情影響，位於廣東省的中山和珠海工廠，卻在國內消費增長、以及在全球貿易顯著萎縮，中國出口訂單增速反彈的雙重影響下，下游客戶訂單恢復強勁，中山及珠海工廠在疫情期間率先恢復生產運營，從二零二零年三月開始增加產銷量，並持續保持15%以上的銷售增長。本集團包裝板塊期內共實現營業收入人民幣800,193,000元，較去年同期人民幣807,290,000元略有減少0.88%，盈利較去年上升22.10%。

Management Discussion and Analysis

管理層討論與分析

For the paper-making segment of the Group, it was affected by the COVID-19 epidemic and the Guangdong Provincial Government's introduction of stricter "coal-to-gas" policies in Pearl River Delta cities under the background of the national "Blue Sky Defense War" in the first half of 2020, the two paper mills located at Zhongshan took the lead in completing the "coal-to-gas" project during the period. This change resulted in a certain increase in the fuel cost per ton of paper production compared to the same period last year. At the same time, in order to cope with the impact of the aforementioned increase in fuel costs on the profitability of products, the Group actively shut down the main production facilities of the two paper enterprises during the year for upgrading and transformation, which affected the overall operating efficiency by approximately 16.51% and increased the annual loss of downtime during the year. As part of the machineries and equipment have been renovated during the year, the two paper enterprises in Zhongshan have basically resumed normal operations since August 2020, and its production and sales volume after the upgrade have also stabilized at a growth rate of more than 20%. In addition, the Jiangxi papermaking base, which joined the Group after 1 March 2020, was basically unaffected by the epidemic. The production and sales volume during the year reached expectations and began to contribute profit to the Group. The Group's paper-making segment achieved operating income of RMB1,692,848,000 during the year, which increased RMB132,987,000 or 8.53% as compared with RMB1,559,861,000 in the same period last year. However, under the influence of the above-mentioned "coal to gas" and shutdown transformation, the profitability decreased by 55.55% compared with last year.

Products Review

Paper-Based Packaging Products

The Group's paper packaging products use containerboard and corrugated medium paper as the main raw materials, including watermark cartons, colour printing cartons and honeycomb paper-based products. In 2020, the revenue in paper-based packaging products of the Group's was RMB800,193,000, representing a decrease of RMB7,097,000 or 0.88% as compared with 2019, it represented about 32.10% revenue of the Group. The gross profit margin of paper-based packaging products in 2020 was approximately 19.82%, decreased by 0.14 percentage points from 19.96% as compared to the same period last year.

Watermark Cartons

The Group's watermark cartons are mainly used for household air-conditioning packaging, small household appliance packaging, household electronic consumer products, and food seasoning product packaging. The Group continues to ensure high-quality product supply and quality after-sales service, and enhance customer trust and access. It was well acceptable by many brand customers and long-term stable cooperation can be maintained.

本集團造紙板塊，二零二零年上半年受到新冠疫情以及廣東省政府在國家「藍天保衛戰」的大背景下對珠三角城市出台較嚴格的「煤改氣」政策影響，本集團位於中山兩家造紙廠房在期內率先完成「煤改氣」項目，該更改導致每噸紙生產的燃料成本較去年同期有一定幅度增加。同時，為應對上述燃料成本增加對產品盈利能力造成的影響，本集團於年內積極對兩家造紙企業的主要生產設施分別停機進行升級改造，影響整體運行效率約16.51%，增加了年內的停機損失。隨著年內已有部分機器設備完成改造，中山兩家造紙企業於二零二零年八月後基本恢復正常營運，升級改造後的產銷量也以20%以上的增速穩定運行。此外，二零二零年三月一日後加入本集團的江西造紙基地基本未受疫情影響，年度內產銷量達到預期，開始為本集團貢獻盈利。本集團造紙板塊期內共實現營業收入人民幣1,692,848,000元，較去年同期的人民幣1,559,861,000元，增加人民幣132,987,000元或8.53%。但上述「煤改氣」以及停機改造的影響下，盈利卻較去年減少55.55%。

產品回顧

紙製包裝產品

本集團的紙製包裝產品採用箱板紙及瓦楞芯紙作為主要生產原料，產品包括浮水印紙箱、彩印紙箱及蜂窩紙製品。二零二零年，本集團紙製包裝產品銷售收入人民幣800,193,000元，較二零一九年下降人民幣7,097,000元或0.88%，佔集團銷售約32.10%。二零二零年紙製包裝產品毛利率約為19.82%，與去年同期19.96%相比下降0.14百分點。

浮水印紙箱

本集團浮水印紙箱主要用於家用空調包裝、小型家電產品包裝、家用電子消費產品以及食品調味料產品包裝等，本集團持續確保較高品質產品供應與優質的售後服務及提高客戶信賴程度，獲得多家品牌客戶青睞並保持長期穩定合作。

Management Discussion and Analysis

管理層討論與分析

Colour Printing Cartons

In order to meet customers' requirements for different product packaging quality, the Group also provides high-quality colour printing cartons for household air-conditioning packaging, small home appliance packaging, household electronic consumer products, and food seasoning product packaging. The Group continues to promote product innovation. In response to customer needs, we produced differentiated products and actively expanded the color printing carton business. In 2020, the revenue of colour printing carton was RMB145,275,000.

Honeycomb Paper-Based Products

The honeycomb paper-based products produced by the Group mainly replace the plastic cushioning packaging materials and the alternative foam cushioning products used in the protection of the original various types of cartons. They are environmentally-friendly and energy-saving materials with light capacity, smooth surface, non-deformation and good cushioning performance; it can buffer the packaging for a variety of industries. The honeycomb paper products currently produced by our Group are still mainly provided for the Group's floating watermark cartons and colour printing cartons.

Corrugated Medium Paper

The Group produces 48 g/m² to 140 g/m² high-strength corrugated core paper. Except for some of the paper packaging products produced by the Group as raw materials, it is mainly sold to cardboard manufacturers in the Pearl River Delta region of Guangdong and carton packaging manufacturers. Due to the joining of the Jiangxi Papermaking Base during the year, the Group's paper-making customers have further expanded to Jiangxi, Fujian, Chaoshan and other regions. The total number of customers served by the Group's paper-making block now exceeds 360. Affected by the "coal-to-gas" policy and the shutdown of some production equipment for technical improvement, the gross profit margin of corrugated medium paper products in 2020 was approximately 13.72%.

The Group has been committed to the research and development ("R&D") of raw paper for packaging. In addition to low-weight and high-strength corrugated medium paper products, the Group made every effort to research and develop container board paper products in 2020. It is expected that the products will be launched in 2021, to seek for a win-win situation with downstream enterprises which can reduce the cost of raw paper for customers, and jointly resist the pressure of market competition.

彩印紙箱

本集團為滿足客戶對於不同產品包裝品質的要求亦提供優質的用於家用空調包裝、小型家電產品包裝、家用電子消費產品以及食品調味料產品包裝等行業的彩印紙箱，本集團持續推進產品創新，回應客戶需求生產差異化產品，積極拓展彩印紙箱業務，二零二零年彩印紙箱收入人民幣145,275,000元。

蜂窩紙製品

本集團生產的蜂窩紙製品主要替代原各類紙箱中用於保護的塑膠緩衝包裝材料以及替代泡沫襯墊產品，是容量輕、表面平整、不易變形、緩衝性能好的環保節能材料，現已用於多種行業的緩衝包裝。本集團現生產的蜂窩紙製品仍主要為本集團浮水印紙箱及彩印紙箱客戶提供配套。

瓦楞芯紙

本集團生產48克/平方米至140克/平方米高強度瓦楞芯紙，除部分為本集團生產紙製包裝產品作為原材料外，主要向廣東珠三角地區紙板生產廠家、以及紙箱包裝廠家銷售。年內由於江西造紙基地加入後，本集團造紙客戶向江西、福建、潮汕等地區進一步拓展，現在，本集團造紙板塊服務的客戶總數量超過三百六十家。受到「煤改氣」政策以及部分生產設備停機技術改善影響，瓦楞芯紙產品於二零二零年毛利率約為13.72%。

本集團一直致力於包裝用原紙的研究及開發（「研發」），除了低克重高強度瓦楞芯紙產品外，二零二零年本集團全力研發箱板紙產品，預期於二零二一年推向市場，與下游包裝企業合作尋找共贏，降低客戶的原紙成本支出，共同抵禦市場競爭壓力。

Management Discussion and Analysis

管理層討論與分析

Breakdown of the Group's Principal Activities

本集團主營業務明細

		2020 二零二零年		2019 二零一九年			
		Turnover	Percentage of total revenue	Gross profit margin	Turnover	Percentage of total revenue	Gross profit margin
		營業額 RMB'000 人民幣千元	佔總額 百分比 (%)	毛利率 %	營業額 RMB'000 人民幣千元	佔總額 百分比 (%)	毛利率 %
Corrugated medium paper	瓦楞芯紙						
AA grade	AA級	1,684,546	67.57		1,559,861	65.90	
C grade	C級	8,302	0.33		-	-	
Subtotal	小計	1,692,848	67.90	13.72	1,559,861	65.90	18.44
Paper-based packaging products	紙製包裝產品						
Watermark cartons	浮水印紙箱	538,250	21.59		495,384	20.93	
Colour printing cartons	彩色紙箱	145,275	5.83		139,221	5.88	
Honeycomb paper-based products	蜂窩紙製品	116,668	4.68		172,685	7.29	
Subtotal	小計	800,193	32.10	19.82	807,290	34.10	19.96
TOTAL	總計	2,493,041	100.00	15.68	2,367,151	100.00	18.96

Management Discussion and Analysis

管理層討論與分析

Turnover by Customer at Paper-Based Packaging Products

紙製裝產品營額按客戶分析

		2020 二零二零年		2019 二零一九年	
		Turnover	Percentage of total revenue	Turnover	Percentage of total revenue
		營業額	佔總額	營業額	佔總額
		RMB'000	%	RMB'000	%
		人民幣千元	(%)	人民幣千元	(%)
Household air conditioners and small home appliances manufacturers	家用空調及小型家電生產商	602,100	75.24	592,774	73.43
Food and seasoning manufacturer	食品調味料生產商	189,409	23.67	163,191	20.21
Other	其他	8,684	1.09	51,325	6.36
TOTAL	總計	800,193	100.00	807,290	100.00

Capacity and Capacity Utilisation Rate

The Group provides one-stop service solution to its customers covering from recycling of waste paper, manufacturing of high-strength corrugated medium paper, production of corrugated cartons and honeycomb paper-based products to packaging services, making full use of our vertically integrated industrial chain.

產能及產能使用率

集團為客戶提供一站式服務方案由廢紙回收、高強瓦楞芯紙製造、瓦楞紙箱及蜂窩紙製品生產，以至包裝服務，充分發揮集團垂直整合產業鏈的效益。

Management Discussion and Analysis

管理層討論與分析

Corrugated Medium Paper

The main production base of corrugated medium paper is located in Zhongshan City and Jiangxi Province. For the year ended 31 December 2020, the Group had eight corrugated medium paper production lines with a total designed annual production capacity of 900,000 tons, making the Group one of the leading corrugated paper producers in Guangdong region. The Group always attaches emphasis on improvement of production efficiency and optimization of plant management. During the Year, the Group adopted the performance indicator approach to manage the corrugated medium paper production lines, successfully improving production volume and capacity utilisation rate.

瓦楞芯紙

瓦楞芯紙的主要生產基地位於中山市及江西省，截至二零二零年十二月三十一日止年度，本集團擁有八條瓦楞芯紙生產線，總設計年產能達900,000噸，為廣東地區領先的瓦楞芯紙生產商之一。集團一直重視提升生產效率及優化廠房管理的工作，於年內，集團成功採用了績效指標有效管理瓦楞芯紙生產線，提高了產量以及產能使用率。

		2020 二零二零年			2019 二零一九年		
		Planned operation (hours) 計劃運行 (小時)	Actual operation (hours) 實際運行 (小時)	Effective rate (%) 有效率 (%)	Planned operation (hours) 計劃運行 (小時)	Actual operation (hours) 實際運行 (小時)	Effective rate (%) 有效率 (%)
Zhongshan Yong Fa	中山永發						
No. 1 paper machine	1號造紙機	8,784	7,130	81.17	8,634	8,106	93.89
No. 2 paper machine	2號造紙機	8,784	7,471	85.05	8,633	7,907	91.59
No. 3 paper machine	3號造紙機	8,784	6,511	74.12	8,216	7,633	92.90
No. 5 paper machine	5號造紙機	8,784	6,784	77.23	8,554	7,963	93.09
Hung Hing	鴻興						
No. 1 paper machine	1號造紙機	7,360	6,863	93.25	8,437	7,783	92.24
No. 2 paper machine	2號造紙機	7,058	6,534	92.58	8,498	7,510	88.37
No. 3 paper machine	3號造紙機	7,326	6,862	93.67	8,382	7,729	92.21
Zhengyi	正億						
No. 1 paper machine	1號造紙機	7,344	6,372	86.76	N/A 不適用	N/A 不適用	N/A 不適用

Paper-Based Packaging Products

For the year ended 31 December 2020, the Group had a total of 13 production lines (including 8 corrugated cartons production lines (1 production line is under optimization) and 5 honeycomb paper-based products production lines) which are mainly located in four cities including Zhongshan, Zhuhai, Wuhan and Shijiazhuang. The Group's yearly planned production capacity for corrugated cartons reached 214,531,000 square meters, whereas that for honeycomb paper-based products was 25,581,000 square meters. The Group made persistent efforts to improve production deployment, and carried out upgrading and transformation on certain production facilities during the Year, effectively improving the production volume and capacity utilisation rate, which in turn enhanced the overall operational efficiency and cost advantage of the Group.

紙製包裝產品

截至二零二零年十二月三十一日止年度，本集團共有十三條生產線（包括八條瓦楞紙箱生產線（其中一條生產線進行優化工程）及五條蜂窩紙製品生產線），生產基地主要分佈於中山、珠海、武漢及石家莊共四個城市。本集團瓦楞紙箱年計劃產能達214,531,000平方米，蜂窩紙製品總設計年產能達25,581,000平方米。本集團完善的生產佈局，使本集團在生產成本、產業鏈整合、以及客戶服務上都能夠產生協同效應，在整體營運效益上發揮優勢。

Management Discussion and Analysis

管理層討論與分析

		2020 二零二零年				2019 二零一九年				
		Numbers of equipment 設備數量	Design Capacity 設計產能 '000 sq.m. 平方米	Yearly Planned Capacity 年計劃產能 '000 sq.m. 平方米	Actual Capacity 實際產能 '000 sq.m. 平方米	Capacity utilization rate 產能使用率 (%) (%)	Design Capacity 設計產能 '000 sq.m. 平方米	Yearly Planned Capacity 年計劃產能 '000 sq.m. 平方米	Actual Capacity 實際產能 '000 sq.m. 平方米	Capacity utilization rate 產能使用率 (%) (%)
Production of cartons packaging products:		生產紙箱包裝產品：								
1. Cardboard process:		一、紙板工序：								
Zhongshan		中山								
No. 1 corrugated cartons production line	1號瓦楞紙箱生產線	1	38,880	14,602	13,118	89.84	38,880	14,602	9,887	67.71
No. 3 corrugated cartons production line [#]	3號瓦楞紙箱生產線 [#]	1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	38,880	12,355	318	2.57
New No. 2 corrugated cartons production line	新2號瓦楞紙箱生產線	1	184,140	69,751	56,640	81.20	184,140	69,751	57,362	82.24
Zhuhai		珠海								
No. 5 corrugated cartons production line [#]	5號瓦楞紙箱生產線 [#]	1	72,900	17,297	7,104	41.07	72,900	50,319	44,067	87.57
No. 6 corrugated cartons production line [#]	6號瓦楞紙箱生產線 [#]	1	45,360	N/A 不適用	N/A 不適用	N/A 不適用	45,360	24,710	20,866	84.44
No. 11 corrugated cartons production line	11號瓦楞紙箱生產線	1	150,660	98,842	83,010	83.98	150,660	98,842	7,125	7.21
No. 15 corrugated cartons production line [*]	15號瓦楞紙箱生產線 [*]	1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Shijiazhuang		石家莊								
No. 9 corrugated cartons production line	9號瓦楞紙箱生產線	1	90,396	14,040	7,634	54.37	90,396	14,040	11,135	79.31
2. Printing process:		二、印刷工序：								
Watermark printers		水印印刷機								
Zhongshan		中山								
		11	N/A 不適用	60,878	47,743	78.42	N/A 不適用	60,878	52,247	85.82
Zhuhai		珠海								
		10	N/A 不適用	101,964	79,375	77.85	N/A 不適用	101,964	85,155	83.51
Shijiazhuang		石家莊								
		2	N/A 不適用	9,984	8,017	80.30	N/A 不適用	9,984	7,322	73.34
Colourmark printers		彩印印刷機								
Zhongshan		中山								
		3		16,109	15,668	97.26		16,109	15,760	97.84
Production of honeycomb paper-based packaging products:		生產蜂窩包裝產品：								
Zhongshan		中山								
No. 7 honeycomb paper-based product production line	7號蜂窩紙製品生產線	1	4,312	3,953	3,407	86.18	4,312	4,312	3,672	85.17
No. 8 honeycomb paper-based product production line	8號蜂窩紙製品生產線	1	3,525	3,231	3,103	96.03	3,525	3,525	3,169	89.90
No. 12 honeycomb paper-based product production line ^{&}	12號蜂窩紙製品生產線 ^{&}	1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Shijiazhuang		石家莊								
No. 10 honeycomb paper-based product production line	10號蜂窩紙製品生產線	1	6,696	5,580	2,026	36.31	6,696	6,696	4,245	63.40
Zhengzhou		鄭州								
No. 12 honeycomb paper-based product production line ^{&}	12號蜂窩紙製品生產線 ^{&}	1	4,352	1,088	465	42.74	4,352	4,352	3,479	79.94
Wuhan		武漢								
No. 14 honeycomb paper-based product production line	14號蜂窩紙製品生產線	1	6,696	5,022	3,697	73.62	6,696	6,696	4,086	61.02

Management Discussion and Analysis

管理層討論與分析

		2020 二零二零年				2019 二零一九年				
		Numbers of equipment 設備數量	Design Capacity 設計產能 '000 sq.m. 平方米	Yearly Planned Capacity 年計劃產能 '000 sq.m. 平方米	Actual Capacity 實際產能 '000 sq.m. 平方米	Capacity utilization rate 產能使用率 (%) (%)	Design Capacity 設計產能 '000 sq.m. 平方米	Yearly Planned Capacity 年計劃產能 '000 sq.m. 平方米	Actual Capacity 實際產能 '000 sq.m. 平方米	Capacity utilization rate 產能使用率 (%) (%)
TOTAL	cartons packaging products									
	總計紙箱包裝產品									
	corrugated cartons production lines	5	582,336	214,531	167,506	78.08	621,216	214,531	150,759	70.27
	瓦楞紙箱生產線									
	watermark printers	23	N/A 不適用	172,826	135,135	78.19	N/A 不適用	172,826	144,724	83.74
	水印印刷機									
	colourmark printers	3	N/A 不適用	16,109	15,668	97.26	N/A 不適用	16,109	15,760	97.84
	彩印印刷機									
	honeycomb paper-based products									
	蜂巢紙製品									
	honeycomb paper-based product production lines	5	25,581	18,874	12,698	67.28	25,581	25,581	18,651	72.91
	蜂巢紙製品 生產線									

No. 3 production line merged with No. 1 production line after optimization.

3號生產線優化後併入1號生產線。

△ No. 5 and No. 6 production lines merged with No. 11 production line after optimization.

△ 5號及6號生產線優化後併入11號生產線。

* No. 15 production lines is under optimization.

* 15號生產線正進行優化工程。

& Zhengzhou subsidiary deregistered on December 2020, its No. 12 production line merged with No. 7 production line after optimization.

& 鄭州附屬公司於二零二零年註銷，其12號生產線優化後併入7號生產線。

Acquisition of 80% of Equity Interest in Zhengyi

On 3 January 2020, the Group announced the acquisition of 80% of equity interest in Yudu County Zhengyi Paper Products and Paper Industry Company Limited* (于都縣正億紙品紙業有限公司) ("Zhengyi") at a consideration of RMB60,000,000. The acquisition had been completion on 1 March 2020. Zhengyi which is located in Jiangxi Province, operates the manufacture and sale of corrugated papers and paper recycling, with a designed production capacity of 100,000 tons per annum. The Company is optimistic about the high-end corrugated medium paper industry and believes that there is a large demand for high-end corrugated medium paper in the market.

收購正億的80%股權

於二零二零年一月三日，本集團訂立收購于都縣正億紙品紙業有限公司(「正億」)的80%股本權益的正億協議，收購價為人民幣60,000,000元。收購項目已於二零二零年三月一日完成。正億位於江西省，從事生產及銷售瓦楞紙及廢紙回收，其年設計產能為100,000噸。本公司對高端瓦楞紙製造行業持樂觀態度，並認為市場對高端瓦楞紙需求殷切。

Management Discussion and Analysis

管理層討論與分析

Financial Review

For the year ended 31 December 2020, the revenue of the Group was approximately RMB2,493,041,000 (2019: RMB2,367,151,000), representing an increase of approximately RMB125,890,000 or 5.32%, it was mainly due to the increase in sales of paper segment. Due to the increase in sales of the Jiangxi paper-making base newly consolidated into the Group during the year, the overall sales volume increased by 12.52% as compared with last year; and the sales volume of packaging segment increased approximately 2.22% as compared with last year and its sales price per unit decreased by 3.03%, revenue was basically the same as last year. The Group's gross profit margin for the year of 2020 was 15.68% (2019: 18.96%), a decrease of 3.28 percentage points as compared with the same period of last year.

For the year ended 31 December 2020, the profit and total comprehensive income for the Year attributable to owners of the Group was RMB54,772,000 (2019: RMB82,184,000), representing a decrease of RMB27,412,000 or 33.35% as compared with the same period last year, it was mainly due to the cost increase after "coal to gas" and the loss of some paper machine production lines equipment undergoing transformation for the two main paper-making bases of the Group.

Group's Profit

For the year ended 31 December 2020, the Group's profit before tax was approximately RMB64,931,000 (2019: RMB119,180,000), representing a decrease of RMB54,249,000 or 45.52% as compared with the same period last year.

The finance costs were approximately RMB49,615,000 (2019: RMB45,835,000), an increase of 8.25% at the same period last year.

The income tax expense was approximately RMB2,371,000 (2019: RMB18,152,000), representing a decrease of RMB15,781,000 as compared with the same period last year.

財務回顧

截至二零二零年十二月三十一日止年度，本集團的收入約人民幣2,493,041,000元（二零一九年度：人民幣2,367,151,000元），增加約人民幣125,890,000元或5.32%，主要是造紙板塊銷售收入的增長，由於年內新併入集團的江西造紙基地的銷量增加，整體銷售數量較去年增加12.52%；而包裝板塊的銷售數量較去年增加約2.22%，銷售單價下降幅度約3.03%，包裝板塊銷售收入較去年基本持平。二零二零年本集團毛利率15.68%（二零一九：18.96%），較去年同期下降3.28百分點。

截至二零二零年十二月三十一日止年度，本集團股本持有人應佔全面收益總額為人民幣54,772,000元（二零一九：人民幣82,184,000元），較去年同期下降人民幣27,412,000元或33.35%，主要原因是由於集團兩個主要造紙基地「煤改氣」後成本增加以及部分紙機生產線設備停機改造損失的影響所致。

集團盈利

截至二零二零年十二月三十一日止年度，本集團所得稅前利潤約為人民幣64,931,000元（二零一九：人民幣119,180,000元），較去年同期減少人民幣54,249,000元或45.52%。

財務費用約為人民幣49,615,000元（二零一九：人民幣45,835,000元），較去年同期增加8.25%。

所得稅項開支約人民幣2,371,000元（二零一九：人民幣18,152,000元），較去年同期減少人民幣15,781,000元。

Management Discussion and Analysis

管理層討論與分析

Prospects

There is still a high degree of uncertainty in the changes in the epidemic in 2021. The COVID-19 epidemic has accelerated the evolution of major changes in the world that have not been seen in a century. Globalization has reversed and repeated. The pace of global economic recovery and policy changes is still uncertain, mainly due to the possibility of economic growth, the instability of the country, the challenges of employment and social stability, and the risks of debt and currency stability. The world today is in a period of turbulent change.

At the same time, 2021 is the beginning of China's new journey of building a modern socialist country in an all-round way. It is necessary to accurately recognize changes, respond scientifically, and actively seek changes in a more uncertain and unstable international environment, and always insist on expanding and opening up policy. During the "14th Five-Year Plan" period, how to accelerate the formation of a new development pattern with the domestic cycle as the main body and the mutual promotion of domestic and international dual cycles based on the strategic direction of supply-side structural reform and the expansion of domestic demand in the vital strategic base point.

In 2021, the Group's development is still in a period of important strategic opportunities. The Group believes that the development trend of China's economy will remain stable and positive in the long term. The paper-making bases in Guangdong Province of the Group took the lead in completing the "coal-to-gas" conversion and the basic transformation of the paper machine production lines. Through the comprehensive promotion of the "coal-to-gas" policy in Guangdong Province, the Group's paper-making division adopts new products development, technological innovation, stable products quality and continuous expansion of sales channels, and will continue to maintain its market advantage. In the packaging and paper industry, the Group has a complete industrial system and a solid technical foundation, and has market advantages and development potential. With the human capital and human resources accumulated over the years, it hopes to continue to increase investment and expand new customers and new businesses. In order to make the Group's stock packaging and papermaking businesses continue to grow and develop, the Group will continue to vigorously promote the research and development of new products and technologies, improve the efficiency of equipment operation, and improve the overall competitiveness and profitability of the Group with products that are more adaptable to market demands and more innovative and high-quality services. At the same time, the Group will continue to spare no effort to develop promising investment projects during this important strategic opportunity period, accelerate development while maintaining a stable capital structure, and strive to create higher returns for Shareholders.

展望

二零二一年疫情變化仍存在高度不確定性，新冠疫情使世界百年未有之大變局加速演進，全球化出現倒流和反復，全球經濟恢復和政策轉向節奏仍不明朗，主要在於經濟增長可能的不穩定性，就業與社會穩定方面存在著的挑戰，以及債務和貨幣穩定方面的風險，當今世界正處於動盪變革期。

二零二一年同時是中國全面建設社會主義現代化國家新征程的開啟之年，必須要在更加不確定不穩定的國際環境中，準確識變、科學應變、主動求變，始終堅持擴大開放的政策。「十四·五」時期，如何在以供給側結構性改革為戰略方向、以擴大內需為戰略基點的基礎上，加快形成以國內大循環為主體、國內國際雙循環相互促進的新發展格局是至關重要的。

二零二一年本集團發展仍處於重要戰略機遇期。本集團相信中國經濟穩中向好、長期向好的發展趨勢不會變。本集團位於廣東省的造紙基地率先完成「煤改氣」以及紙機生產線的升級改造逐步完成。隨着「煤改氣」政策在廣東省的全面推進，本集團造紙板塊憑借新產品開發、技術創新、穩定的產品質量以及銷售渠道的不斷拓展，仍將於市場保持競爭優勢。在包裝、造紙行業，本集團有著完整的產業體系和雄厚的技術基礎，具備市場優勢和發展潛力，憑藉多年積累的人力資本和人才資源，希望能夠繼續增加投資並加大拓展新客戶、新業務，以使本集團存量的包裝、造紙業務持續成長與發展。本集團仍將大力推動新產品及技術的研發，提升設備運行效率，以更能適應市場需求的產品、更為創新優質的服務，提升本集團整體競爭力及盈利能力。同時，本集團在此重要戰略機遇期間仍將不遺餘力發展有前景之投資專案，在保持穩定資本結構的前提下加快發展，努力為股東創造更高回報。

Management Discussion and Analysis

管理層討論與分析

Partial Financial Statements Analysis

Cost of Sales

The Group's cost of sales increased from RMB1,918,338,000 in 2019 to RMB2,102,176,000, representing an increase of 9.58%.

Corrugated Medium Paper

The cost of sales of corrugated medium paper were RMB1,460,558,000 (2019: RMB1,272,188,000), representing an increase of 14.81%, it was mainly due to the increase in costs after the conversion of "coal-to-gas" in the two papermaking bases, as well as the impact of the loss of production lines under equipment transformation.

Paper-Based Packaging Products

The cost of sales of paper-based packaging products were RMB641,618,000 (2019: RMB646,150,000), representing a decrease of 0.70%.

Gross Profit and Gross Profit Margin

For the Year, the gross profit recorded RMB390,865,000, representing a decreased of 12.91% as compared with RMB448,813,000 in Year 2019. The average gross profit margin decreased from 18.96% in Year 2019 to 15.68% for the Year.

Corrugated Medium Paper

For the Year, the gross profit from corrugated medium paper was RMB232,290,000 (2019: RMB287,673,000), representing a decrease of 19.25%. The overall gross profit margin for 2020 was 13.72% (2019: 18.44%), decreased by 4.72 percentage points.

Paper-Based Packaging Products

For the Year, the gross profit from paper-based packaging products was RMB158,575,000 (2019: RMB161,140,000), representing a decrease of 1.59%. The overall gross profit margin for 2020 was 19.82% (2019: 19.96%), decreased by 0.14 percentage points.

Other Income, Other Gains and Losses

Other income, other gains and losses mainly included income from interest RMB5,153,000 (2019: RMB6,224,000), government subsidies RMB18,390,000 (2019: RMB5,262,000) and net amount of exchange gains RMB1,294,000 (2019: net amount of exchange losses RMB932,000).

Distribution and Selling Expenses

The distribution and selling expenses of the Group decreased by approximately 0.47% from RMB72,994,000 for the Year 2019 to RMB72,651,000 for the Year. During the Year, the distribution and selling expenses mainly included salaries of salesmen, transportation costs and business promotion expenses. The decrease of distribution and selling expenses has mainly due to the decrease in transportation costs attributed to decline in petrol price.

部份財務報表分析

銷售成本

本集團的銷售成本由二零一九年度人民幣1,918,338,000元增加至二零二零年度人民幣2,102,176,000元，增幅9.58%。

瓦楞芯紙

瓦楞芯紙二零二零年度銷售成本為人民幣1,460,558,000元(二零一九：人民幣1,272,188,000元)，增加14.81%，主要是兩個造紙基地「煤改氣」後成本增加，以及生產線設備改造損失的影響所致。

紙製包裝產品

紙製包裝產品二零二零年度銷售成本為人民幣641,618,000元(二零一九：人民幣646,150,000元)，下降0.70%。

毛利及毛利率

本年度之毛利為人民幣390,865,000元，較二零一九年度同期的人民幣448,813,000減少12.91%。平均毛利率由二零一九年度的18.96%下降至本年度的15.68%。

瓦楞芯紙

瓦楞芯紙本年度之毛利為人民幣232,290,000元(二零一九：人民幣287,673,000元)，下跌19.25%。二零二零年度整體毛利率為13.72%(二零一九：18.44%)，減少4.72百分點。

紙製包裝產品

紙製包裝產品二零二零年度毛利為人民幣158,575,000元(二零一九：人民幣161,140,000元)，下跌1.59%。二零二零年度整體毛利率為19.82%(二零一九：19.96%)，減少0.14百分點。

其他收入、其他收益及虧損

其他收入、其他收益及虧損主要包括利息收入人民幣5,153,000元(二零一九年：人民幣6,224,000元)、政府補貼人民幣18,390,000元(二零一九年：人民幣5,262,000元)及匯兌收益淨額人民幣1,294,000元(二零一九年：匯兌虧損淨額人民幣932,000)元。

分銷及銷售費用

本集團分銷及銷售費用由二零一九年度的人民幣72,994,000元下降至二零二零年度的人民幣72,651,000元，降幅約為0.47%。於本年度內，分銷及銷售費用主要是人員工資、運輸成本及業務推廣等費用。分銷及銷售費用下降原因是由於油價下跌使年內的運輸費用減少所致。

Management Discussion and Analysis

管理層討論與分析

Administrative Expenses

Administrative expenses of the Group increased by approximately 2.52% from RMB137,858,000 for the Year 2019 to RMB141,327,000 for the Year. The administrative and other expenses mainly included salaries of management, staff welfare, rent and depreciation.

Finance Costs

Finance costs of the Group increased by approximately 8.25% from RMB45,835,000 for the Year 2019 to RMB49,615,000 for the Year, it was mainly due to the increase in sales, trade receivables and inventories of the Group during the Year, which increased in bank borrowings eventually.

Interest rates of bank borrowings were at variable rates ranging from 2.30% to 3.40% for the Year, as compared with 3.85% to 5.66% for the Year 2019.

Research and Development Expenses

Research and development expenses of the Group decreased by 6.50% from RMB84,970,000 in the Year 2019 to RMB79,446,000 for the Year. The research and development expenses was mainly due to our goal to improve the competitiveness of the Group's products and to develop new products in response to demand from customers, for which the Group conducted research on new technology and new process to enhance production efficiency and product quality.

Profit and Total Comprehensive Income

During the Year, the Group's profit and total comprehensive income was RMB62,560,000. The profit and total comprehensive income for the year attributable to owners of the Company was RMB54,772,000, representing a decrease of 33.35% as compared with RMB82,184,000 for the profit and total comprehensive income attributable to owners of the Company for Year 2019.

Dividend Policy

The declaration, form, frequency and amount of any dividend payout of the Company must be in accordance with relevant laws, rules and regulations and subject to the Bye-laws of the Company. Subject to compliance with applicable laws, rules, regulations and the Bye-laws, in deciding whether to propose any dividend payout, the Board will take into account, among other things, the financial results, the earnings and distributable reserves, the operations and liquidity requirements, the debt ratio and possible effects on the credit lines, and the current and future development plans of the Company.

行政開支

本集團行政開支由二零一九年度的人民幣137,858,000上升至二零二零年度的人民幣141,327,000元，增幅約為2.52%，行政開支主要是管理人員工資、福利費用、租金及折舊等費用。

融資成本

本集團融資成本由二零一九年度的人民幣45,835,000元上升至二零二零年度的人民幣49,615,000元，增幅約為8.25%，這主要是本集團年內銷售增長、貿易應收款項以及存貨增加以至銀行借款增加所致。

於本年度，銀行借款利率按浮動利率介乎2.30%至3.40%，而二零一九年度則介乎3.85%至5.66%。

研發支出

本集團的研發支出由二零一九年度的人民幣84,970,000元下降至二零二零年度的人民幣79,446,000元，降幅約為6.50%，研發支出主要是為了達到提升集團產品競爭力的目的及應客戶需求進行新產品的開發及新技術、新工藝的研發以提升生產效率及產品品質。

溢利及全面收益

於年內，本集團溢利及全面收益總額為人民幣62,560,000元。本公司擁有人應佔年度溢利及全面收益為人民幣54,772,000元，較二零一九年度本公司擁有人應佔年度全面收益的人民幣82,184,000元，下跌33.35%。

股息政策

本公司必須根據相關法律、規則、法規及受限於本公司細則制定任何股息派付的宣派、形式、頻率及金額。根據適用法律、規則、法規及公司細則，於決定是否提議派付股息時，董事會將考慮(其中包括)本公司的財務業績、收益及可分配儲備、營運及流動資金需求，負債比率及信貸額度可能產生的影響和現時及未來發展計劃。

Management Discussion and Analysis

管理層討論與分析

Dividends

The Board has recommended, subject to the approval of the Shareholders at the Annual General Meeting (the “AGM”), the payment of a final dividend of RMB3.00 cents (equivalent to HKD3.525 cents) per Share for the Year (2019: a final dividend of RMB3.00 cents per Share) to those Shareholders whose names appear on the register of members of the Company on Friday, 2 July 2021. The recommended final dividend, if approved at the AGM on Friday, 25 June 2021. The recommended final dividend will be paid in Hong Kong dollars. The RMB to Hong Kong dollar exchange rate for the final dividend calculated using the opening indicative counter buying telegraphic transfer rate for off-shore RMB of The Hong Kong Association of Banks announced on 26 March 2021. The final dividend is expected to be paid on or around Wednesday, 14 July 2021.

Closure of Register of Members

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 22 June 2021 to Friday, 25 June 2021 (both days inclusive). During the period, no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 21 June 2021.

For determining the entitlement of the recommended final dividend, the register of members of the Company will be closed from Friday, 2 July 2021 to Tuesday, 6 July 2021 (both days inclusive). During the period, no transfer of shares will be registered. In order to qualify to the recommended final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 30 June 2021. The final dividend will be paid to shareholders on or around Wednesday, 14 July 2021.

股息

董事會建議向於二零二一年七月二日(星期五)名列本公司股東名冊上的股東支付本年度的末期股息每股人民幣3.00分，相當於每股港幣3.525仙(二零一九年：末期股息每股人民幣3.00分)，惟須獲股東於二零二一年六月二十五(星期五)舉行之應屆股東週年大會(「股東週年大會」)上批准，方可作實。如在股東週年大會上獲批准，建議之末期股息將以港幣支付。末期股息的人民幣／港幣兌換率按香港銀行公會於二零二一年三月二十六日公佈之開市參考牌價的離岸人民幣電匯購入價計算。末期股息將於二零二一年七月十四日(星期三)或前後向股東派發。

暫停辦理股份過戶登記手續

為釐定股東週年大會的出席及表決資格，本公司股份過戶登記處將於二零二一年六月二十二日(星期二)至二零二一年六月二十五日(星期五)(包括首尾兩天在內)暫停辦理股份過戶登記手續。凡擬出席股東週年大會及於會上表決的人士，務必將所有過戶文件連同相關股份證書於二零二一年六月二十一日(星期一)下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心54樓。

為釐定建議的末期股息資格，本公司股份過戶登記處將於二零二一年七月二日(星期五)至二零二一年七月六日(星期二)(包括首尾兩天在內)暫停辦理股份過戶登記手續。凡擬領取建議的末期股息的人士，務必將所有過戶文件連同相關股份證書於二零二一年六月三十日(星期三)下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心54樓。末期股息將於二零二一年七月十四日(星期三)或前後向股東派發。

Management Discussion and Analysis

管理層討論與分析

Liquidity, Financial Resources And Capital Structure

In 2020, the Group's main sources of funding were cash generated from operating activities and bank loans.

流動資金、財政資源及資本結構

於二零二零年度本集團的資金來源主要為經營活動所產生的現金及銀行貸款。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 HK\$'000 千港元
Net assets	資產淨額	1,189,574	1,124,407
Bank balances and cash	銀行結餘及現金	185,367	231,089
Total borrowings	借款總額	1,111,343	873,312
Equity attributable to the owners of the Company	本公司擁有人應佔權益	965,681	925,909
Current ratios	流動比率	1.06	1.13
Net gearing ratio*	淨資產負債比率*	84.87%	54.25%

* The net gearing ratio is calculated as net borrowings divided by equity attributable to the owners of the Company, in which the net borrowings are calculated as total bank and other borrowings less pledge deposits and bank balances and cash.

* 淨資產負債比率乃按借款總額除以本公司擁有人應佔權益計算，其中借款淨額按銀行及其他借款總額減去已抵押銀行存款及銀行結餘及現金計算。

Cash Flow

As at 31 December 2020, the Group had a net cash outflow of RMB45,722,000.

The IFRS Interpretation Committee (IFRIC) meeting in December 2020 has made an agenda decision on the impact of the application of financial reporting standard in cash flows. It clarified how to present the liabilities for the payment of goods or services received and the settlement-related cash flow generated by the financing arrangement of the supplier under the consolidated statement of financial position and the consolidated statement of cash flows statement. The direct settlement of trade-related payables by the relevant financier constitutes a non-cash transaction. Subsequent settlement between the entity and the financier shall be regarded as repayment of borrowings and reported under the financing activities item in the consolidated cash flows statement. The agenda decision also includes content that in the context of supplier financing arrangements, the accounting policies related to the presentation of the consolidated cash flow statement have been reassessed. When the bills discount arrangement does not meet the conditions for de-recognition of receivables, it will be presented in cash inflow from financing activities in the cash flow statement.

As a result, the Group has changed its accounting policies and reclassified and adjusted the cash flows statement for the year ended 31 December 2019 retrospectively. The disclosures about the impact of bill discounting on its cash flows and the ability for users of financial statements to assess changes in liabilities caused by financing activities, including changes caused by cash flows, have been presented in the note 41 of Notes to the Consolidated Financial Statements.

現金流量

於二零二零年十二月三十一日，本集團現金淨額流出人民幣45,722,000元。

國際財務報告準則解釋委員會於二零二零年十二月的會議對關於現金流量財務報告準則應用的影響作出議程決定。當中澄清了如何在合併財務狀況表和合併現金流量表中列報支付收到的貨物或服務的負債以及供應商融資安排產生的結算相關現金流量。相關融資方直接結算與貿易有關的應付款項構成非現金交易，實體隨後與融資方的結算應視為償還借款，並在合併現金流量表的融資活動項下列報。該議程決定亦附帶內容，供應商融資安排的背景下，重新評估了與合併現金流量表列報有關的會計政策，當票據貼現安排不符合終止確認應收款的條件時，在現金流量表上按融資活動現金流入列示。

因此，本集團已更改其會計政策，追溯截至二零一九年十二月三十一日止年度現金流量表進行相應的重新分類調整。有關票據貼現對其現金流量的影響以及使財務報表使用者能夠評估融資活動引起的負債變化，包括現金流量引起的變化的披露，已在綜合財務報表附註41中列報。

Management Discussion and Analysis

管理層討論與分析

For the year ended 31 December 2020, the net cash from operating activities would have been increased by approximately RMB279,779,000 and the net cash used in financing activities would have been increased by RMB279,779,000, if the Group has not applied the accounting policies.

截至二零二零年十二月三十一日止年度，倘若本集團未採用該會計政策，來自經營活動的現金淨額將增加約人民幣279,779,000元，而用於融資活動的現金淨額將增加人民幣279,779,000元。

The following table is prepared by the Management showing what the consolidated statement of cash flows for the year ended 31 December 2020 and 2019 would have been if the Group has not applied the accounting policies.

管理層準備了下表，顯示若本集團截至二零二零年及二零一九年十二月三十一日止年度未應用該會計政策的合併現金流量表。

		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
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	64,931	119,180
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	49,615	45,835
Interest income	利息收入	(5,153)	(6,224)
Impairment losses recognised on trade and other receivables	已確認貿易及其他應收款項減值虧損	5,055	40
Depreciation of property, plant and equipment	物業、廠房及設備折舊	91,372	80,964
Depreciation of right-of-use assets	使用權資產折舊	21,034	20,206
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	1,215	546
COVID-19-related rent concessions	新型冠狀病毒有關租金優惠	(1,411)	-
Amortisation of other intangible assets	其他無形資產攤銷	-	338
Loss (gain) on disposals of property, plant and equipment, net	出售物業、廠房及設備虧損(收益)淨額	2,280	(546)
Exchange gain on borrowings	借款產生的匯兌收益	(3,486)	(163)
Amortisation of government grants relating to non-current assets	有關非流動資產之政府補貼攤銷	(4,100)	(3,325)
Operating cash flows before movements in working capital	營運資本變動前經營現金流量	221,352	256,851
(Increase) decrease in inventories	存貨(增加)減少	(14,952)	24,503
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(151,521)	178,407
Increase (decrease) in borrowings relating to discounted bills receivables	有關已貼現應收票據之借款增加(減少)	99,100	(64,857)
(Increase) decrease in contract assets	合約資產(增加)減少	(1,671)	2,300
Decrease in trade and other payables	貿易及其他應付款項減少	(75,775)	(166,073)
Increase (decrease) in contract liabilities	合約負債增加(減少)	1,368	(429)
Increase (decrease) in amounts due to directors	應付董事款項增加(減少)	153	(1,827)
Cash generated from operations	經營業務所得現金	78,054	228,875
Income tax paid	已付所得稅	(585)	(23,539)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	77,469	205,336

Management Discussion and Analysis

管理層討論與分析

		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
INVESTING ACTIVITIES	投資業務		
Interest received	已收利息	5,057	6,085
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	2,812	1,974
Purchases of property, plant and equipment	購買物業、廠房及設備	(132,763)	(86,052)
Deposits paid for acquisition of property, plant and equipment	購買物業、廠房及設備按金	(30,137)	(6,785)
Purchases of other intangible assets	購買其他無形資產	(1,362)	-
Net cash outflow on acquisition of a subsidiary	收購附屬公司現金流出淨額	(18,211)	(5,000)
Placement of pledged bank deposits	存入已抵押銀行存款	(311,775)	(302,977)
Withdrawal of pledged bank deposits	取出已抵押銀行存款	345,278	271,983
Receipt of government grant relating to non-current assets	收取有關非流動資產之政府補貼	2,200	16,501
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額	(138,901)	(104,271)
FINANCING ACTIVITIES	融資業務		
Interest paid	已付利息	(45,288)	(42,027)
Dividend paid	已付股息	(15,000)	(50,000)
Repayment of bank and other borrowings	償還銀行及其他借款	(602,142)	(627,651)
Repayments of lease liabilities	償還租賃負債	(17,151)	(17,791)
Capital contribution from a non-controlling interest of a subsidiary	附屬公司非控制股東資本投入	3,200	-
Repayment of amount due to a non-controlling equity owner of a subsidiary	償還應付附屬公司非控制權益擁有人款項	(21,468)	-
New bank and other borrowings raised	新取得銀行及其他借款	713,559	608,512
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資業務所得(所用)現金淨額	15,710	(128,957)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(45,722)	(27,892)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的 現金及現金等價物	231,089	258,981
CASH AND CASH EQUIVALENTS AT 31 DECEMBER represented by bank balances and cash	於十二月三十一日的 現金及現金等價物 即銀行結餘及現金	185,367	231,089

Management Discussion and Analysis

管理層討論與分析

Inventories

As at 31 December 2020, the inventories of the Group increased by 23.66% to RMB169,750,000 as compared to the inventories balance of RMB137,275,000 as at 31 December 2019. During the Year, the inventory turnover day was about 26 days (2019: 28 days), remaining at a normal level.

Trade Receivables

As at 31 December 2020, the trade receivables amounted to RMB513,348,000 (as at 31 December 2019: RMB431,716,000). The Group generally granted credit period of 30 to 120 days to our paper-based packaging products customers and credit period of 30 to 75 days to our corrugated medium paper customers. The trade receivables turnover days was about 75 days (2019: 67 days).

Trade Receivables Backed By Bills

As at 31 December 2020, the trade receivables backed by bills amounted to RMB372,379,000 (31 December 2019: RMB298,640,000).

Trade Payables

As at 31 December 2020, the trade payables amounted to RMB139,194,000 (as at 31 December 2019: RMB156,003,000). The Group managed to obtain a credit period of 30 to 120 days from the majority of its suppliers. The trade payables turnover days was shortened to 25 days (2019: 34 days).

Borrowings

As at 31 December 2020, the Group's bank borrowings and other borrowings balance amounted to RMB1,111,343,000 (as at 31 December 2019: RMB873,312,000).

Gearing Ratio

As at 31 December 2020, the gross gearing ratio was approximately 41.43% (as at 31 December 2019: 36.02%), which was calculated on the basis of the total amount of bank borrowings and other borrowings as a percentage of the total assets. The net gearing ratio was 84.87%, which was calculated on the basis of the amount of bank borrowings and other borrowings less pledged bank deposits and cash and bank balances as a percentage of the shareholders' equity (as at 31 December 2019: 54.25%).

Pledge of Assets

As at 31 December 2020, the Group pledged certain assets with carrying value of RMB836,290,000 as collateral for the Group's borrowing (as at 31 December 2019: RMB789,547,000).

Capital Commitments

As at 31 December 2020, the Group's capital commitments (including the engaged and authorized capital commitments) were RMB22,484,000 (as at 31 December 2019: RMB23,275,000). All the capital commitments were related to purchase of properties, plants and equipment.

存貨

於二零二零年十二月三十一日，本集團的存貨上升23.66%至人民幣169,750,000元，對比二零一九年十二月三十一日存貨餘額則為人民幣137,275,000元。於本年度，存貨周轉天數約26天(二零一九：28天)，屬正常水準。

貿易應收款項

於二零二零年十二月三十一日，貿易應收款項為人民幣513,348,000元(於二零一九年十二月三十一日：人民幣431,716,000元)。本集團向包裝紙品客戶授予介乎30天至120天的信用期，並向瓦楞紙客戶授予30天至75天的信用期。貿易應收款項的周轉天數約75天(二零一九：67天)。

以票據為後盾的貿易應收款項

於二零二零年十二月三十一日，以票據為後盾的貿易應收款項為人民幣372,379,000元(二零一九年十二月三十一日：人民幣298,640,000元)。

貿易應付款項

於二零二零年十二月三十一日，貿易應付款項為人民幣139,194,000元(二零一九年十二月三十一日：人民幣156,003,000元)。大部分供應商向本集團授予介乎30天至120天的信用期。貿易應付款項的周轉天數縮短至25天(二零一九：34天)。

借款

於二零二零年十二月三十一日，本集團銀行借款及其他借款結餘人民幣1,111,343,000元(於二零一九年十二月三十一日：人民幣873,312,000元)。

資產負債比率

於二零二零年十二月三十一日，總資產負債比率約為41.43%(於二零一九年十二月三十一日：36.02%)，此乃按銀行借款及其他借款金額佔總資產百分比計算。淨資產負債比率為84.87%(於二零一九年十二月三十一日：54.25%)，此乃按銀行借款及其他借款金額減已抵押銀行存款及現金及銀行結餘後，佔股東權益百分比計算。

資產抵押

於二零二零年十二月三十一日，本集團抵押若干賬面值人民幣836,290,000元(於二零一九年十二月三十一日：人民幣789,547,000元)的資產，作為本集團借貸的抵押品。

資本承擔

於二零二零年十二月三十一日，本集團資本承擔(包括已訂約及授權的資本承擔)為人民幣22,484,000元(於二零一九年十二月三十一日：人民幣23,275,000元)，所有資本承擔為收購物業、廠房及設備。

Management Discussion and Analysis

管理層討論與分析

Contingent Liabilities

As at 31 December 2020, the Group had no significant contingent liabilities or litigation or arbitration of material importance.

Foreign Currency Exposure

The Group collects most of its revenue and incurs most of the expenditures in RMB. Although the Group undertakes certain transactions denominated in foreign currencies, mainly the currency of United States and the currency of Hong Kong, the exposures to exchange rate fluctuations is minimal. The Group currently does not have a foreign currency hedging policy. The Board, however, will monitor foreign exchange rate closely and consider entering into foreign currency hedging arrangement should the need arise.

Human Resource Management

The Group had 2,833 employees as at 31 December 2020 (as at 31 December 2019: 2,684 employees), in which 456 were engineers and technical staff or employees with higher education backgrounds. The staff costs amounted to RMB217,570,000 for the year ended 31 December 2020 (for the year ended 31 December 2019: RMB239,908,000). The table below shows the number of employees of the Group by function as at 31 December 2020:

Function		Number of Employees	Percentage of total Number of employees
職能		僱員數目	佔僱員總數的百分比
Management and Administration	管理及行政	356	12.57%
Sales and Marketing	銷售及營銷	81	2.86%
Research and Development in Technology and Engineering	研發技術及工程	333	11.75%
Production and Quality Control	生產及質量控制	2,063	72.82%
Total	合計	2,833	100.00%

Our remuneration is determined by reference to the employees' experience, qualification and overall market situation, while the bonus is related to the financial performance of the Group and the individual performance. The Group also undertakes to provide proper trainings and sustainable professional development opportunities for the employees if needed.

The Company has also adopted a share option scheme (the "Share Option Scheme") and a share award scheme (the "Share Award Scheme") with a primary purpose of motivating our employees and other eligible persons entitled under the Share Option Scheme or the Share Award Scheme to optimize their contributions to the Group and to reward them for their contribution to the Group.

或有負債

於二零二零年十二月三十一日，本集團並無重大或有負債或重大訴訟或仲裁。

匯率風險

本集團大部份收入及產生的支出以人民幣計算。本集團進行若干以外幣計值的交易，主要是美元及港元，其承受匯率波動風險較低。本集團現時並無外幣對沖政策。然而，董事會緊密地監督外匯匯率及有必要時考慮安排進行外幣對策之需要。

人力資源管理

於二零二零年十二月三十一日，本集團僱用2,833名員工（於二零一九年十二月三十一日：2,684名員工），當中456名為工程師及技術人員或具有高等教育背景的僱員。截至二零二零年十二月三十一日止年度的總員工成本達人民幣217,570,000元（截至二零一九年十二月三十一日止年度：人民幣239,908,000元）。下表載列於二零二零年十二月三十一日本集團按職能劃分的僱員數目：

本集團的薪酬待遇乃參考個別員工的經驗及資質及整體市況而定。花紅與本集團的財務業績及個別表現掛鈎。本集團亦保證會根據所有僱員的需求向彼等提供適當的培訓及持續專業發展機會。

本公司同時已採納購股權計劃（「購股權計劃」）及股份獎勵計劃（「股份獎勵計劃」），主要目的是透過購股權計劃及股份獎勵計劃激勵員工及其他合資格人士，提升其對本集團的貢獻，及就彼等過去的貢獻給予獎勵。

Management Discussion and Analysis

管理層討論與分析

Major Risks and Uncertainties

In order to achieve stable business operations, the management of the Company pays close attention to the risk factors that the company may face. Based on the key risk indicators, after evaluation and analysis, the risks faced by the Company mainly include:

1. Operational Risks from Macroeconomic Control:

Due to macroeconomic policy adjustments, certain impacts on the upstream and downstream customers of the Group will indirectly affect the sales and profits of packaging and papermaking enterprises (including the Group). Due to the tightening of the environmental protection policy, the cost of the paper packaging industry will increase and there will be certain operational risks.

2. Business Risks Arising from Fluctuations in Raw Material Prices:

Since the costs of raw material account for a relatively high proportion of production costs, fluctuations in raw material prices have a certain impact on profits.

3. Risks from Market Competition:

The Group's packaging business has a low concentration. The enterprises with certain scale and strength in the industry are mainly expanding their production capacity and increasing their market share. The papermaking business of the Group faces leading enterprises in the industry to compete in the same region and the market competition is fierce.

4. Quality Risks:

Due to the inability to meet the product quality standards in the industry, the mass quality problems caused by customers' demand cannot be met, which resulting in losses from batch waste or inventories.

重大風險及不確定性

為了實現業務穩定經營，本公司管理層高度關注公司經營可能面臨的風險因素，依託關鍵風險指標，經過評估和分析，本公司面臨的風險主要包括：

1. 宏觀調控帶來的經營風險：

由於宏觀政策調控，對集團上、下游客戶產生一定影響，會間接影響包裝和造紙企業（包括本集團）的銷售及利潤。由於國家環保政策趨嚴，會造成造紙包裝行業成本增加，有一定經營風險。

2. 原材料價格波動帶來的經營風險：

由於原料成本在生產成本中佔比較高，因此，原料價格的波動對利潤產生一定的影響。

3. 市場競爭風險：

本集團包裝業務集中度較低，行業內具有一定規模和實力的企業均以進一步擴大產能及增加市場佔有率為主要經營目標。本集團造紙業務面臨行業內的龍頭企業在同區域內競爭，使市場競爭激烈。

4. 質量風險：

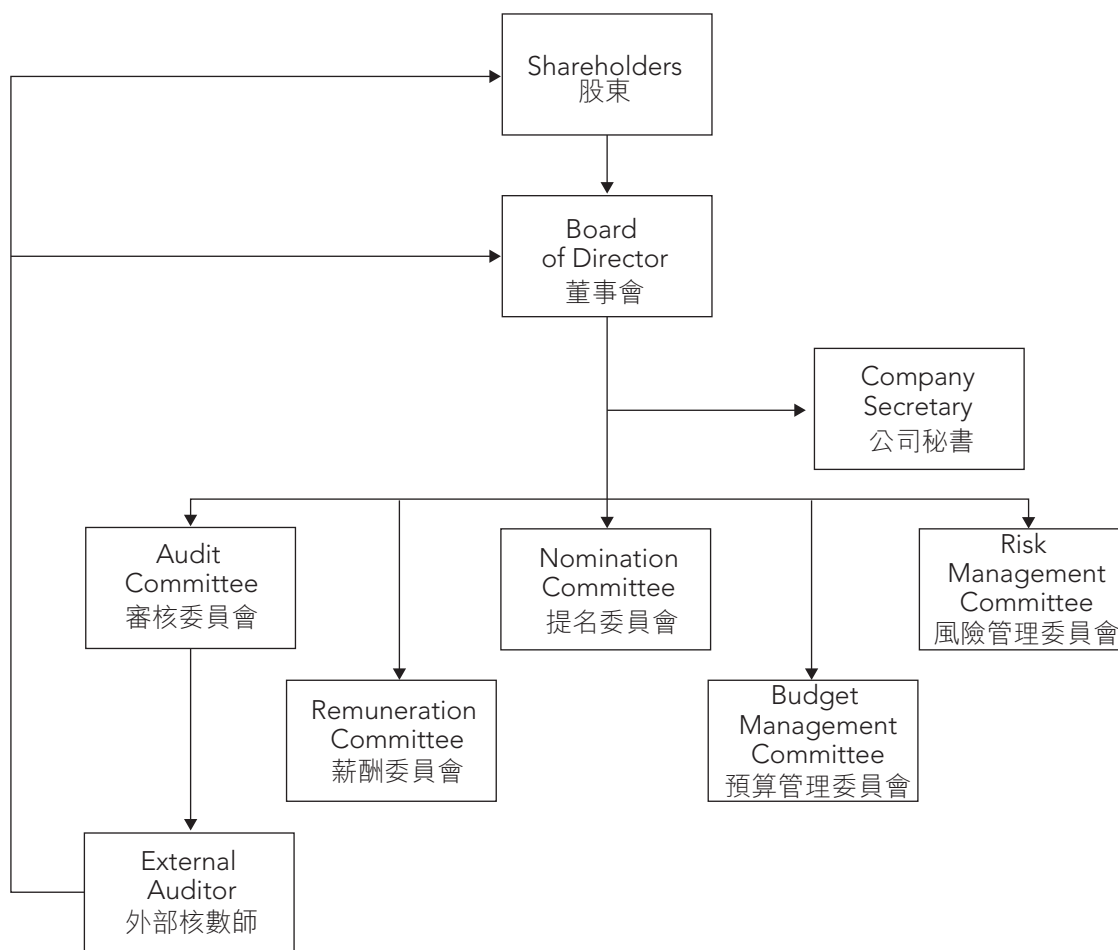
由於不能達到行業內的产品品質標準，不能滿足客戶需求造成的批量質量問題，產生批量的廢品或庫存，造成損失。

Corporate Governance Report

企業管治報告

Corporate Governance Structure

企業管治架構



The directors of the Company (the “**Directors**”) are pleased to present the corporate governance report of the Company for the year ended 31 December 2020 (the “**Year**”).

本公司董事(「**董事**」)欣然提呈本公司於截至二零二零年十二月三十一日止年度(「**本年度**」或「**年內**」)的企業管治報告。

The Company has consistently adopted the Corporate Governance Code (the “**Code**”) promulgated by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as guidelines to reinforce our corporate governance principles. This report describes how the Company has applied the principles during the Year.

本公司於年內始終採納香港聯合交易所有限公司(「**聯交所**」)頒佈的企業管治守則(「**守則**」)，作為鞏固我們企業管治原則的指引。本報告說明本公司運用該等原則的方式。

The Company has complied with the code provisions set out in the Code as stated in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) throughout the year ended 31 December 2020.

本公司於截至二零二零年十二月三十一日止年度已遵守香港聯交所證券上市規則(「**上市規則**」)附錄十四所載之守則中所有守則條文。

Corporate Governance Report

企業管治報告

Board of Directors

The board of directors (the “Board”) of the Company has a balance of skill and experience and a balanced composition of Executive and Non-executive Directors, the overall management of the Company’s business was vested in the Board. The Board has delegated the day-to-day management of the Company’s business to the executive management team, and focuses its attention on matters affecting the Company’s overall strategic policies, finances and shareholders. As at 31 December 2020, the Board comprised seven members, consisting of three Executive Directors namely, Mr. Hu Zheng (Chairman), Mr. Hu Hancheng (Co-Chairman) and Mr. Hu Hanchao, one Non-Executive Director namely, Mr. Chen Riyue and three Independent Non-executive Directors namely, Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian. The Directors are well-versed in respective areas such as knowledge and technical know-how of paper-making and packaging industries, accounting and finance and business management. The Board as a whole has achieved an appropriate balance of skills and experience. The profiles of all directors and the relationship among members of the Board (including financial, business, family or other material or relevant relationships, if any) are set out on pages 39 to 45.

The Company has received from each Independent Non-executive Director an annual confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules.

Four Board meetings were held during the financial year. All the Directors actively participated in each meeting in person, via telephone or video conferencing. They gave and received reports on the activities of the operating divisions and presented papers supporting decisions which required the Board approval. The Board consents were given by-vote at the Board meetings.

The dates of the 2020 regular Board meetings were determined according to the requirement of the Bye-laws and any amendments to this schedule were notified to all the Directors at least 14 days before the meeting. Appropriate arrangements were in place to allow the Directors to include items in the agenda for regular Board meetings.

If a Director had a conflict of interest in a transaction or proposal to be considered by the Board and which the Board has determined to be material, the individual Director would declare his interest and was required to abstain from voting. The matter would then be considered at a Board meeting attended by independent Directors who had no material interest in the transaction.

董事會

本公司董事會(「董事會」)成員擁有全面之專長及經驗，且執行董事及非執行董事之組合亦有均衡合理。本公司業務的整體管理由董事會負責。董事會已指派行政管理團隊負責管理本公司日常業務，從而集中處理本公司的整體戰略、財務及股東事宜。於二零二零年十二月三十一日，董事會由七名成員組成，包括三名執行董事即胡正先生(董事長)、胡漢程先生(聯席董事長)及胡漢朝先生，一名非執行董事即陳日月先生及三名獨立非執行董事即鍾國武先生、劉懷鏡先生及冼易先生。董事在造紙及包裝工作的知識與技能、會計與財務及業務管理等各範疇擁有深入精闢之認識。董事會整體更具備各方面之適當技能與經驗。所有董事的履歷以及董事會成員的關係(包括財務、業務、親屬或其他重大或相關關係(如有))於第39至45頁作出披露。

本公司已根上市規則第3.13條所載的獨立指引接獲各獨立非執行董事的年度獨立確認書。

本公司於年內共舉行四次董事會會議。所有董事積極親身、透過電話或視訊會議參與各會議。他們收發有關業務分部活動的報告，並提呈支持須獲董事會批准的決定的文件。董事在董事會會議會以投票方式通過議案。

本公司已根據細則定下二零二零年董事會定期會議的舉行日期，所有日期改動均在最少十四天前通知各董事。本公司備有適當安排，讓董事提出商討事項以納入董事會定期會議議程內。

如個別董事在交易或董事會將考慮的建議書中董事會認為有重大的利益衝突，則該名董事須申明其利益，且不得投票。有關事宜由並無擁有該交易重大利益之獨立董事於董事會會議審議。

Corporate Governance Report

企業管治報告

Details of the attendance of Directors at these Board meetings and at the meetings of five Board committees (the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Budget Management Committee) and the annual general meeting (the “AGM”) are set out in the following table:

下表載述董事出席董事會會議及五個董事委員會(審核委員會、薪酬委員會、提名委員會、風險管理委員會及預算管理委員會)及股東週年大會(「股東週年大會」)的會議詳情：

Name of directors 董事姓名	Meetings Attended/Meetings Held 出席會議/舉行會議次數							AGM 股東週年大會
	Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Risk Management Committee 風險管理委員會	Budget Management Committee 預算管理委員會		
Executive Directors	執行董事							
Mr. Hu Zheng	胡正先生	4/4	N/A 不適用	1/1	1/1	2/2	1/1	1/1
Mr. Hu Hancheng	胡漢程先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Mr. Hu Hanchao	胡漢朝先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Non-Executive Director	非執行董事							
Mr. Chen Riyue	陳日月先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Independent Non-Executive Directors	獨立非執行董事							
Mr. Chung Kwok Mo John	鍾國武先生	4/4	2/2	1/1	1/1	2/2	N/A 不適用	1/1
Mr. Liew Fui Kiang	劉懷鏡先生	4/4	2/2	1/1	1/1	2/2	N/A 不適用	1/1
Mr. Shin Yick Fabian	冼易先生	4/4	2/2	1/1	1/1	2/2	N/A 不適用	1/1

All Directors had access to the services of the company secretary who regularly updated the Board on governance and regulatory matters. Any Director, wishing to do so in the furtherance of respective duties, might take independent professional advice (through the Chairman) at the Company’s expense. The availability of professional advice extended to the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Budget Management Committee.

公司秘書定期更新董事會的管治及規管事宜，全體董事均可聯絡公司秘書。任何董事可就履行職責而(透過董事長)尋求獨立專業意見，費用由本公司支付。審核委員會、薪酬委員會、提名委員會、風險管理委員會及預算管理委員會亦可尋求專業意見。

Minutes of Board meetings and meetings of Board committees, together with any supporting documents, were available to all Directors. Draft and final versions of the minutes were sent to all Directors for their comment and record respectively.

董事會及董事委員會會議紀錄連同任何有關文件均可提供予所有董事。初稿供所有董事提出意見，而最後定稿供其作記錄之用。

Corporate Governance Report

企業管治報告

Board Diversity Policy

The Company has adopted a board diversity policy (the “Policy”) which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, industry experience, skills, knowledge and length of service.

The Board recognised the benefits of diversity in the Board in enhancing the Board effectiveness and corporate governance. The Nomination Committee will give consideration to a number of factors as set out in the Policy when identifying suitably qualified candidates to become members of the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, industry experience, skills, knowledge and length of service. The Board is considered well balanced and of a diverse mix appropriate for the business of the Company. The Company will also take into account its own business model and specific needs from time to time to determine the optimum composition of the Board. The Company will review the Policy on a regular basis to ensure its continued effectiveness.

Board Committees

The Board has established five committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Budget Management Committee, throughout the year ended 31 December 2020. During the Year, these committees adhered to their principles, procedures and arrangements set out above. The respective committee secretary or designated person took full minutes of the meetings of these committees and the work of these committees was reported to the Board regularly.

Chairman and Chief Executive Officer (“CEO”)

Under the Code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

During the Year, Mr. Hu Zheng was the Chairman, Mr. Hu Jianpeng was the CEO of the Company for purpose of maintaining a more balanced basis for judgments and decisions. The Board viewed that, under the leadership of Mr. Hu Zheng as the Chairman of the Company, taking up the role of providing leadership for the Board and ensures that the Board works effectively and discharges its responsibility properly. It can also ensure that the Board acts in the best interests of the Company and the Group.

董事會成員多元化政策

本公司已採納董事會成員多元化政策（「本政策」），列載闡明達致及保持董事會多元化，以提升董事會的有效性。

根據本政策，本公司考慮若干因素以謀求達致董事會多元化，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、行業經驗、技能、知識及服務任期。

董事會明白到，董事會多元化可以提升董事會的有效運作和企業管治。當確認合適的候選人成為董事會成員，提名委員會考慮本政策若干因素，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、行業經驗、技能、知識及服務任期。董事會會考慮到本公司的合適業務需具備良好業務平衡和多元化組合。本公司也會不定時考慮到其自身的商業模式和具體需要，以確定董事會最佳組合。本公司將定期檢閱本政策，確保其持續有效運作。

董事委員會

於截至二零二零年十二月三十一日止年度內，董事會已成立五個委員會，即審核委員會、薪酬委員會、提名委員會、風險管理委員會及預算管理委員會。該等委員會於年內均已遵守上述相關原則、程序及安排。委員會相關秘書或委派人士負責為該等委員會撰寫完整的會議記錄，而委員會則定期向董事會作出工作匯報。

董事長及行政總裁

根據守則條文第A.2.1條規定，董事長與行政總裁的職位應有區分，不應由同一人士同時兼任。董事長與行政總裁之間的職責分工應清楚界定並以書面列載。

於本年度，胡正先生出任本公司董事長，胡健鵬先生則出任本公司行政總裁，以確保獨立性及更為持平之判斷及決定。董事會認為在胡正先生作為本公司董事長的帶領下，擔任領導角色以及確保董事會能夠有效地運作及適當地履行其職責，令董事會之行動符合本公司及本集團之最佳利益。

Corporate Governance Report

企業管治報告

Mr. Hu Jianpeng as CEO of the Company, was delegated with the authority and responsibility to manage the Group's business and day-to-day operation, and implemented the Group's strategy to achieve the business objectives with the assistance of the Executive Directors and the senior management.

Responsibilities of and Delegation by the Board

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance.

The management, consisting of Executive Directors along with the senior management, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. Executive Directors and the senior management meet regularly to review the performance of the businesses of the Group, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

Non-Executive Directors

Each of Independent Non-executive Directors and Non-executive Director was appointed with specific terms. Each of them had signed a letter of appointment with the Company for a term of 1 year commencing from 1 January 2020, and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company (the "Bye-laws").

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, the Company confirms that all Directors have complied with the required standards set out in the Model Code throughout the year ended 31 December 2020.

胡健鵬先生為本公司行政總裁，獲授予權力及責任營運本集團業務及一切日常運作，以及在執行董事和高級管理層之協助下實行本集團的策略，以至達到業務目標。

董事會的職責及授權職責

董事會負責本集團的整體領導、監督本集團的策略決定及監察業務與表現。

管理人員(包括執行董事)連同其他高級管理層獲授權負責執行董事會不時採納的策略及指示並進行本集團的日常營運。執行董事及高級管理層定期會面，檢討本集團整體業務表現、調配整體資源及作出財務及營運決定。董事會亦會在彼等管理權力範圍內給予清晰指示，包括管理人員應作出報告的情況，亦會定期檢討權力轉授安排，以確保有關安排切合本集團的需要。

全體董事須確保彼等於任何時候均以真誠、遵守適用法律及法規並符合本公司及其股東利益的方式履行職責。

非執行董事

各獨立非執行董事及非執行董事皆以特定年期獲委任。各自己簽訂委任函，任期為一年，自二零二零年一月一日起計，並需根據本公司的細則(「細則」)在本公司股東週年大會上輪席退任及膺選連任。

董事進行證券交易

本公司已採納上市規則附錄十就上市公司董事進行證券交易的標準守則(「標準守則」)為其有關董事進行證券交易的守則。經向所有董事作出查詢後，本公司認為所有董事截至二零二零年十二月三十一日止年度均已遵守標準守則所規定的標準。

Corporate Governance Report

企業管治報告

Directors and Officers Liability Insurance

Liability insurance for Directors and senior management of the Company was arranged by the Company with appropriate coverage for certain legal liabilities which may arise in the course of performing their duties.

董事及高級管理人員責任保險

本公司已為董事及高級管理人員購買責任保險，就彼等履行職責時所引致的若干法律責任提供適當保障。

Corporate Governance Functions

The Board has adopted the terms of reference on corporate governance functions on 23 March 2012. The terms of reference of the Board in respect of corporate governance function are summarized as follows:

企業管治職能

董事會於二零一二年三月二十三日採納企業管治職能的職權範圍。董事會就企業管治職能的職權範圍之摘要如下：

- | | |
|---|---|
| (a) to develop and review the Company's policies and practices on corporate governance; | (a) 制定及檢討本公司企業管治政策及常規； |
| (b) to review and monitor the training and continuous professional development of Directors and senior management; | (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展； |
| (c) to review and monitor the Company's policies and practices to ensure compliance with legal and regulatory requirements; | (c) 檢討及監察本公司政策及常規，以遵守法律及監管規定； |
| (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and | (d) 制定、檢討及監察適用於僱員及董事的操守準則及合規手冊(如有)；及 |
| (e) to review the Company's compliance with the code provisions set out in the Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules and its disclosure requirements in the Corporate Governance Report. | (e) 檢討本公司有否遵守上市規則附錄十四的企業管治守則及企業管治報告有關守規條文的情況及在企業管治報告內的披露要求。 |

The work performed by the Board on corporate governance functions during the year ended 31 December 2020 included developing and reviewing the Company's policies on corporate governance and making relevant recommendations.

截至二零二零年十二月三十一日止年度，董事會已履行了就企業管治職能的工作包括制定及檢討本公司的企業管治政策及提出了建議。

Continuous Professional Development

Under A.6.1 and A.6.5 of the Code in relation to Directors' training. All Directors namely Mr. Hu Zheng, Mr. Hu Hancheng, Mr. Hu Hanchao, Mr. Chen Riyue, Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian have completed continuous professional development training by attending the in-house training of "Corporate Restructuring Trends under Changing Environment to Create Corporate Value (Corporate Restructuring, M&A)" organized by a consultancy training company engaged by the Company. The attended Directors have provided a training record to the Company.

持續專業發展培訓

按照守則A.6.1及A.6.5條有關董事培訓。所有董事，即胡正先生、胡漢程先生、胡漢朝先生、陳日月先生、鍾國武先生、劉懷鏡先生及冼易先生均已出席由本公司聘請之顧問培訓公司所舉辦有關「環境變化公司架構重組趨勢(重組、收購合併)以提升公司價值」的內部培訓的持續專業發展培訓。已出席的董事已向本公司提供培訓記錄。

Corporate Governance Report

企業管治報告

Remuneration Committee

The Company has established a Remuneration Committee for the purposes of making recommendations to the Board on the Company's remuneration policy and structure for directors and senior management.

The Remuneration Committee presently comprises one Executive Director, namely Mr. Hu Zheng and three Independent Non-executive Directors, namely Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian. The chairman of the Committee is Mr. Shin Yick Fabian. The Remuneration Committee held one meeting during the year and details of attendance are shown in the table on page 28 of this annual report. The work performed by the Remuneration Committee during the year ended 31 December 2020 included the following matters:

- make recommendations to the Board of the remuneration of Executive and Non-executive Directors for the years ended 31 December 2021. The Remuneration Committee has considered factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- review and approve remuneration and performance-based remuneration scheme of Executive Directors from time to time by reference to corporate goals and objectives resolved by the Board from time to time; and
- ensure that no Director or any of respective associates is involved in deciding their respective remuneration.

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

薪酬委員會

本公司已成立薪酬委員會，藉以向董事會就本公司董事及高級管理層的薪酬政策及架構提供建議。薪酬委員會的職權範圍章程則已由董事會參照守則作出檢閱。

薪酬委員會現由一名執行董事胡正先生及三名獨立非執行董事即鍾國武先生、劉懷鏡先生及冼易先生組成。該委員會主席由冼易先生擔任。薪酬委員會於本年度內舉行了一次會議，會議出席詳情如本年報第28頁的表格所示。薪酬委員會於截至二零二零年十二月三十一日止年度的工作包括如下事項：

- 就截至二零二一年十二月三十一日止年度的非執行董事及執行董事的薪酬向董事會提供建議。薪酬委員會已考慮同類公司支付的薪金、董事須付出的時間及職責、本集團內其他職位的僱傭條件及是否按表現釐定的薪酬等多個因素；
- 透過參照董事會不時通過的公司目標及目的，不時檢討及批准執行董事的薪酬及按表現釐定的薪酬方案；及
- 確保任何董事或其任何聯繫人不可參與決定其各自薪酬。

薪酬委員會已採納由其檢討管理層所提出有關執行董事及高層管理人員的薪酬建議後，向董事作提出建議的模式。董事會擁有最終權力以批准經薪酬委員會提出的薪酬建議。

Corporate Governance Report

企業管治報告

The Company has adopted a share option scheme (the “**Option Scheme**”) whereby the Board may at its discretion grant options to such eligible participants (as defined in the Option Scheme) to subscribe for shares in the Company. The principal terms of the Option Scheme are set out in Appendix V to the prospectus of the Company dated 24 May 2011. The Company has also adopted a share award scheme (the “**Award Scheme**”) whereby the Board may at its discretion grant shares of the Company to such eligible participants. The principal terms of the Award Scheme is announced the announcement of the Company dated 23 April 2019. The purposes of the Option Scheme and Award Scheme are to enable the Company to grant options or award shares to selected eligible participants as incentives or rewards for their contribution to the Group.

Nomination Committee

According to the Bye-laws, the Directors shall have power from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. A director appointed by the Board is subject to re-election by shareholders at the next following general meeting of the Company. The nomination of a director should be taken into consideration of the nominee’s skills and experience appropriate for the requirements of the Company’s business.

The Company has established a Nomination Committee for the purpose of making recommendations to the Board on the appointment of Directors.

The Nomination Committee currently comprises four Directors, including Mr. Hu Zheng, an Executive Director, and three Independent Non-executive Directors, namely Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian. The Committee is chaired by Mr. Hu Zheng.

The Board delegates the responsibility of appointing and re-electing Directors to the Nomination Committee and they are responsible for considering the suitability of a candidate, and approving and terminating the appointment of a Director. Reviews of the plans for orderly succession for appointment to the Board and its structure, size and composition are done on a regular basis by the Nomination Committee. They are provided with sufficient resources to discharge its duties and external consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

In evaluating whether an appointee is suitable to act as a director of the company, the committee will review the professional knowledge, industrial experience and personal skills of the appointee as well as personal ethics and integrity of the appointee.

本公司已採納一項購股權計劃(「**購股權計劃**」)，據此董事會可酌情向相關合資格參與者(定義見購股權計劃)授出購股權，以認購本公司股份。購股權計劃的主要條款載於本公司日期為二零一一年五月二十四日的招股章程附錄五中。本公司同時已採納股份獎勵計劃(「**獎勵計劃**」)，據此董事會可酌情向相關合資格參與者獲取本公司股票。獎勵計劃的主要條款載於本公司日期為二零一九年四月二十三日的公告。購股權計劃和獎勵計劃旨在使本公司可向選定的合資格參與者授出購股權或獎勵股份，作為其對本集團貢獻的激勵或獎勵。

提名委員會

根據細則，該董事會有權不時及隨時委任任何人士成為董事，以填補董事會空缺或增加董事。獲董事會委任的董事將於本公司隨後的股東大會上被股東膺選重任。董事的提名需考慮被提名人的能力及經驗是否合乎本公司業務的要求。

本公司已成立提名委員會，藉以向董事會就董事的委任提供建議。

提名委員會現由四名董事組成，包括執行董事胡正先生及三名獨立非執行董事，即鍾國武先生、劉懷鏡先生及冼易先生。該委員會由胡正先生擔任主席。

董事會將董事的委任及重選職權轉授予提名委員會。提名委員會負責考慮候選人的合適性，以及批准及終止董事的委任。提名委員會定期審閱董事會委任的有序繼任計劃以及其架構、規模及組成。提名委員會擁有充分的資源履行其責任，並(倘必要)可聘請外部顧問評估更多的潛在候選人。

於評估一名獲委任人是否適合擔任本公司董事時，該委員會將審閱該獲委任人的專業知識、行業經驗及個人技能，以及個人的道德與誠信。

Corporate Governance Report

企業管治報告

According to the Bye-laws, at each AGM of the Company, one-third of the Directors shall retire from office by rotation and every Director shall be subject to retirement at least once every three years. Director(s) newly appointed by the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election at the meeting.

The Board considers that it is the responsibility of the existing Directors to give an induction on the information of the Group to the newly appointed Director and present a manual on the duties and responsibilities as a director of a listed company to enable the newly appointed Director to have a proper understanding of the business.

Three Executive Directors, namely, Mr. Hu Zheng, Mr. Hu Hancheng and Mr. Hu Hanchao had entered into a service contract with the Company for a period of three years commencing from 1 January 2018, unless terminated in accordance with the terms of the service contract. The Non-executive Director and each of the Independent Non-executive Directors had signed a letter of appointment with the Company for a term of one year commencing from 1 January 2020 and is renewable upon its expiration and may be terminated in accordance with the terms of the letter of appointment. During the financial year ended 31 December 2020, there were two meetings held by the Nomination Committee. Details of attendance are shown in the table on page 28.

The work conducted by the Nomination Committee during the year ended 31 December 2020 included the following:

- to make recommendation to the Board on renewal of services contracts of non-executive Director and independent non-executive Directors; and
- to assess the independence of the Independent Non-executive Directors.

根據本公司的細則，在本公司每屆股東週年大會上，三分之一的董事須輪席告退，且每名董事須至少每三年告退一次。董事會新委任的董事須任職至本公司下一屆股東大會，屆時將有資格於會上膺選連任。

董事會認為，現任董事有責任為新委任董事介紹本集團情況，並提供一份載有上市公司董事職責與責任的手冊，令新委任董事能夠充分了解相關業務。

三名執行董事即胡漢朝先生、胡漢程先生及胡正先生已與本公司訂立三年的服務協議，由二零一八年一月一日起計，惟根據服務協議的條款終止者除外。非執行董事及各獨立非執行董事已與本公司簽訂委任函，任期由二零二零年一月一日起為期一年，並在期滿後從新續任，且可根據委任函的條款予以終止。於截至二零二零年十二月三十一日止財政年度期間，提名委員會舉行兩次會議。會議出席詳情如第28頁的表格所示。

截至二零二零年十二月三十一日止年度，提名委員會的工作事項如下：

- 向董事會建議非執行董事及獨立非執行董事續聘合約；及
- 評核獨立非執行董事之獨立性。

Corporate Governance Report

企業管治報告

Auditors' Remuneration

For the year ended 31 December 2020, the fees charged by the Company's auditors in respect of audit amounted to approximately RMB1,950,000. This is no remuneration paid to the auditors in respect of non-audit services.

Audit Committee

The Company has established an Audit Committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls.

The Audit Committee currently comprises three Independent Non-executive Directors of the Company, namely Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian and is chaired by Mr. Chung Kwok Mo John.

The Audit Committee held two meetings during the year and details of attendance are shown in the table on page 28. The work conducted by the Audit Committee during the year ended 31 December 2020 included the following:

- provide recommendation to the Board on the reappointment of external auditors, and approve the audit fee and terms of engagement of the external auditors;
- review and monitor external auditors' independence and objectivity and the effectiveness of the audit process in accordance with the applicable standard, and discuss with external auditors before audit commences the nature and scope of the audit and reporting obligations;
- monitor the integrity of financial statements, interim report and annual report, and review significant financial reporting judgments contained in them;
- review financial controls, internal controls and risk management systems;
- discuss with management regarding the system of internal controls and ensure that management has discharged its duty to have an effective internal control system including adequacy of resources, qualifications and experience of staff of accounting and financial reporting function, and their training programmes and budget;

核數師薪酬

截至二零二零年十二月三十一日止年度，本公司核數師就提供審核服務所得酬金約為人民幣1,950,000元。核數師並無提供非審核服務獲取任何酬金。

審核委員會

本公司已成立審核委員會，藉以檢討及監察本公司的財務報告程序及內部監控制度。

審核委員會現由本公司的三名獨立非執行董事，即鍾國武先生、劉懷鏡先生及冼易先生組成，由鍾國武先生擔任主席。

審核委員會於本年度內舉行了兩次會議，會議出席詳情如第28頁的表格所示。審核委員會於截至二零二零年十二月三十一日止年度的工作包括如下事項：

- 就外部核數師的重新委任向董事會提供建議，及批准外部核數師的酬金及聘用條款；
- 按適用的標準檢討及監察外部核數師的獨立性及客觀性，以及核數程序的有效性；並與外部核數師在核數工作開始前預先討論核數工作的性質及範疇以及有關申報責任；
- 監察財務報表、中期報告及年度報告的完整性，並審閱其中所載有關財務申報判斷的重大意見；
- 檢討財務監控、內部監控及風險管理系統；
- 與管理層討論內部監控系統，並確保管理層已履行職責建立有效的內部監控系統，包括會計及財務報告方面資源、相關同事的資歷及經驗是否充足，及其所接受培訓課程及有關預算是否充足；

Corporate Governance Report

企業管治報告

- ensure co-ordination between internal and external auditors, and to ensure that internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of internal audit function;
 - review financial and accounting policies and practices; and
 - review external auditors' management letter, any material queries raised by auditors to management in respect of accounting records, financial accounts or systems of control and management's response.
- 確保內部與外部核數師的工作得到協調，並確保內部審核功能在本公司內部有足夠資源運作，並且有適當的地位，並檢討及監察內部審核功能的成效；
 - 檢討財務及會計政策及實務；及
 - 檢查外部核數師給予管理層的《審核情況說明函件》、核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應。

Directors' and Auditors' Responsibilities for Accounts

The Directors acknowledge the responsibilities for preparing the accounts of the Company. The external auditors' statement about their reporting responsibilities is set out on pages 62–63.

Going Concern

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

Internal Controls

The Board has kept the Company's system of internal controls under review to ensure its effectiveness and convened meetings regularly to discuss financial, operational and risk management control.

Risk Management Committee

The Risk Management Committee was set up on 18 December 2015 and currently comprises ten members, including the Mr. Hu Zheng, an executive Director, three Independent Non-executive Directors, namely Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian, and six senior management, namely, Ms. Chen Wei, Ms. Hou Lusi, Ms. Cai Yan Mr. Ye Ningfei, Ms. Zhang Zheng and Mr. Liang Nianlin^(note). The chairman of the Committee is Mr. Liew Fui Kiang.

Note:

Ms. Zhang Zheng and Mr. Liang Nianlin have been appointed as members of the Risk Management Committee with effect from 1 January 2020.

董事及核數師對賬目的責任

董事知悉其有編製本公司賬目的責任。外部核數師發表有關其申報責任的聲明載列於第62至63頁。

持續經營

董事經作出適當查詢後認為，本集團具備充裕資源於可預見將來持續經營，因此，按持續經營基準編製財務報表乃屬恰當做法。

內部監控

董事會已持續檢討本公司的內部監控制度以確保其有效性。董事會會定期召開會議，討論財務、營運及風險管理控制事宜。

風險管理委員會

風險管理委員會於二零一五年十二月十八日成立，目前包括十名成員，包括執行董事胡正先生；三名獨立非執行董事，分別為鍾國武先生、劉懷鏡先生及冼易先生；以為六名高層管理人員，分別為陳威女士、侯鶯絲女士、蔡琰女士、葉寧飛先生、張正女士及梁念林先生^(附註)。該委員會主席由劉懷鏡先生擔任。

附註：

張正女士及梁念林先生獲委任為風險管理委員會成員，於二零二零年一月一日生效。

Corporate Governance Report

企業管治報告

The Risk Management Committee is established to, without limitation, assist the Board to evaluate and determine the nature and extent of the risks the Board is willing to take in achieving the Group's strategic objectives, ensure that the Group establishes and maintains appropriate and effective risk management and internal control systems, and assist the Board to oversee the design, implementation and monitoring of the risk management system carried out by the management on an on-going basis.

For the year ended 31 December 2020, the Risk Management Committee held two meetings to discuss and review areas including but not limited to the key risks faced by the Group, risk management policy and annual practice review as well as the appointment of senior managements in taxation and information technology as members of the Committee.

Budget Management Committee

The Budget Management Committee was set up on 1 September 2018 and currently comprises three executive Directors of the Company, namely Mr. Hu Hanchao, Mr. Hu Zheng and Mr. Hu Hancheng and is chaired by Mr. Hu Hanchao.

The responsibilities of the Budget Management Committee is to, without limitation, assist the Board to monitor and review the effectiveness of the Group's annual business plan and financial budget, to review the implementation of the Group's budget in existing or potential investment projects and make recommendations, and also give the recommendations to the Board on the capital expenditures.

Company Secretary

Mr. Li Kin Wai has been engaged by the Company in replacement of Mr. Kersen Chan as the company secretary since 1 April 2021 and he worked and communicated closely with Ms. Chen Wei, a vice president of the Group. His biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report. For the year ended 31 December 2020, Mr. Li has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.20 of the Listing Rules.

Communication With Shareholders

The Company endeavors to maintain an on-going dialogue with its shareholders, and in particular through annual general meetings or other general meetings to communicate with the shareholders and encourage their participation. The Chairman of the Board will attend the forthcoming annual general meeting to be held on Friday, 25 June 2021 to answer any questions from shareholders.

The Group's official website <http://www.zhengye-cn.com> contains an 'Investor Relations' section which offers timely access to the Company's press releases, financial reports and announcements.

The Company will continue to maintain an open and effective investor communication policy and to update investors with relevant information of the Group in a timely manner.

風險管理委員會的主要職責包括但不限於協助董事會評估和確定董事會願意承擔的風險性質及程度，以實現本集團的戰略目標，確保集團建立並保持適當和有效的風險管理和內部監控制度，並協助董事會持續監督管理層就風險管理系統的設計，實施和監督。

截至二零二零年十二月三十一日止年度，風險管理委員會召開兩次會議討論(包括但不限於)本集團面對的主要風險、風險管理政策及常規的年度檢視，以及增加稅務及資訊科技的高層管理人員為委員會成員。

預算管理委員會

預算管理委員會於二零一八年九月一日成立，目前成員包括三名執行董事，即胡漢朝先生、胡正先生及胡漢程先生，由胡漢朝先生擔任主席。

預算管理委員會的主要職責包括但不限於監控及審閱本集團年度業務計劃及財務預算的有效性提出建議，檢討本集團現有或潛在投資計劃預算的實施情況並提出建議，以及就資本承擔向董事會作出推薦建議。

公司秘書

本公司自二零二一年四月一日起聘任李健威先生為本公司公司秘書以填補陳鉅升先生的辭任及彼與本集團副總裁陳威女士緊密合作及聯繫。其簡歷載於本年報「董事及高級管理層履歷」一節。截至二零二零年十二月三十一日止年度，李先生已遵守上市規則第3.29條的規定，接受不少於15小時的相關專業培訓。

與股東溝通

本公司致力於與股東保持持續的交流，尤其透過股東週年大會或其他股東大會與股東進行溝通，並鼓勵股東積極參與。董事長將出席於二零二一年六月二十五日(星期五)舉行的應屆股東週年大會，以解答股東的疑問。

本集團官方網站(<http://www.zhengye-cn.com>)設有「投資者關係」的網頁，提供有關本公司新聞發佈、財務報告及公告的最新訊息。

本公司將繼續維持公開及有效的投資者溝通政策，並及時向投資者提供最新的本集團相關訊息。

Corporate Governance Report

企業管治報告

Shareholders' Rights

Right to Convene Extraordinary General Meeting and Putting Forward Proposals at Shareholders' Meetings

Pursuant to the Bye-laws of the Company and Bermuda Companies Act, in addition to regular Board meetings, the Directors of the Company, on the requisition of shareholders of the Company holding not less than one-tenth of the paid-up capital of the Company, can convene a special general meeting to address specific issues of the Company within 21 days from the date of deposit of written notice to the principal place of business of the Company in Hong Kong. The same requirement and procedure also apply to any proposal to be tabled at shareholders' meetings for adoption.

Right to Put Forward Enquiries to the Board

Shareholders' enquiries can be directed to the principal place of business of the Company in Hong Kong. The address is set out in the "CORPORATE INFORMATION" section of this annual report for the attention of the Company Secretary.

Constitutional Documents

There are no significant changes in the Company's constitutional documents during the year.

股東權利

召開股東特別大會及於股東大會上提出議案權利

按照本公司的公司細則及百慕達公司法，除董事會例會外，在持有不少於本公司繳足股本10%的股東要求下，本公司董事可召開股東特別大會處理本公司的特定議題，但至少須於二十一日前向本公司的香港註冊辦事處發出書面通知。上述程序亦適用於任何在股東大會上提出以供採納的決議案。

向董事會作出查詢權利

股東如有查詢可直接發信送至本年報公司資料一節所載本公司香港之主要營業地點，並註明收件人為公司秘書。

憲章文件

於本年度，本公司之憲章文件並無任何重大變動。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Directors

Executive Directors

Mr. Hu Zheng (胡正), aged 58, he is the Chairman and executive Director and one of the founders. Furthermore, Mr. Hu Zheng is the chairman of the nomination committee and members of the remuneration committee, risk management committee and budget management committee. Mr. Hu Zheng is responsible for overseeing the overall corporate management, operation and development planning and had over 30 years of experience in the paper-making and packaging industries. Prior to founding our Group, Mr. Hu Zheng worked as a technician and as assistant engineer at a then state-owned paper factory since 1983 then he was a director of a PRC paper and packaging products manufacturing factory, responsible for the management of daily operation and strategic planning from 1990 to 2003. In October 1981, Mr. Hu Zheng graduated from Guangdong Foshan Vocational College (廣東佛山職業技術學院) (formerly known as Guangdong Foshan Region Agricultural Mechanical College (廣東省佛山地區農業機械化學校)) and completed a Master of Business Administration at the Macau University of Science and Technology in August 2001. Mr. Hu Zheng is the brother of Mr. Hu Hancheng (an executive Director and a substantial shareholder of the Company (the "Shareholder") through his interests in Golden Century Assets Limited) and Mr. Hu Hanchao (an executive Director and a substantial Shareholder of the Company through his interests in Leading Innovation Worldwide Corporation).

Mr. Hu Hancheng (胡漢程), aged 61, has been appointed an executive Director since 4 March 2011. He is also the Co-Chairman of the Company, and also a member of budget management committee. He is responsible for the comprehensive operation management of the Group. He joined the Group in 2003 and has been the legal representative of Zheng Ye Packaging (Zhongshan) Company Limited, an indirectly wholly-owned subsidiary of the Company, between December 2007 and January 2017. Mr. Hu Hancheng is in charge of the management and operation of the packaging business division of the Group. Prior to joining the Group, Mr. Hu Hancheng was the general manager of a PRC packaging products manufacturing factory from 1997 to 2003 responsible for the overall operational management of the business. Mr. Hu Hancheng is currently the vice president of Zhongshan Association of Packaging Industry. In January 1995, Mr. Hu Hancheng completed an economic management program at the Guangdong Polytechnic College (廣東省工程職業技術學院) formerly known as Guangdong Province Adult Technology University (廣東省成人科技大學). Mr. Hu Hancheng is brother of Mr. Hanchao (an executive Director and a substantial Shareholder of the Company) and Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company through his interests in Gorgeous Rich Development Limited).

董事

執行董事

胡正先生，58歲，胡正先生於本集團擔任董事長兼執行董事，為本集團的創辦人之一，亦為提名委員會主席及薪酬委員會、風險管理委員會和預算管理委員會成員。胡正先生負責監察整體企業管理、營運以及發展規劃，從事造紙及包裝業有30多年。創辦本集團之前，胡正先生自一九八三年起在當時國營造紙廠擔任技術員及助理工程師；隨後於一九九零年至二零零三年期間，擔任一家中國紙類及包裝產品工廠的廠長，負責日常營運管理與戰略規劃。彼於一九八一年十月畢業於廣東佛山職業技術學院（前稱為廣東省佛山地區農業機械化學校），二零零一年八月在澳門科技大學完成工商管理碩士學位。胡正先生為執行董事及本公司主要股東（「股東」）胡漢程先生（其權益透過Golden Century Assets Limited持有）和執行董事及本公司主要股東胡漢朝先生（其權益透過Leading Innovation Worldwide Corporation持有）的親兄弟。

胡漢程先生，61歲，自二零一一年三月四日委任為執行董事。彼同時為本公司聯席董事長，亦為預算管理委員會成員。彼負責本集團全面管理工作。彼於二零零三年加入本集團，並自二零零七年十二月至二零一七年一月期間，出任本公司間接全資附屬公司正業包裝（中山）有限公司的法人代表。胡漢程先生主要負責本集團包裝事業部的管理運作。加盟本集團之前，胡漢程先生於一九九七年至二零零三年擔任一家中國包裝產品製造廠廠長，負責整體業務營運管理。胡漢程先生現為中山市包裝協會副會長。彼於一九九五年一月在廣東省工程職業技術學院（前稱為廣東省成人科技大學）完成經濟管理專業課程。胡漢程先生為執行董事及本公司主要股東胡漢朝先生和執行董事及本公司控制股東胡正先生（其權益透過Gorgeous Rich Development Limited持有）的親兄弟。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Mr. Hu Hanchao (胡漢朝), aged 63, an executive Director of the Company, he is also the chairman of budget management committee. He joined our Group in 2003 and he was appointed as a Director in September 2010 then was designated as an executive Director in March 2011 and appointed as Vice Chairman in November 2012; and appointed as Chairman from April 2016 to August 2018. Mr. Hu Hanchao is responsible for the daily operations management of the Group and supervises the daily comprehensive operation management in corrugated medium paper division. He has been involved in corporate management for more than 29 years. Prior to joining the Group, Mr. Hu Hanchao was the deputy general manager at Zhongshan City Zhong Fa Equipment Rental Company Limited from 2000 to 2003 responsible for the overall operational management of the business and before that he was the assistant manager of Xinhua Bookshop from 1985 to 1994. In August 1985, Mr. Hu Hanchao graduated from Zhongshan Municipal Communist Party Cadre School (中山市幹部學校). Mr. Hu Hanchao is the brother of Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company) and Mr. Hu Hancheng (an executive Director and a substantial Shareholder of the Company).

Non-Executive Director

Mr. Chen Riyue (陳日月), aged 42, joined our Group in 31 May 2019. He served at Guangdong Industry Polytechnic and is currently an associate professor. He obtained a bachelor's degree in engineering from Wuhan University of Technology in 2001. He also obtained a master's degree in engineering from China University of Geosciences (Wuhan) in 2012. Mr. Chan is a niece-in-law of Mr. Hu Hanchao (an executive Director and a substantial Shareholder of the Company), Mr. Hu Hancheng (an executive Director and a substantial Shareholder of the Company) and Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company).

胡漢朝先生，63歲，本公司執行董事，亦為預算管理委員會主席。胡漢朝先生於二零零三年加入本集團，最初於二零一零年九月獲委任為董事，隨後於二零一一年三月擔任執行董事，並於二零一二年十一月委任為副董事長，並於二零一六年四月至二零一八年八月擔任本公司董事長。胡漢朝先生負責本集團日常的營運管理並分管造紙板塊的全面管理工作，從事企業管理工作超過29年。加盟本集團之前，胡漢朝先生於二零零零年至二零零三年擔任中山市中發設備租賃有限公司副總經理，負責整體業務營運管理，在此之前由一九八五年至一九九四年擔任新華書店的助理經理。胡漢朝先生於一九八五年八月畢業於中山市幹部學校。胡漢朝先生為執行董事及本公司控制股東胡正先生和執行董事及本公司主要股東胡漢程先生的親兄弟。

非執行董事

陳日月先生，42歲，於二零一九年五月三十一日加入本集團，彼現於廣東省輕工業技術學院任職，現為副教授級別。彼於二零零一年獲武漢理工大學的工程學士學位。彼亦於二零一二年獲中國地質大學(武漢)的工程碩士學位。陳先生為執行董事及本公司主要股東胡漢朝先生、執行董事及本公司主要股東胡漢程先生和執行董事兼本公司控制股東胡正先生的侄女婿。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Independent Non-Executive Directors

Mr. Chung Kwok Mo John (鍾國武), aged 52, joined the Company on 4 March 2011 as an independent non-executive Director. He is also the chairman of audit committee and also a member of nomination committee, remuneration committee and risk management committee of the Company. Mr. Chung graduated from Macquarie University, Australia in 1992 with a Bachelor of Economics degree, then became a member of CPA Australia in 1995 and that of Hong Kong Institute of Certified Public Accountants in 1996. Mr. Chung has over 21 years of experience in auditing, financial management and corporate finance. Mr. Chung was an auditor in an international accounting firm from 1992 to 1999. From 2000, Mr. Chung had held several senior management positions, including chief financial officer, executive director and independent non-executive director, in a number of listed companies in Hong Kong. Mr. Chung is currently a vice president of Yongsheng Advanced Materials Company Limited (a listed company on the Stock Exchange; stock code: 3608). Mr. Chung is also an independent non-executive Directors of BYD Electronic (International) Company Limited (a listed company on the Stock Exchange; stock code: 285), YTO Express (International) Holdings Limited (a listed company on the Stock Exchange; stock code: 6123), B & S International Holdings Limited (a listed company on the Stock Exchange; stock code: 1705) and Tokyo Chuo Auction Holdings Limited (a listed company on the Stock Exchange; stock code: 1939) since June 2013, December 2017, February and September 2018 respectively.

Mr. Liew Fui Kiang (劉懷鏡), aged 54, joined the Company on 31 May 2019 as an independent non-executive Director. He is a solicitor of England and Wales as well as Hong Kong. He obtained a bachelor's degree in laws from the University of Leeds in 1989. He also obtained a master's degree in business administration (investment and finance) from the University of Hull Business School in 1996. Mr. Liew was admitted as a fellow of the Hong Kong Institute of Directors in 2011. Mr. Liew is an independent non-executive Directors of Shandong Gold Mining Company Limited (a company dually listed on the Stock Exchange with stock code: 1787 and the Shanghai Stock Exchange with stock code: 600547 CH), China Apex Group Limited (a listed company on the Stock Exchange; stock code: 2011) and Zhongchang International Holdings Group Limited (a listed company on the Stock Exchange; stock code: 859) since December 2020, November 2019 and January 2018 respectively. Mr. Liew was a Chairman and an executive Director of PacRay International Holdings Limited, (a company listed on the Stock Exchange with stock code: 1010) from August 2017 to January 2019, a non-executive Director of Amber Hill Financial Holdings Limited (a company listed on the Stock Exchange with stock code: 33) in December 2019 and an independent director of Baoshan Iron & Steel Company Limited* (寶山鋼鐵股份有限公司), (a company listed on the Shanghai Stock Exchange with stock code: 600019 CH) from 2000 to 2006.

獨立非執行董事

鍾國武先生，52歲，於二零一一年三月四日加入本公司成為獨立非執行董事，彼亦為本公司審核委員會的主席以及提名委員會、薪酬委員會及風險管理委員會的成員。鍾先生於一九九二年取得澳洲麥覺理大學經濟學學士學位，一九九五年成為澳洲會計師公會會員，一九九六年成為香港會計師公會會員。鍾先生於審計、財務管理及企業融資方面擁有超過21年經驗。鍾先生於一九九二年至一九九九年出任一家國際會計師事務所的審計師。自二零零零年起，鍾先生於多家香港上市公司擔任多個高級管理層職位，包括首席財務官、執行董事及獨立非執行董事。鍾先生現於永盛新材料有限公司(一家於聯交所上市的公司，股份代號：3608)擔任副總裁。鍾先生亦分別由二零一三年六月、二零一七年十二月及二零一八年二月及九月起分別擔任比亞迪電子(國際)有限公司(一家於聯交所上市的公司，股份代號：285)、圓通速遞(國際)控股有限公司(一家於聯交所上市的公司，股份代號：6123)、賓仕國際控股有限公司(一家於聯交所上市的公司，股份代號：1705)及東京中央拍賣控股有限公司(一家於聯交所上市的公司，股份代號：1939)的獨立非執行董事。

劉懷鏡先生，54歲，於二零一九年五月三十一日加入本公司成為獨立非執行董事，彼現為英格蘭和威爾斯以及香港之律師。彼於一九八九年獲列斯大學法學士學位。彼亦於一九九六年獲赫爾大學工商管理碩士學位(投資及金融)。劉先生在二零一一年成為香港董事學會資深會員。劉先生分別自二零二零年十二月、二零一九年十一月及二零一八年一月起為山東黃金礦業股份有限公司(一家於聯交所，股份代號：1787及上海交易所，股份代號：600547 CH之雙重上市的公司)、中國恒泰集團有限公司(一家於聯交所上市的公司，股份代號：2011)及中昌國際控股有限公司(一家於聯交所上市的公司，股份代號：859)的獨立非執行董事。劉先生於二零一七年八月至二零一九年一月期間擔任太睿國際控股有限公司(一家於聯交所上市的公司，股份代號：1010)之主席兼執行董事、二零一九年十二月任安山金控股份有限公司(一家於聯交所上市的公司，股份代號：33)之非執行董事及二零零零年至二零零六年期間擔任寶山鋼鐵股份有限公司(一家於上海交易所上市的公司，股份代號：600019 CH)的獨立董事。

* For identification purpose only

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Mr. Shin Yick Fabian (洗易), aged 52, joined the Company on 31 May 2019 as an independent non-executive Director. Mr. Shin graduated from the University of Birmingham in England with a bachelor's degree in commerce. After graduation, he worked in the audit department of Deloitte Touche Tohmatsu. He had also worked in a listed company in Hong Kong as group financial controller and company secretary. He is a fellow member of Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants, The Chartered Governance Institute and the Hong Kong Institute of Company Secretaries. Mr. Shin is a non-executive Director of Pak Tak International Limited (a listed company on the Stock Exchange; stock code: 2668) since February 2017. Mr. Shin is also an independent non-executive Directors of China Automobile New Retail (Holdings) Limited (formerly known as Lisi Group Holdings Limited) (a listed company on the Stock Exchange; stock code: 526), Newton Resources Limited (a listed company on the Stock Exchange; stock code: 1231) and China Tianrui Automotive Interiors Company Limited (a listed company on the Stock Exchange; stock code: 6162) since January 2013, August 2015, and December 2018 respectively. Mr. Shin was an independent non-executive Directors of China Shun Ke Long Holdings Limited (a listed company on the Stock Exchange; stock code: 974) from August 2015 to October 2018, Huabang Financial Holdings Limited (Formerly Goldenmars Technology Holdings Limited) (a listed company on the Stock Exchange; stock code: 3638) from September 2016 to October 2018.

Senior Management

Mr. Hu Jianpeng (胡健鵬), aged 34, joined the Group in 2014. Mr. Hu Jianpeng is the Chief Executive Officer of the Group. Mr. Hu Jianpeng held the post of the Group's general manager in procurement between 2014 and 2017, was responsible for the supply chain management and procurement strategy formulation in the Group. In 2018, Mr. Hu Jianpeng served as the chief operating officer of the Group and responsible for the overall operation and management in sales, raw materials and procurement of the Group. Mr. Hu Jianpeng obtained double Master degrees in finance and marketing awarded by the University of Sydney in 2013. Mr. Hu Jianpeng is a son of Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company). Also, Mr. Hu Jianpeng is a nephew of Mr. Hu Hanchao (an Executive Director and a substantial Shareholder of the Company) and Mr. Hu Hancheng (an Executive Director and a substantial Shareholder of the Company).

洗易先生，52歲，於二零一九年五月三十一日加入本公司成為獨立非執行董事，彼畢業於英國伯明翰大學，持有商學學士學位。於畢業後，彼曾供職於德勤會計師事務所之審核部門。彼亦曾任職於一間香港上市公司，擔任集團財務總監及公司秘書。彼為香港會計師公會、英國特許公認會計師公會、英國特許管治公會及香港公司秘書公會資深會員。洗先生自二零一七年二月起擔百德國際有限公司（一家於聯交所上市的公司，股份代號：2668）的非執行董事；洗先生亦分別由二零一三年一月、二零一五年八月及二零一八年十二月起分別擔任中國汽車新零售（控股）有限公司（前稱利時集團（控股）有限公司）（一家於聯交所上市的公司，股份代號：526）、新礦資源有限公司（一家於聯交所上市的公司，股份代號：1231）及中國天瑞汽車內飾件有限公司（一家於聯交所上市的公司，股份代號：6162）的獨立非執行董事。洗先生在二零一五年八月至二零一八年十月和二零一六年九月至二零一八年十月分別擔任中國順客隆控股有限公司（一家於聯交所上市的公司，股份代號：974）及華邦金融控股有限公司（前稱晶芯科技控股有限公司）（一家於聯交所上市的公司，股份代號：3638）的獨立非執行董事。

高級管理層

胡健鵬先生，34歲，於二零一四年加入本集團。胡健鵬先生現為本集團行政總裁。彼在二零一四年至二零一七年期間擔任本集團採購總經理職務，負責本集團供應鏈管理、採購策略制定。於二零一八年，胡健鵬先生擔任本集團營運總裁，負責本集團銷售、原料及採購全面營運管理。胡健鵬先生於二零一三年獲取由悉尼大學頒發的金融學和市場學雙碩士學位。胡健鵬先生為執行董事及本公司控制股東胡正先生的兒子；同時為執行董事及本公司主要股東胡漢朝先生和執行董事及本公司主要股東胡漢程先生的侄兒。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Mr. Hu Jianjun (胡健君), aged 36, joined the Group in 2010. Mr. Hu Jianjun is the Chief Operating Officer of the Group and is responsible for the operations, strategic planning in sales and raw paper procurement in packaging division and maintain customers relationships. Mr. Hu Jianjun obtained the undergraduate programme in design awarded by the Wuchang Shouyi University (former known as Huazhong University of Science and Technology (Wuchang campus)) in 2008. Mr. Hu Jianjun is a son of Mr. Hu Hancheng (an executive Director and a substantial Shareholder of the Company). Also, Mr. Hu Jianjun is a nephew of Mr. Hu Hanchao (an executive Director and a substantial Shareholder of the Company) and Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company).

Mr. Tan Xijian (譚錫健), aged 36, joined the Group in 2014. Mr. Tan is the vice president of the Group and is responsible for the sales and raw materials operation management. Mr. Tan was the general manager in raw materials from 2014 to 2017 and was responsible for the formulation of raw materials management and procurement strategies of the Group. Prior to joining the Group, he had five years of project planning. Mr. Tan obtained a degree in Business Administration from Guangdong University of Technology in 2016. Mr. Tan Xijian is a son-in-law of Mr. Hu Hanchao (an executive Director and a substantial Shareholder of the Company). Also, Mr. Tan is a niece-in-law of Mr. Hu Hancheng (an executive Director and a substantial Shareholder of the Company) and Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company).

Ms. Chen Wei (陳威), aged 45, joined our Group in 2007. Ms. Chen is the vice president of the Group and responsible for the management operations in finance, human resources, legal, internal audit, information systems and Hong Kong head quarter of the Group comprehensively. Ms. Chen has over 16 years of experience in financial management and tax services. She served as financial supervisor in several papermaking enterprises and group companies during the period from 1995 to 2001 and was in charge of accounting and financial management matters. Prior to joining our Group, Ms. Chen served as account manager and tax consultant in Zhongshan large-scale tax agent from 2005 to 2007. Ms. Chen completed the accounting course of Jinan University in December 2005 and obtained a undergraduate diploma. Thereafter, she was awarded the Master of Business Administration degree from the University of Wales in April 2011, and obtained the title of senior accountant awarded by Human Resources Bureau of Guangdong Province (廣東省人事廳) in December 2008. In September 2009, Ms. Chen obtained professional qualification as a senior international finance manager awarded by International Financial Management Association. She is the member of International Financial Management Association.

胡健君先生，36歲，於二零一零年加入本集團。胡健君先生為本集團營運總裁。負責包裝分部的銷售及原紙採購策劃和維繫客戶關係。胡健君先生於二零零八年獲取武昌首義學院(前稱華中科技大學武昌分校)頒發的設計學本科學位。胡健君先生為執行董事及本公司主要股東胡漢程先生的兒子；同時為執行董事及本公司主要股東胡漢朝先生和執行董事及本公司控制股東胡正先生的侄兒。

譚錫健先生，36歲，於二零一四年加入本集團。譚先生現擔任本集團營運副總裁，負責集團銷售、原料營運管理。譚先生在二零一四年至二零一七年間擔任本集團原料總經理，負責本集團原料管理、採購策略制定。加入本集團前，彼擁有五年的項目策劃工作。譚先生在二零一六年獲取由廣東工業大學頒發的工商管理學位。譚錫健先生為執行董事及本公司主要股東胡漢朝先生的女婿；同時為執行董事及本公司主要股東胡漢程先生和執行董事兼本公司控制股東胡正先生的侄女婿。

陳威女士，45歲，於二零零七年加入本集團，為本集團副總裁，全面負責集團財務、人力資源、法律、審計、資訊系統及香港總部管理工作。陳女士擁有逾16年財務管理及稅務服務工作經驗。彼由一九九五年至二零零一年期間任職多家製造企業和集團公司的財務主管，負責會計及財務管理事宜。加盟本集團之前，陳女士於二零零五年至二零零七年任職中山大型稅務師事務所的客戶經理、稅務顧問。陳女士於二零零五年十二月完成暨南大學會計專業課程(本科學歷)，隨後於二零一一年四月完成英國威爾士大學工商管理碩士學位，於二零零八年十二月獲廣東省人事廳頒授高級會計師職稱，於二零零九年九月獲國際財務管理協會頒授高級國際財務管理師職業資格，為國際財務管理協會會員。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Mr. Zhou Wenchang (周文昌), aged 56, joined the Group in 2015. Mr. Zhou is the vice president of paper division and is responsible for the overall operation, production, coordination and management planning in a production base of paper division in Yongfa. Mr. Zhou has over 34 years of experience in the technical, production and management skills in paper industry. Prior to joining the Group, Mr. Zhou worked as production supervisor at Jiangxi Fuzhou Paper Mill (江西撫州造紙廠) from 1987 to 1998. He was responsible for the production line management. From 1998 to 2014, Mr. Zhou was the factory manager in one of subsidiary of Nine Dragons Paper (Holdings) Limited and was responsible for the overall production management. He served as general manager in Hebei Changtai Paper Company Limited* (河北昌泰紙業股份有限公司) between 2014 and 2015, responsible for comprehensive production management. Mr. Zhou graduated in 1987 from Jiangxi College of Light Industry (江西輕工業學校), majoring in pulp paper craft (technical diploma).

Mr. Fu Guofa (傅國法), aged 48, joined the Group in 2017. Mr. Fu is the vice president of the Group, and is responsible for the overall product operation, coordination and management planning in a production base of paper division in Hung Hing. Mr. Fu has over 24 years of experience in the technical, production and management skills in paper industry. Prior to joining the Group, Mr. Fu worked as deputy general manager in one of subsidiary of Nine Dragons Paper (Holdings) Limited from 2010 to 2016 and was responsible for the overall production management. Mr. Fu obtained an undergraduate qualification majoring in pulp paper craft from Nanjing Forestry University in 1997.

Mr. Zhou Dafu (周達甫), aged 40, joined the Group in 2016. Mr. Zhou is the vice president of the Group, and is responsible for the overall product operation, coordination and management planning in a production base of paper division in Zhengyi. Mr. Zhou has over 17 years of experience in the technical, production and management skills in paper industry. Prior to joining the Group, Mr. Zhou worked at a numbers of paper manufacturers enterprises and was responsible for production and management. Mr. Zhou obtained a degree majoring in light chemical engineering from Tianjin University of Science and Technology in 2003.

Mr. Li Jun (李俊), aged 58, joined our Group in 2003. Mr. Li is the vice president of the Group, and is responsible for the overall management and its strategies of the Zhongshan base of packaging division of the Group. Mr. Li has been involved in paper-making process technologies and sales management of packaging products since graduation. Prior to joining our Group, Mr. Li worked for Chenzhou Hongqi Paper Factory (郴州紅旗造紙廠) from 1982 to 1993 and was responsible for the production technology and subsequently at Chenzhou Hongqi Number Two Paper Factory (郴州第二造紙廠) as assistant plant manager till 1996. Mr. Li was the head of the transportation department at a PRC packaging products manufacturing factory from 1999 to 2003 responsible for the inventory and logistics management of the business. Mr. Li graduated from Hunan Vocational College for Light Industry (湖南省輕工業專科學校) in July 1982, majoring in paper-making processes, and obtained professional qualification as an engineer (工程師) awarded by Human Resources Bureau of Hunan Province (湖南省人事廳) in July 1992.

周文昌先生，56歲，於二零一五年加入本集團，為本集團造紙事務部副總裁，全面負責永發造紙分部生產基地整體經營生產運作、協調、計畫管理工作。周先生擁有逾34年的造紙業內技術、生產及管理工作經驗。加盟本集團之前，周先生於一九八七年至一九九八年在江西撫州造紙廠任職生產主管，負責生產線管理工作；一九九八年至二零一四年在玖龍紙業(控股)有限公司其中一家附帶公司任職廠長，負責全面生產管理工作；二零一四年至二零一五年在河北昌泰紙業股份有限公司任職總經理，負責全面的生產經營管理工作。周先生於一九八七年畢業於江西輕工業學校，主修製漿造紙工藝專業(中技學歷)。

傅國法先生，48歲，於二零一七年加入本集團，為本集團副總裁，全面負責鴻興造紙分部生產基地整體經營生產運作、協調、計畫管理工作。傅先生擁有逾24年的造紙業內技術、生產及管理工作經驗。加入本集團之前，傅先生於二零一零年至二零一六年在玖龍紙業(控股)有限公司一家附屬公司任職副總經理，負責全面生產管理工作。彼於一九九七年畢業於南京林業大學，主修製漿造紙專業。

周達甫先生，40歲，於二零一六年加入本集團，為本集團副總裁，全面負責正億造紙分部生產基地整體經營生產運作、協調、計畫管理工作。周先生擁有逾17年的造紙業內技術、生產及管理工作經驗。加入本集團之前，周先生於數家造紙企業任職，負責全面生產及管理工作。彼於二零零三年畢業於天津科技大學，主修輕化工程專業。

李俊先生，58歲，於二零零三年加入本集團，現為本集團副總裁，負責本集團包裝事業部中山基地的管理及策略工作。畢業後一直從事造紙工藝技術、包裝製品銷售管理工作。加盟本集團之前，李先生由一九八二年至一九九三年在郴州紅旗造紙廠任職，負責生產技術，其後於郴州第二造紙廠擔任助理工廠經理，直至一九九六年止。李先生於一九九九年至二零零三年擔任一家中國包裝產品製造廠儲運部部長，負責業務的存貨及物流管理。彼於一九八二年七月畢業於湖南省輕工業專科學校，主修造紙工藝專業，並於一九九二年七月獲湖南省人事廳頒授工程師專業資格。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷

Mr. Zhang Xiaoming (張曉明), aged 59, joined our Group in 2003. Mr. Zhang is the vice president of the Group, and is responsible for the overall management and its strategies of the Zhuhai base of packaging division of the Group. Before that, Mr. Zhang was an executive Director of the Company from January to December 2015. Mr. Zhang has been involved in the papermaking and packaging industry for over 31 years with a strong edge in administration having spent years in a management capacity. Prior to joining our Group, Mr. Zhang worked for Guangdong Zhongshan Paper Factory and was the deputy general manager of a PRC packaging products manufacturing factory from 1995 to 2003 responsible for the overall sales management of the business. Mr. Zhang graduated in July 1985 from Guangzhou College of Light Industry (廣州輕工業學校) administered by the Ministry of Light Industry, majoring in pulp paper making.

Mr. Liu Haibo (劉海波), aged 50, joined our Group in 2018. Mr. Liu is the vice president of the Group, and is in charge of the sales of corrugated medium paper and raw material management. Mr. Liu has over 26 years of experience in paper products sales and participated in the marketing of paper products in various paper products enterprises. He graduated tertiary level in international trade and marketing at Shandong TV University and awarded the title of assistant economist.

Company Secretary

Mr. Li Kin Wai (李健威), was appointed as the Company Secretary and Authorized Representative of the Company in 1 April 2021. Mr. Li is a Manager of Corporate Services of Tricor Services Limited, an Asia's leading business expansion specialist specializing in integrated Business, Corporate and Investor Services. Mr. Li is a Chartered Secretary and an Associate of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators).

張曉明先生，59歲，於二零零三年加入本集團，張先生為本集團副總裁，負責包裝事業部珠海基地的管理及策略工作。在此之前，張先生於二零一五年一月十二月期間擔任本公司執行董事。張先生從事造紙及包裝行業逾31年，擔任管理職務多年，行政組織經驗豐富。加盟本集團之前，張先生曾在廣東中山造紙廠任職，一九九五年至二零零三年擔任一家中國包裝產品製造廠副總經理，負責業務的整體銷售管理。張先生於一九八五年七月畢業於輕工業部管理的廣州輕工業學校，主修製漿造紙專業。

劉海波先生，50歲，於二零一八年加入本集團，現為本集團副總裁，負責造紙銷售和原料管理工作。劉先生有超過26年的紙品銷售業務經驗，並在多間紙製品企業參與營銷紙品的職位。彼畢業於山東廣播電視大學國際貿易及市場營銷專業，並取得助理經濟師職稱。

公司秘書

李健威先生，於二零二一年四月一日獲委任為本公司公司秘書及授權代表。李先生現為卓佳專業商務有限公司企業服務部經理。卓佳是亞洲領先的業務拓展專家，為客戶提供商務、企業及投資者綜合服務。李先生為特許秘書及香港特許秘書公會及特許公司治理公會(CGI) (原名稱：特許秘書及行政人員公會(ICSA))的會員。

* For identification purpose only

Directors' Report

董事會報告

The Directors are pleased to present to the shareholders their report together with audited consolidated financial statements of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 December 2020.

Principal Activities

The Company is an investment holding company. The principal activities of the Group are manufacturing and sale of paper, paperboard and paper-based packaging products. The principal activities of the subsidiaries are set out in note 44 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2020 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 64 to 173 of this annual report.

The Directors recommended the payment of a final dividend of RMB3.00 cents (equivalent to HKD3.525 cents) per share to the shareholders on the register of members on 2 July 2021, amounting to approximately RMB15,000,000 and the retention of the profit for the year approximately RMB39,772,000.

The dividend will be payable in HK\$. The exchange rate will be based on the opening indicative counter exchange rate (Buying TT for RMB) as on 26 March 2021 (the date of unaudited annual results' board meeting of the Company) disclosed by The Hong Kong Association of Banks.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group for the financial year under review are set out in note 17 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company are set out in note 33 to the consolidated financial statements.

Distributable Reserves

Distributable reserves of the Company as at 31 December 2020, calculated in accordance with the provision of the Bermuda Companies Act 1981, amounted to RMB16,085,000.

Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the latest five financial years is set out on page 174 of this annual report.

董事會欣然向股東提呈其報告以及本公司及其附屬公司（統稱「**本集團**」）於截至二零二零年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團的主要業務為製造及銷售紙、紙板及紙製包裝產品。該等附屬公司的主要業務載於綜合財務報表附註44。

業績及分派

本集團截至二零二零年十二月三十一日止年度的業績以及本公司及本集團於該日的財務狀況載於本年報第64至173頁的綜合財務報表。

董事會現建議向二零二一年七月二日名列於股東名冊上的股東派付每股人民幣3.00分，相當於港幣3.525仙的末期股息，金額約為人民幣15,000,000元，並保留本年度餘下溢利約人民幣39,772,000元。

股息將會以港幣派發。匯率會按香港銀行公會於二零二一年三月二十六日（本公司未經審核年度業績董事會的舉行日期）之開市參考牌價（人民幣電匯購入價）為基礎。

物業、廠房及設備

本集團於回顧財政年度的物業、廠房及設備的變動詳情載於綜合財務報表附註17。

股本

本公司的股本變動詳情載於綜合財務報表附註33。

可供分派儲備

於二零二零年十二月三十一日，本公司按百慕達一九八一年公司法的條文計算的可供分派儲備為人民幣16,085,000元。

五年財務摘要

本集團於最近五個財政年度的業績及資產與負債的摘要載於本年報第174頁。

Directors' Report

董事會報告

Reserves

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

Purchase, Redemption or Sale of Listed Securities of the Company

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

Pre-Emptive Rights

There are no pre-emptive under the Company Bye-laws, or the laws in Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Tax Relief and Exemption

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

Management Contracts

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

Directors

The Directors of the Company during the year ended and up to the date of this report were:

Executive Directors

Mr. HU Zheng (*Chairman*) (Mr. HU Jianpeng as his alternate)
Mr. HU Hancheng (*Co-Chairman*) (Mr. HU Jianjun as his alternate)
Mr. HU Hanchao (Mr. TAN Xijian as his alternate)

Non-Executive Director

Mr. CHEN Riyue

Independent Non-Executive Directors

Mr. CHUNG Kwok Mo John
Mr. LIEW Fui Kiang
Mr. SHIN Yick Fabian

The Company confirms that it has received from each of its independent non-executive Directors an annual confirmation of their independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and it still considers that the independent non-executive Directors are independent.

Pursuant to Bye-Law 108 of the Company's Bye-Laws, one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company. Mr. Hu Zheng, Mr. Chen Riyue and Mr. Chung Kwok Mo John shall retire from office by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election as Directors at the AGM.

儲備

本集團於年內的儲備變動詳情分別載於綜合權益變動表。

購買、贖回或出售本公司的上市證券

截至二零二零年十二月三十一日止，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

優先購買權

根據本公司細則或百慕達法律，概無載列有關本公司須按比例向現有股東提呈發售新股份的優先購買權規定。

稅務減免

董事並不知悉因任何股東持有本公司證券而享有任何稅務減免。

管理合約

於報告期內，概無訂立或存在有關管理及經營本公司所有或任何重大部份業務的合約。

董事

於回顧期間及直至本報告日期止年度，本公司的董事為：

執行董事

胡正先生(董事長)(胡健鵬先生為其候補董事)
胡漢程先生(聯席董事長)(胡健君先生為其候補董事)
胡漢朝先生(譚錫健先生為其候補董事)

非執行董事

陳日月先生

獨立非執行董事

鍾國武先生
劉懷鏡先生
冼易先生

本公司確認已接獲各獨立非執行董事根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條發出之年度獨立性確認函，且仍認為獨立非執行董事為獨立人士。

根據本公司細則的細則第108條，三分之一的董事將於本公司的各屆股東週年大會上輪席告退。胡正先生、陳日月先生及鍾國武先生將於股東週年大會上輪席告退，且彼等符合資格並願意於股東週年大會上膺選連任。

Directors' Report

董事會報告

Directors and Senior Management

The biographical details of Directors and Senior Management are set and on page 39 to 45 of this annual report.

Directors' Service Contracts

The executive Directors namely, Mr. Hu Zheng, Mr. Hu Hancheng and Mr. Hu Hanchao have renewed their service contracts with the Company for a term of three years commencing from 1 January 2021. Both are subject to termination by either party giving not less than three months' written notice to the other.

The non-executive Director, Mr. Chen Riyue and each of the independent non-executive Directors namely, Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian have been appointed for a term of one year commencing from 1 January 2021. Both are subject to termination by either party giving not less than three months' written notice to the other.

No Director proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Emolument Policy

The emolument policies of the Directors and other employees are formulated based on individual experience, qualification and over market situation and are reviewed regularly, while the bonus is related to the financial performance of the Group and the individual performance. The Directors' remunerations are subject to shareholders' approval at general meetings.

The remuneration of the members of the senior management by band for the year ended 31 December 2020 was set out below:

Remuneration band (RMB) 薪酬組別(人民幣)		Number of individuals 人數
0-500,000	0-500,000	9
500,001-1,000,000	500,001-1,000,000	17
1,000,001 or above	1,000,001 或以上	3

Details of the Directors' emolument and emoluments of the five highest paid individuals in the Group are set at the notes 13 and 14 to consolidated financial statements.

董事及高級管理層

董事及高級管理層的履歷詳情載於本年報第39至45頁。

董事服務合約

執行董事 一 胡正先生、胡漢程先生及胡漢朝先生均已與本公司重新訂立服務合約，自二零二一年一月一日起計，為期三年。惟須由任何一方對對方發出不少於三個月的書面通知予以終止。

非執行董事陳日月先生及獨立非執行董事即鍾國武先生、劉懷鏡先生及冼易先生的任期為期一年，二零二一年一月一日起計。任何一方可向對方發出不少於三個月的書面通知予以終止。

擬於應屆股東週年大會上膺選連任的董事概無訂立可由本集團於一年內終止而毋須支付賠償(法定補償除外)的服務合約。

薪酬政策

董事及其他員工的薪酬政策乃參考個別員工的經驗及資質及整體市況而定。花紅與本集團的財務業績及個別表現掛鈎。董事薪酬於週年大會上由股東批准。

於截至二零二零年十二月三十一日止年度按薪酬組別劃分的高級管理人員薪酬載列如下：

董事的薪酬及本集團五位最高薪人士的薪酬詳情載於綜合財務報表附註13及14。

Directors' Report

董事會報告

Director and Controlling Shareholders' Interest In Contracts of Significance

Save as disclosed in the section headed "Continuing Connected Transactions" in this report and note 42 to the consolidated financial statements, no Director and Controlling Shareholders had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party during the year under review.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests in the Securities of the Company or its Associated Corporations", "Share Option Scheme" and "Share Award Scheme", at no time during the year were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Permitted Indemnity Provision

The Bye Laws provide that the Directors are entitled to 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 in or about the execution of their duty in their respective offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director. The Company has purchased and maintained Directors' liability insurance during the year under review, which provides appropriate coverage for the Directors.

Directors' and Chief Executives' Interests in the Securities of the Company or Its Associated Corporations

As at 31 December 2020, the interests and short positions of the directors and chief executive(s) 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 (the "SFO")) as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed issuers contained in the Listing Rules were as follows:

董事及控股股東於重大合約的權益

除本報告「持續關連交易」一節及綜合財務報表附註42所披露者外，董事及控股股東概無直接或間接於本公司、其控股公司或其任何附屬公司或同系附屬公司於回顧年度內所訂立並對本集團業務屬重大的合約中擁有重大權益。

董事購買股份或債券證的權利

除下述於「董事及主要行政人員於本公司或其相聯法團的證券中的權益」、「購股權計劃」及「股權獎勵計劃」分節所披露外，任何董事或彼等各自的配偶或未成年子女於年內概無獲授任何可透過購入本公司股份或債券證獲利的權利，亦無行使任何該等權利，而本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排致令董事可於任何其他法團獲得該等權利。

獲准許之彌償條文

公司細則規定，董事就其職位執行職務而可能產生或蒙受之所有訴訟、成本、費用、損失、損害及開支，均可自本公司之資產及溢利獲得彌償，確保免就此受損，惟該彌償不適用於因有關董事任何欺詐或不誠實行為招致之任何事項。本公司已於回顧年度投購董事責任險，可為董事提供適當保障。

董事及主要行政人員於本公司或其相聯法團的證券中的權益

於二零二零年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》（「證券及期貨條例」）第XV部）的股份、相關股份及債券證擁有的權益及淡倉而須根據證券及期貨條例第352條記錄於本公司所存置登記冊內，或須根據上市規則所載的上市發行人董事進行證券交易的標準守則規定知會本公司及香港聯合交易所有限公司（「聯交所」）者如下：

Directors' Report

董事會報告

Name of Directors 董事姓名	Name of Group member/ associated corporation 本集團成員公司/相關法團名稱	Capacity/ Nature of interest 身份/權益性質	Number and class of securities (Note 1) 證券數目及類別 (附註 1)	Approximate percentage of shareholding 股權概約百分比
Mr. Hu Zheng 胡正先生	The Company 本公司	Interest of controlled corporation (Note 2) 受控制法團權益 (附註 2)	191,250,000 ordinary shares of HK\$0.10 each 191,250,000 股每股面值 0.10 港元的普通股	38.25%
	Gorgeous Rich Development Limited ("Gorgeous Rich")	Beneficial owner 實益擁有人	1 ordinary share of US\$1.00 1 股面值 1.00 美元的普通股	100%
Mr. Hu Hancheng 胡漢程先生	The Company 本公司	Interest of controlled corporation (Note 3) 受控制法團權益 (附註 3)	93,750,000 ordinary shares of HK\$0.10 each 93,750,000 股每股面值 0.10 港元的普通股	18.75%
	Golden Century Assets Limited ("Golden Century")	Beneficial owner 實益擁有人	1 ordinary share of US\$1.00 1 股面值 1.00 美元的普通股	100%
Mr. Hu Hanchao 胡漢朝先生	The Company 本公司	Interest of controlled corporation (Note 4) 受控制法團權益 (附註 4)	75,000,000 ordinary shares of HK\$0.10 each 75,000,000 股每股面值 0.10 港元的普通股	15%
	Leading Innovation Worldwide Corporation ("Leading Innovation")	Beneficial owner 實益擁有人	1 ordinary share of US\$1.00 1 股面值 1.00 美元的普通股	100%
Mr. Chen Riyue 陳日月先生	The Company 本公司	Interest of controlled corporation (Note 5) 受控制法團權益 (附註 5)	15,000,000 ordinary shares of HK\$0.10 each 15,000,000 股每股面值 0.10 港元的普通股	3%
	Fortune View Services Limited ("Fortune View")	Interest of spouse 配偶權益	1 ordinary share of US\$1.00 1 股面值 1.00 美元的普通股	100%

Notes:

- All the interests stated above represent long positions. The percentage shown was the number of shares the relevant directors or chief executive was interested in expressed as a percentage of the number of issued shares as at 31 December 2020.
- These shares were held by Gorgeous Rich, which was wholly owned by Mr. Hu Zheng. By virtue of the SFO, Mr. Hu Zheng was deemed to be interested in the shares held by Gorgeous Rich.
- These shares were held by Golden Century, which was wholly owned by Mr. Hu Hancheng. By virtue of the SFO, Mr. Hu Hancheng was deemed to be interested in the shares held by Golden Century.
- These shares were held by Leading Innovation, which was wholly owned by Mr. Hu Hanchao. By virtue of the SFO, Mr. Hu Hanchao was deemed to be interested in the shares held by Leading Innovation.
- These shares were held by Fortune View, which was wholly owned by Ms. Hu Jianwen, a spouse of Mr. Chen Riyue. By virtue of the SFO, Mr. Chen Riyue was deemed to be interested in the shares held by Fortune View.

附註:

- 上述所有權益均為好倉。所示百分比為相關董事或主要行政人員擁有權益的股份數目，以佔二零二零年十二月三十一日已發行股份數目百分比表示。
- Gorgeous Rich 持有該等股份，而胡正先生全資擁有 Gorgeous Rich。根據證券及期貨條例，胡正先生被視為於 Gorgeous Rich 所持有的股份擁有權益。
- Golden Century 持有該等股份，而胡漢程先生全資擁有 Golden Century。根據證券及期貨條例，胡漢程先生被視為於 Golden Century 所持有的股份擁有權益。
- Leading Innovation 持有該等股份，而胡漢朝先生全資擁有 Leading Innovation。根據證券及期貨條例，胡漢朝先生被視為於 Leading Innovation 所持有的股份擁有權益。
- Fortune View 持有該等股份，而陳日月先生之配偶胡健雯女士全資擁有 Fortune View。根據證券及期貨條例，陳日月先生被視為於 Fortune View 所持有的股份擁有權益。

Directors' Report

董事會報告

Share Options to subscribe for the ordinary shares of HK\$0.10 each in the Company were granted to, among others, certain Directors pursuant to the Share Option Scheme adopted by the Company on 3 June 2011. Information in relation to these Share Options was shown in the following section under the heading "Share Option Scheme".

Save as disclosed above and in the paragraph headed "Share Option Scheme" below, no other interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations were recorded in the register required to be kept by the Company under Section 352 of the SFO.

Substantial Shareholders' Interests in the Securities of the Company

As at 31 December 2020, so far as are known to any directors or chief executive(s) of the Company, the following parties (other than directors or chief executive(s) of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company.

根據本公司於二零一一年六月三日採納的購股權計劃，若干本公司董事獲授予認股權，以認購本公司每股面值0.10港元的普通股股份。有關此等認股權的資料，見於下列「購股權計劃」項下。

除以上所述及於「購股權計劃」一節所披露外，本公司概無於本公司或其相聯法團之股份、相關股份或債券，並記錄於本公司登記冊中。

主要股東於本公司證券的權益

於二零二零年十二月三十一日，就任何董事或本公司主要行政人員所知，下列人士（非董事及本公司主要行政人員）須根據證券及期貨條例第336條記錄於本公司所存置登記冊內，或因其他原因知會本公司其直接或間接擁有或被視為擁有本公司已發行股本5%或以上的權益。

Name of Shareholder 股東名稱	Capacity/ Nature of interest 身份／權益性質	Number and class of shares held in the Company percentage (Note 1) 所持本公司股份數目及類別(附註1)	Approximate shareholding percentage 股權概約百分比
Gorgeous Rich (Note 2) Gorgeous Rich (附註2)	Beneficial owner 實益擁有人	191,250,000 ordinary shares of HK\$0.10 each 191,250,000股每股面值0.10港元的普通股	38.25%
Ms. Li Lifan (Note 2) 李麗芬女士(附註2)	Interest of spouse 配偶權益	191,250,000 ordinary shares of HK\$0.10 each 191,250,000股每股面值0.10港元的普通股	38.25%
Golden Century (Note 3) Golden Century (附註3)	Beneficial owner 實益擁有人	93,750,000 ordinary shares of HK\$0.10 each 93,750,000股每股面值0.10港元的普通股	18.75%
Ms. Li Siyuan (Note 3) 李思媛(附註3)	Interest of spouse 配偶權益	93,750,000 ordinary shares of HK\$0.10 each 93,750,000股每股面值0.10港元的普通股	18.75%
Leading Innovation (Note 4) Leading Innovation (附註4)	Beneficial owner 實益擁有人	75,000,000 ordinary shares of HK\$0.10 each 75,000,000股每股面值0.10港元的普通股	15.00%

Directors' Report

董事會報告

Name of Shareholder 股東名稱	Capacity/ Nature of interest 身份／權益性質	Number and class of shares held in the Company percentage (Note 1) 所持本公司股份數目及類別(附註1)	Approximate shareholding percentage 股權概約百分比
Ms. He Lijuan (Note 4) 何麗娟女士(附註4)	Interest of spouse 配偶權益	75,000,000 ordinary shares of HK\$0.10 each 75,000,000股每股面值0.10港元的普通股	15.00%
RAYS Capital Partners Limited (Note 5) RAYS Capital Partners Limited (附註5)	Investment manager/Beneficial owner/ Interest of controlled corporation 投資經理／實益擁有人／受控制法團權益	47,542,000 ordinary shares of HK\$0.10 each 47,542,000股每股面值0.10港元的普通股	9.50%
Mr. Ruan David Ching-chi (Note 6) Ruan David Ching-chi 先生(附註6)	Interest of controlled corporation 受控制法團權益	47,542,000 ordinary shares of HK\$0.10 each 47,542,000股每股面值0.10港元的普通股	9.50%
Asian Equity Special Opportunities Portfolio Master Fund Limited (Note 5) Asian Equity Special Opportunities Portfolio Master Fund Limited (附註5)	Beneficial owner 實益擁有人	46,516,000 ordinary shares of HK\$0.10 each 46,516,000股每股面值0.10港元的普通股	9.30%

Notes:

- All the interests stated above represent long positions. The percentage shown was the number of shares in the Company that the relevant director of chief executive was interested in expressed as a percentage of the number of issued shares in the Company as at 31 December 2020.
- Gorgeous Rich is wholly-owned by Mr. Hu Zheng. By virtue of the SFO, Mr. Hu Zheng was deemed to be interested in the shares held by Gorgeous Rich. Ms. Li Lifan is the spouse of Mr. Hu Zheng. Under the SFO, Ms. Li Lifan was taken to be interested in the same number of shares in which Mr. Hu Zheng was interested.
- Golden Century is wholly-owned by Mr. Hu Hancheng. By virtue of the SFO, Mr. Hu Hancheng was deemed to be interested in the shares held by Golden Century. Ms. Li Si Yuan is the spouse of Mr. Hu Hancheng. Under the SFO, Ms. Li Si Yuan was taken to be interested in the same number of shares in which Mr. Hu Hancheng was interested.
- Leading Innovation is wholly-owned by Mr. Hu Hanchao. By virtue of the SFO, Mr. Hu Hanchao was deemed to be interested in the shares held by Leading Innovation. Ms. He Lijuan is the spouse of Mr. Hu Hanchao. Under the SFO, Ms. He Lijuan was taken to be interested in the same number of shares in which Mr. Hu Hanchao was interested.

附註：

- 上述所有權益均為好倉。所示百分比為相關股東擁有權益的本公司股份數目，以佔二零二零年十二月三十一日本公司已發行股份數目百分比表示。
- 胡正先生全資擁Gorgeous Rich。根據證券及期貨條例，胡正先生被視為於Gorgeous Rich所持有的股份擁有權益。李麗芬女士為胡正先生的配偶。根據證券及期貨條例，李麗芬女士被當作於胡正先生擁有權益的相同數目股份中擁有權益。
- 胡漢程先生全資擁有Golden Century。根據證券及期貨條例，胡漢程先生被視為於Golden Century所持有的股份擁有權益。李思媛女士為胡漢程先生的配偶。根據證券及期貨條例，李思媛女士被當作於胡漢程先生擁有權益的相同數目股份中擁有權益。
- 胡漢朝先生全資擁有Leading Innovation。根據證券及期貨條例，胡漢朝先生被視為於Leading Innovation所持有的股份擁有權益。何麗娟女士為胡漢朝先生的配偶。根據證券及期貨條例，何麗娟女士被當作於胡漢朝先生擁有權益的相同數目股份中擁有權益。

Directors' Report

董事會報告

5. Asian Equity Special Opportunities Portfolio Master Fund Limited (“Asian Equity”) is wholly-owned by RAYS Capital Partners Limited. Therefore, RAYS Capital Partners Limited is deemed to be interested in all the Shares held by Asian Equity.
6. The shares in RAYS Capital Partners Limited is held by Ruan David Ching-chi. Therefore, he is deemed interested in all the Shares held by RAYS Capital Partners Limited.

Save as disclosed above, no other interest or short position in the shares or underlying shares in the Company were recorded in the Register.

Share Option Scheme

The Company maintains a share option scheme (the “Share Option Scheme”), which was adopted on 3 June 2011 (the “Adoption Date”). Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from the Adoption Date. The major terms of the Share Option Scheme are summarized as follows:

The purpose of the Share Option Scheme is to provide incentives or rewards to selected eligible participants for their contribution to the Group. Under the share Option Scheme, the Directors of the Company may grant options to any Directors, employees, suppliers, customers, service providers, shareholder, advisors of any member of the Group or any entity in which any member of the Group holds and equity interest and any other person who the Directors considers, in its discretion, have contributed to the Group.

The total number of share which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the share in issue as at the date of listing, unless shareholders’ approval has been obtained, and in any event must not in aggregate exceed 30% of the share of the Company in issue from time to time. The total number of share issued and to be issued upon the exercise of the options granted to or to be granted to each participant under the Share Option Scheme in any 12-month period shall not exceed 1% of the share of the Company in issue.

The exercise price for the shares under the Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the option but the subscription price shall not be less than the highest of the closing price of the Company’s shares as stated in the Stock Exchange’s daily quotation sheets on the date of the Board approving the grant of an option, which must be a business day (“Offer Date”); the average closing price of the Company’s shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date; and the nominal value of the Company’s shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

5. Asian Equity Special Opportunities Portfolio Master Fund Limited (「Asian Equity」) 由 RAYS Capital Partners Limited 全資擁有。因此，RAYS Capital Partners Limited 視為擁有 Asian Equity 所持股份的全部權益。
6. Ruan David Ching-chi 先生持有 RAYS Capital Partners Limited 股份。因此，彼等視為擁有 RAYS Capital Partners Limited 所持股份的全部權益。

除上述披露外，概無其他公司或其任何相聯法團的部份、相關股份或債權證的權益或淡倉載於該登記冊內。

購股權計劃

本公司設有一項購股權計劃(「購股權計劃」)，該計劃於二零一一年六月三日(「採納日期」)採納。除非另行取消或修訂，否則購股權計劃將由採納日期起一直有效，為期十年。購股權計劃的主要條款概述如下：

購股權計劃旨在向經甄選合資格參與者提供獎勵或獎賞，以表揚彼等對本集團作出的貢獻。根據購股權計劃，本公司董事可將購股權授予本集團任何成員公司或本集團任何成員公司持有任何權益的任何實體的任何董事、僱員、供應商、客戶、服務提供者、股東、顧問以及董事酌情認為已對本集團作出貢獻的任何其他人士。

因行使根據購股權計劃將予授出的所有購股權而可能發行的股份總數，合共不得超過於上市日期已發行股份的10%(除非股東批准)，且任何期間合共不得超過本公司不時已發行股份的30%。於任何十二個月期間，因行使根據購股權計劃向各參與者授出或將授出的購股權而已發行及將予發行的股份總數，不得超過本公司不時已發行股份的1%。

根據購股權計劃，股份的行使價應為董事會於授出購股權時可全權酌情決定的價格，惟認購價不得少於以下的最高者：於董事會批准授出購股權日期(必須為營業日(「授出日期」))，本公司股份在聯交所每日報價表所報的收市價；於緊接授出日期前五個營業日，本公司股份在聯交所每日報價表所報的平均收市價；以及本公司股份的面值。並須於接納授出之購股權時支付1港元之象徵式代價。

Directors' Report

董事會報告

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

As of 31 December 2020, non of these options has been granted, exercised, cancelled or lapsed.

Share Award Scheme

The Company operates a share award scheme (the “Share Award Scheme”), which was adopted on 23 July 2019 (the “Adoption Date”). Unless otherwise cancelled or amended, the Share Award Scheme will remain in force for 10 years from the Adoption Date.

The Board may, from time to time and at its sole discretion, select any eligible person to participate in the Share Award Scheme and determine the number of Shares to be awarded and the terms and conditions of the awards. Awards shall be satisfied by Shares acquired in the market at the prevailing market price and no new Shares will be allotted and issued under the Share Award Scheme. The trustee of the Share Award Scheme (the “Trustee”) shall hold the awarded shares on trust for the award holders until the awarded Shares are vested in the relevant award holders according to the Share Award Scheme rules. Upon vesting, the Trustee shall either transfer the vested awarded Shares at no cost to such award holders or sell the vested awarded Shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders.

The Board will constantly review and determine at its absolute discretion such number of Awarded Shares to be awarded to the selected persons under the Share Award Plan with such vesting conditions as the Board may deem appropriate.

Equity-linked Agreement

Save as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company or enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

Discloseable Transactions

On the announcement dated 3 January 2020, the Group entered into the Agreements with Zhengyi Paper Products and Paper Industry Company Limited (“Zhengyi”) to acquire 80% equity interest in Zhengyi for a consideration of RMB60,000,000. The acquisition has been completed on 1 March 2020.

購股權可根據購股權計劃之條款在董事決定及知會各承授人之期間內隨時行使。此期間可自要約授出購股權當日開始，但於任何情況下不得遲於授出購股權當日起計10年結束，惟須遵守提前終止該等購股權之規定。除非董事另行決定及在向承授人提呈授出購股權要約時表明，否則購股權計劃並無規定在行使前所需持有購股權之最短期限。

截至二零二零年十二月三十一日，該等購股權並未授出、行使、註銷或失效。

股份獎勵計劃

本公司設有一項股份獎勵計劃（「股份獎勵計劃」），該計劃於二零一九年四月二十三日（「採納日期」）採納。除非另行取消或修訂，否則股份獎勵計劃將由採納日期起一直有效，為期十年。

董事會可不時按其全權酌情決定選擇任何合資格人士參與股份獎勵計劃及釐定將授予的股份數目以及獎勵的條款及條件。獎勵將以按當時市價於市場上購買的股份撥付而概不會根據股份獎勵計劃配發及發行任何新股份。股份獎勵計劃的受託人（「受託人」）應以信託方式為獎勵持有人持有獎勵股份，直至獎勵股份根據股份獎勵計劃規則歸屬予有關獎勵持有人為止。於歸屬後，受託人須按照該等獎勵持有人作出的指示，將已歸屬之獎勵股份免費轉讓予該等獎勵持有人，或於市場上按當時現行之市價盤出售已歸屬之獎勵股份並將所得款項淨額匯付予獎勵持有人。

董事會將不斷檢討及全權酌情釐定根據股份獎勵計劃按董事會可能視為合適的有關歸屬條件將向獲選人士授出的有關獎勵股份數目。

股票掛鈎協議

除上文所述，本公司於報告期內並無訂立或於報告期末存續任何股票掛鈎協議，而將會或可能導致本公司發行股份，或規定本公司訂立任何將會或可能導致本公司發行股份的協議。

須予披露交易

於二零二零年一月三日發出的公告，本集團訂立收購于都縣正億紙品紙業有限公司（「正億」）的80%股本權益的正億協議，代價為人民幣60,000,000元。收購項目已於二零二零年三月一日完成。

Directors' Report

董事會報告

Connected Transactions

Certain related party transactions as disclosed in note 42 to the consolidated financial statements also constituted connected transactions under the Listing Rules, and are required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the Company have been entered into and/or are ongoing for which relevant disclosure had been made by the Company in the announcement dated 1 January 2020.

One-off Connected Transactions

In December 2020, Zhongshan Rengo Hung Hing Paper Manufacturing Company Limited (“**Hung Hing**”), a non-wholly owned subsidiary of the Company and Shanghai Rengo Packaging Decoration Company Limited* (上海聯合包裝裝潢有限公司) (“**Shanghai Rengo**”), a limited company established in the PRC, and Wuxi Rengo Packaging Company Limited* (無錫聯合包裝有限公司) (“**Wuxi Rengo**”), a limited company established in the PRC and owned as to 91% and 9% by Shanghai Rengo and Rengo Company Limited* (レンゴー株式会社一株式會社). Shanghai Rengo and Wuxi Rengo provided an extension of financial guarantees to Hung Hing to secure the banking facilities with an aggregate amount of RMB10,140,000.

Continuing Connected Transactions

Under the de minimis provision set forth in Rule 14A.33 of the Listing Rules and is therefore exempt from reporting, announcement and independent shareholders' approval.

Non-Exempt Continuing Connected Transactions

The following transaction between member of our Group constitute non-exempt continuing connected transaction of our Company under Rule 14A.33 of the Listing Rules by reason of any of the applicable percentage ratios (other than the profits ratio) being greater than 5% on an annual basis or the annual consideration being greater than HK\$1,000,000.

Leasing of Premises

Zheng Ye Packaging (Zhongshan) Company Limited (“**Zheng Ye Packaging (Zhongshan)**”), a wholly-owned subsidiary of the Company and Zhongshan City Zheng Ye Leasing Company Limited (“**Zheng Ye Leasing**”) entered into three tenancy agreements made between Zheng Ye Leasing as landlord and Zheng Ye Packaging (Zhongshan) as tenant in respect of the letting of the premises as summarized below:

- Date and subject matter of each tenancy agreement:
 - Tenancy agreement dated 1 January 2020 (the “**First Tenancy Agreement**”) in relation to the letting of premises located at Dongcheng Road, Dongshen Town, Zhongshan City, Guangdong Province, the PRC for use as our production site with a total gross floor area of approximately 36,475 sq.m..

* For identification purpose only

關連交易

財務報表附註42所披露的若干關連方交易根據上市規則亦構成關連交易，且須根據上市規則第14A章予以披露。若干關連方(定義見上市規則)與本公司已訂立下列交易及/或若干關連方與本公司訂立的下列交易已持續進行，且本公司已於二零二零年一月一日的公告內作出相關披露。

一次性關連交易

於二零二零年十二月，本公司的非全資附屬公司中山聯合鴻興造紙有限公司(「**鴻興**」)、上海聯合包裝裝潢有限公司(「**上海聯合**」)(於中國成立的有限公司)及無錫聯合包裝有限公司(「**無錫聯合**」)(於中國成立的有限公司，上海聯合及聯合株式会社*(レンゴー株式会社)分別持有91%及9%股份)。上海聯合及無錫聯合向聯合提供延期財務擔保，使鴻興繼續取得金額為人民幣10,140,000元的已抵押銀行授信之財務擔保。

持續關連交易

上市規則第14.A33條的最低豁免規定，因而獲豁免申報、公佈及獨立股東批准。

不獲豁免持續關連交易

根據上市規則第14A.33條，本集團成員公司之間的下列交易由於按年計的任何適用百分比率(溢利比率除外)均高於5%或年度代價高於1,000,000港元，將構成不獲豁免持續關連交易。

租用物業

本公司全資附屬公司正業包裝(中山)有限公司(「**正業包裝(中山)**」)及中山市正業租賃有限公司(「**正業租賃**」)就租賃該等物業而訂立三項租賃協議，正業租賃為業主，正業包裝(中山)為租戶，有關情況如下概述：

- 各租賃協議的日期及要旨：
 - 二零二零年一月一日(「**第一份租賃協議**」)，內容有關租用位於中國廣東省中山市東升鎮東成路的物業，作為我們的生產地點，總建築樓面面積約為36,475平方米。

* 僅供識別

Directors' Report

董事會報告

- Tenancy agreement dated 1 January 2020 (the “**Second Tenancy Agreement**”) in relation to the letting of premises located at No. 126 Dongcheng Road, Dongshen Town, Zhongshan City, Guangdong Province, the PRC for use as our production site with a total gross floor area of approximately 7,844 sq.m..
- Tenancy agreement dated 1 January 2020 (the “**Third Tenancy Agreement**”) in relation to the letting of premises located at Nos. 119 and 126 Dongcheng Road, Dongshen Town, Zhongshan City, Guangdong Province, the PRC for use as our workshop and canteen respective site with total gross floor areas of approximately 2,622 sq.m. and 304 sq.m. respectively.
- Monthly rental and management fee payable:
 - The First Tenancy Agreement is in amount of RMB459,605.
 - The Second Tenancy Agreement is in amount of RMB98,833.
 - The Third Tenancy Agreement is in amount of RMB36,867.
 - The monthly rent payable for the renewal term under each of the Tenancy Agreements will be the then market rent provided that any upward adjustment to the monthly rent will be subject to a cap of not more than 10% of the monthly rent payable immediately prior to the expiration of the original term.
- 二零二零年一月一日(「**第二份租賃協議**」)，內容有關租用位於中國廣東省中山市東升鎮東成路126號的物業，作為我們的生產地點，總建築樓面面積約為7,844平方米。
- 二零二零年一月一日(「**第三份租賃協議**」)，內容有關租用位於中國廣東省中山市東升鎮東成路119及126號的物業，分別作為我們的車間及餐區，總建築樓面面積分別約為2,622平方米及304平方米。
- 每月應付租金及管理費：
 - 第一份租賃協議金額為人民幣459,605元。
 - 第二份租賃協議金額為人民幣98,833元。
 - 第三份租賃協議金額為人民幣36,867元。
 - 各項租賃協議續約後的每月應付租金，按當時市值租金計算，但每月租金如有調升，將以不超過緊接原期限屆滿之前的每月應付租金10%為限。

Directors' Report

董事會報告

- Rental deposit paid:
 - The First Tenancy Agreement in amount of RMB300,000.
 - The Second Tenancy Agreement in amount of RMB100,000.
 - The Third Tenancy Agreement in amount of RMB50,000.
- 已付租金按金：
 - 第一份租賃協議金額為人民幣 300,000 元。
 - 第二份租賃協議金額為人民幣 100,000 元。
 - 第三份租賃協議金額為人民幣 50,000 元。

During the year, the rental and management fee of the premises from Zheng Ye Leasing amounted to VAT inclusive of RMB7,143,660 (2019: RMB7,143,660).

年內，來自正業集團已包括增值稅的物業租金及管理費為人民幣7,143,660元(二零一九年：人民幣7,143,660元)。

The independent non-executive Directors have reviewed the above continuing connected transactions of the Company and have confirmed that these transactions have been entered into:

獨立非執行董事已審閱本集團上述持續關連交易，並確認該等交易：

- (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms; and
 - (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.
- (i) 在本集團正常及日常業務過程中訂立；
 - (ii) 按一般商業條款訂立；及
 - (iii) 按對本公司股東屬公平合理且符合其整體利益的條款，根據規管各項交易的相關協議訂立。

The auditors of the Company have reported to the Directors that during the financial year:

本公司核數師已向董事會匯報，於財政年度：

- (i) the above continuing connected transactions have been approved by the board of Directors;
 - (ii) the above continuing connected transactions have been entered into in accordance with the terms of the agreements governing such transactions; and
 - (iii) the respective cap amounts set out in the relevant agreements referred to above have not been exceeded.
- (i) 上述持續關連交易已經董事會批准；
 - (ii) 上述持續關連交易已根據規管該等交易的協議之條款訂立；及
 - (iii) 上述有關協議各自的上限並未超越。

Corporate Governance

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

企業管治

本公司企業管治常規的詳情載於本年報企業管治報告。

Mode Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. All the Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2020.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則作為董事進行證券交易的操守守則。經本公司向全體董事作出具體查詢後，彼等均確認截至二零二零年十二月三十一日止年度一直遵守標準守則所載的規定準則。

Directors' Report

董事會報告

Major Customers and Suppliers

In the year under review, 24.66% of the Group's revenue was attributable to the Group's five largest customers and sales to the Group's largest customer accounted for 7.73% of the Group's revenue for the year. 46.33% of the Group's total purchases was attributable to the Group's five largest supplier and purchases from the Group's largest supplier accounted for 27.54% of the Group's total purchases.

None of the Directors, their associates or shareholders, who to the knowledge of the Directors own more than 5% of the Company's share capital, had an interest in these major customers or suppliers.

Directors' Interests in Competing Business

During the year, no Directors of the Company or their respective associates (as defined in the Listing Rules) were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those businesses of which the Directors were authorised to represent the interests of the Company and/or the Group.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float during the year and up to the date of this report under the Listing Rules.

Events After the Reporting Period

Save as otherwise disclosed in this annual report, the Group has no other significant events after the reporting period up to the date of this annual report.

Auditor

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu who retire and, being eligible, offer themselves for re-appointment at the AGM.

By order of the Board

Hu Zheng
Chairman

Hong Kong, 26 March 2021

主要客戶及供應商

於回顧年度，本集團五大客戶應佔本集團收益的24.66%，且向本集團最大客戶作出的銷售額佔本集團於本年度收益的7.73%。本集團五大供應商應佔本集團總採購額的46.33%，且向本集團最大供應商作出的採購額佔本集團總採購額的27.54%。

據董事會所知，本公司的董事、彼等的聯繫人或股東（該等人士擁有本公司股本的逾5%）概無於該等主要客戶或供應商擁有權益。

董事於競爭性業務的權益

於年內，本公司董事或彼等各自聯繫人（定義見上市規則）概無於被視為與本集團業務直接或間接構成或可能構成競爭之業務中擁有權益（本公司董事代表本公司及／或本集團利益獲委任為董事之業務除外）。

足夠公眾持股量

根據本公司可從公開途徑獲得的資料及據董事會所知，截至及直至本報告日期止年度，本公司一直維持上市規則所規定的足夠公眾持股量。

報告期後事項

除本公司於本年報另有所披露外，直至本年報日期，本集團概無任何其他重大報告期後事項。

核數師

財務報表經由德勤•關黃陳方會計師行審核，其將於股東週年大會上退任，惟符合資格並願意接受續聘。

承董事會命

胡正
董事長

香港，二零二一年三月二十六日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF
ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED
正業國際控股有限公司
(incorporated in Bermuda with limited liability)

致正業國際控股有限公司股東
(於百慕達註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Zhengye International Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as “the **Group**”) set out on pages 64 to 173, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

意見

吾等已審計正業國際控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)載於第64至173頁的綜合財務報表，當中包括於二零二零年十二月三十一日的綜合財務狀況表，以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，該等綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則真實而公平地反映 貴集團於二零二零年十二月三十一日的綜合財務狀況及截至該日止年度其綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見的基礎

吾等已根據香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審計。吾等於該等準則項下承擔的責任已在本報告中「核數師就審計綜合財務報表須承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「**守則**」)，吾等獨立於 貴集團之外，並已根據守則履行吾等的其他專業道德責任。吾等相信，吾等所獲得的審核憑證能充足和適當地為吾等的意見提供基礎。

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項是在吾等審計整體綜合財務報表及出具意見時進行處理的。吾等不會對該等事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

Key audit matter 關鍵審計事項

Impairment assessment of trade receivables not backed by bank bills and contract assets 不以銀行票據為後盾的應收款項及合約資產之減值評估

We identified the impairment assessment of trade receivables not backed by bank bills ("trade receivables") and contract assets as a key audit matter due to the management's judgement and estimates involved in the determining provision for expected credit losses.

由於管理層對預期信貸虧損的釐定撥備所涉及的判斷及估計，我們將不以銀行票據為後盾的應收賬款（「貿易應收款項」）及合約資產減值評估確定為關鍵審計事項。

As disclosed in notes 4 and 40 to the consolidated financial statements, the management uses provision matrix to estimate expected credit losses for trade receivables and contract assets, which is assessed individually for each significant trade debtors and contract assets, and collectively for others by grouping of various trade debtors and contract assets that have similar loss patterns after considering size and industry of debtors, business relationship, ageing status, repayment history and/or past due status of respective trade receivables. The provision rates applied in the provision matrix is estimated using the historical observed default rates of the debtors and contract assets taking into consideration forward-looking information that is reasonably and supportably available to the directors of the Company without undue costs or effort, and are updated if considered to be required.

誠如綜合財務報表附註4及40所披露，管理層使用預繳模式估計貿易應收款項及合約資產的預期信貸虧損，並就每項重大貿易債務人及合約資產分別作出評估，對其他具有類似損失模式的貿易應收賬款和合同資產進行分組後，則對其他應收款項進行集體評估債務人的規模和行業，業務關係，賬齡，還款歷史和/或逾期相對應貿易應收款項的過去狀態。撥備矩陣中應用的撥備率乃使用債務人及合約資產的歷史觀察違約率估計，並考慮到本公司董事合理及可支持的前瞻性資料，且無須支付不必要的成本或費用，並已更新如果被認為是必需的。

As disclosed in notes 22 & 24 to the consolidated financial statements, the carrying amount of trade receivables and contract assets as at 31 December 2020, are RMB707,250,000 (net of allowance for credit losses of RMB6,873,000) and RMB18,628,000 (net of allowance for credit losses of RMB nil).

誠如綜合財務報表附註22及24所披露，於二零二零十二月三十一日，貿易應收款項及合約資產的賬面值為人民幣707,250,000元（扣除信貸虧損準備人民幣6,873,000元）及人民幣18,628,000元（沒有信貸損失準備金淨額）。

關鍵審計事項(續)

How our audit addressed the key audit matter 吾等在審計中如何處理關鍵審計事項

Our procedures in relation to the impairment assessment of the trade receivables and contract assets included:
我們有關貿易應收款項及合約資產減值評估的程序包括：

- Obtaining an understanding of management process in assessing the estimated provision for expected credit losses for trade receivables and contract assets;
- 在評估貿易應收款項和合約資產的預期信貸虧損估計準備金時，了解管理程序；
- Evaluating the reasonableness of the groupings of trade receivables and contract assets according to their similarities in historical loss patterns;
- 根據歷史損失模式相似性評估貿易應收款和合約資產分組的合理性；
- Evaluating the reasonableness of management's determination of the estimated loss rates (with reference to historical default rates and publicly available forward-looking information);
- 評估管理層確定估計損失率的合理性（參考歷史違約率和可公開獲得的前瞻性信息）；
- Testing the accuracy of the ageing analysis of the trade receivables, on a sample basis, to the supporting documents;
- 以抽樣方式檢驗貿易應收款項的賬齡分析的準確性，以及支持文件；
- Testing the accuracy of contract assets, on a sample basis, to the supporting documents;
- 以抽樣方式、支持文件以檢驗合約資產的準確性；
- Checking the accuracy of management's calculation of expected credit losses for trade receivables and contract assets under provision matrix; and
- 檢查管理層根據預繳模式計算貿易應收款項和合約資產的預期信貸虧損的準確性；及
- Evaluating the historical accuracy of estimated provision for expected credit losses for trade receivables and contract assets.
- 評估貿易應收款項和合約資產的預期信貸虧損的估計撥備的歷史準確性。

Independent Auditor's Report

獨立核數師報告

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載資料，但不包括綜合財務報表及吾等就此作出的核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對該等其他資料發表任何形式的鑒證結論。

就吾等對綜合財務報表的審核，吾等的責任是閱讀其他資料，在此過程中考慮其他資料是否與綜合財務報表或吾等在審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。基於吾等已執行的工作，倘吾等認為該其他資料存在重大錯誤陳述，吾等需要報告該事實。在這方面，吾等並無任何報告。

董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並在適當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 貴集團清盤或停止營運，或別無其他實際的代替方案。

管治層須負責監督 貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

核數師就審核綜合財務報表須承擔的責任

吾等的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅按照百慕達公司法第90條向閣下(作為整體)報告吾等的意見，除此之外本報告別無其他目的。吾等不會就本報告的內容對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，倘合理預期錯誤陳述單獨或匯總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關錯誤陳述被視為重大。

作為根據香港審計準則所進行審計工作的一部分，於審計過程中吾等運用了專業判斷並保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部控制之上，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。
- 評估董事所採用會計政策的恰當性及所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。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或倘有關披露不足，則吾等應當發表非無保留意見。吾等的結論是基於截至核數師報告日期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。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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 the independent auditor's report is Wong Yan Wah.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 March 2021

核數師就審核綜合財務報表須承擔的責任 (續)

- 評價綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督和執行。吾等為審計意見承擔全部責任。

除其他事項外，吾等與管治層溝通計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別內部控制的任何重大缺陷。

吾等亦向管治層提交聲明，說明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理被認為會影響吾等獨立性的所有關係及其他事項，以及在適用的情況下，相關的防範措施。

從與管治層溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等的報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等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黃仁華。

德勤•關黃陳方會計師行
執業會計師
香港
二零二一年三月二十六日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		NOTES 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收入	5	2,493,041	2,367,151
Cost of sales	銷售成本		(2,102,176)	(1,918,338)
Gross profit	毛利		390,865	448,813
Other income	其他收入	7	26,287	14,028
Impairment losses under expected credit loss model, net of reversal	減值虧損撥回淨值	8	(5,055)	(40)
Other gains and losses	其他收益及虧損	9	(2,201)	(932)
Distribution and selling expenses	分銷及銷售費用		(72,651)	(72,994)
Administrative expenses	行政開支		(141,327)	(137,858)
Finance costs	融資成本	10	(49,615)	(45,835)
Other expenses	其他開支		(1,926)	(1,032)
Research and development costs	研發開支		(79,446)	(84,970)
Profit before tax	除稅前溢利	12	64,931	119,180
Income tax expense	所得稅開支	11	(2,371)	(18,152)
Profit and total comprehensive income for the year	年內溢利及全面收益總額		62,560	101,028
Profit and total comprehensive income for the year attributable to:	年內應佔全面收益總額：			
Owners of the Company	本公司擁有人		54,772	82,184
Non-controlling interests	非控股權益		7,788	18,844
			62,560	101,028
Earnings per share	每股盈利			
Basic (RMB)	基本 (人民幣)	16	0.11	0.16

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020
於二零二零年十二月三十一日

		NOTES 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current Assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	1,040,423	892,291
Right of use assets	使用權資產	18	197,943	216,194
Other intangible assets	其他無形資產	19	4,120	–
Deferred tax assets	遞延稅項資產	32	7,265	6,475
Deposits for acquisition of a subsidiary	收購附屬公司按金	20	–	5,000
Deposits for acquisition of property, plant and equipment	購買物業、廠房及設備按金		30,137	6,785
			1,279,888	1,126,745
Current Assets	流動資產			
Inventories	存貨	21	169,750	137,275
Trade and other receivables	貿易及其他應收款項	22	922,741	771,974
Contract assets	合約資產	24	18,628	16,957
Tax recoverable	可回收稅項		–	607
Pledged bank deposits	已抵押銀行存款	25	106,401	139,904
Bank balances and cash	銀行結餘及現金	25	185,367	231,089
			1,402,887	1,297,806
Current Liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	26	259,447	307,580
Consideration payables	應付代價款項	27	11,956	–
Tax liabilities	稅項負債		6,461	6,452
Bank and other borrowings	銀行及其他借款	28	1,025,339	816,593
Lease liabilities	租賃負債	29	14,226	17,277
Contract liabilities	合約負債	30	3,583	2,215
Amounts due to directors	應付董事款項	31	507	354
			1,321,519	1,150,471
Net Current Assets	流動資產淨值		81,368	147,335
Total Assets Less Current Liabilities	資產總值減流動負債		1,361,256	1,274,080

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020
於二零二零年十二月三十一日

		NOTES 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Capital and Reserves	資本及儲備			
Share capital	股本	33	41,655	41,655
Share premium and reserves	股本溢價及儲備		924,026	884,254
Equity attributable to owners of the Company	本公司擁有人應佔權益		965,681	925,909
Non-controlling interests	非控股權益		223,893	198,498
Total Equity	權益總額		1,189,574	1,124,407
Non-current Liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	32	6,787	5,629
Consideration payables	應付代價款項	27	10,875	–
Bank and other borrowings	銀行及其他借款	28	86,004	56,719
Lease liabilities	租賃負債	29	30,998	48,407
Deferred income	遞延稅項收入	35	37,018	38,918
			171,682	149,673
			1,361,256	1,274,080

The consolidated financial statements on pages 64 to 173 were approved and authorised for issue by the board of directors on 26 March 2021 and are signed on its behalf by:

董事會於二零二一年三月二十六日批准及授權刊發第64至173頁的綜合財務報表，並由以下人士代為簽署：

Hu Zheng
胡正
DIRECTOR
董事

Hu Hancheng
胡漢程
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests		Total
		Share capital 股本 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Statutory reserve 法定儲備 RMB'000 人民幣千元 (note a) (附註 a)	Other reserve 其他儲備 RMB'000 人民幣千元 (note b) (附註 b)	Retained profits 留存溢利 RMB'000 人民幣千元	Sub-total 小計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	41,655	92,968	129,481	(23,389)	653,010	893,725	179,654	1,073,379
Profit and total comprehensive income for the year	年度溢利及全面收益總額	-	-	-	-	82,184	82,184	18,844	101,028
Dividend paid (note 15)	已付股息(附註15)	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Transfer to statutory reserve	轉撥至法定儲備	-	-	5,693	-	(5,693)	-	-	-
At 31 December 2019	於二零一九年十二月三十一日	41,655	92,968	135,174	(23,389)	679,501	925,909	198,498	1,124,407
Profit and total comprehensive income for the year	年度溢利及全面收益總額	-	-	-	-	54,772	54,772	7,788	62,560
Acquisition of a subsidiary (note 36)	收購附屬公司(附註36)	-	-	-	-	-	-	14,407	14,407
Capital contribution from a non-controlling interest of a subsidiary	附屬公司非控制股東資本投入	-	-	-	-	-	-	3,200	3,200
Dividend paid (note 15)	已付股息(附註15)	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Transfer to statutory reserve	轉撥至法定儲備	-	-	1,283	-	(1,283)	-	-	-
Transfer upon closure of a subsidiary	附屬公司結業時轉撥	-	-	(1,546)	-	1,546	-	-	-
At 31 December 2020	於二零二零年十二月三十一日	41,655	92,968	134,911	(23,389)	719,536	965,681	223,893	1,189,574

Notes:

附註：

(a) In accordance with the relevant laws and regulations of the Peoples' Republic of China (the "PRC"), the subsidiaries established in the PRC are required to provide for the PRC statutory reserve, by way of appropriations from their respective statutory net profit (based on the subsidiaries' PRC statutory financial statements) but before dividend distributions.

(a) 根據中華人民共和國(「中國」)有關法律法規，於中國成立的附屬公司須通過撥出彼等各自的法定純利(基於該附屬公司的中國法定財務報表)就股息分派前的中國法定儲備作出撥備。

In accordance with the Articles of Association of certain subsidiaries established in the PRC, those subsidiaries are required to transfer 10% of the profit after taxation to the statutory reserve.

根據於中國成立的若干附屬公司的組織章程細則，該等附屬公司須轉撥除稅後溢利的10%予法定儲備。

Certain subsidiaries' appropriations to the funds are made at the discretion of the subsidiaries' board of directors. The board of directors shall decide on the amounts to be appropriated based on the profitability of each subsidiary each year.

若干附屬公司對基金的撥款均由該附屬公司的董事會酌情作出。董事會須根據每年各附屬公司的盈利能力確定將予撥付的金額。

(b) The amount mainly relates to reserve arising from group reorganisation carried out by the Group in preparation for the public listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2011.

(b) 本集團的儲備金額主要來自集團重組就本公司股份於二零一一年在香港聯合交易所有限公司籌備上市有關。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		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) (經重列)
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	64,931	119,180
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	49,615	45,835
Interest income	利息收入	(5,153)	(6,224)
Impairment losses recognised on trade and other receivables	已確認貿易及其他應收款項減值虧損	5,055	40
Depreciation of property, plant and equipment	物業、廠房及設備折舊	91,372	80,964
Depreciation of right-of-use assets	使用權資產折舊	21,034	20,206
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	1,215	546
Covid-19-related rent concessions	新型冠狀病毒有關租金優惠	(1,411)	-
Amortisation of other intangible assets	其他無形資產攤銷	-	338
Loss (gain) on disposals of property, plant and equipment, net	出售物業、廠房及設備虧損(收益)淨額	2,280	(546)
Exchange gain on borrowings	借款產生的匯兌收益	(3,486)	(163)
Amortisation of government grants relating to non-current assets	有關非流動資產之政府補貼攤銷	(4,100)	(3,325)
Operating cash flows before movements in working capital	營運資本變動前經營現金流量	221,352	256,851
(Increase) decrease in inventories	存貨(增加)減少	(14,952)	24,503
Increase in trade and other receivables	貿易及其他應收款項增加	(332,200)	(213,615)
(Increase) decrease in contract assets	合約資產(增加)減少	(1,671)	2,300
Decrease in trade and other payables	貿易及其他應付款項減少	(75,775)	(166,073)
Increase (decrease) in contract liabilities	合約負債增加(減少)	1,368	(429)
Increase (decrease) in amounts due to directors	應付董事款項增加(減少)	153	(1,827)
Cash used in operations	經營業務所用現金	(201,725)	(98,290)
Income tax paid	已付所得稅	(585)	(23,539)
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	(202,310)	(121,829)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		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) (經重列)
INVESTING ACTIVITIES	投資業務			
Interest received	已收利息		5,057	6,085
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項		2,812	1,974
Purchases of property, plant and equipment	購買物業、廠房及設備		(132,763)	(86,052)
Deposits paid for acquisition of property, plant and equipment	購買物業、廠房及設備按金		(30,137)	(6,785)
Purchases of other intangible assets	購買其他無形資產		(1,362)	–
Net cash outflow on acquisition of a subsidiary	收購附屬公司現金流出淨額	36	(18,211)	(5,000)
Placement of pledged bank deposits	存入已抵押銀行存款		(311,775)	(302,977)
Withdrawal of pledged bank deposits	取出已抵押銀行存款		345,278	271,983
Receipt of government grant relating to non-current assets	收取有關非流動資產之政府補貼		2,200	16,501
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額		(138,901)	(104,271)
FINANCING ACTIVITIES	融資業務			
Interest paid	已付利息		(45,288)	(42,027)
Dividend paid	已付股息		(15,000)	(50,000)
Repayment of bank and other borrowings	償還銀行及其他借款		(602,142)	(627,651)
Repayments of lease liabilities	償還租賃負債		(17,151)	(17,791)
Capital contribution from a non-controlling interest of a subsidiary	附屬公司非控制股東資本投入		3,200	–
Repayment of amount due to a non-controlling equity owner of a subsidiary	償還應付附屬公司非控制權益 擁有人款項		(21,468)	–
New bank and other borrowings raised	新取得銀行及其他借款		993,338	935,677
NET CASH FROM FINANCING ACTIVITIES	融資業務所得現金淨額		295,489	198,208
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		(45,722)	(27,892)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等價物		231,089	258,981
CASH AND CASH EQUIVALENTS AT 31 DECEMBER represented by bank balances and cash	於十二月三十一日的現金及 現金等價物 即銀行結餘及現金		185,367	231,089

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company. Mr. Hu Zheng, Mr. Hu Hancheng, Mr. Hu Hanchao and Ms. Hu Jianwen, who collectively own 75% of the Company's share in aggregate and act in concert, are regarded as the controlling shareholders of the Company.

The principal activities of its subsidiaries are mainly engaged in manufacture and sale of paper, paperboard and paper-based packaging products. The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

The consolidated financial statements are presented in Renminbi ("RMB"), the currency of the primary economic environment in which the principal subsidiaries of the Company operate (the "functional currency").

2. Application of New and Amendments to Hong Kong Financial Reporting Standards ("HKFRSs") Amendments to HKFRSs that are mandatorily effective of the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

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

In addition, the Group has early applied the Amendment to HKFRS 16 COVID-19-Related Rent Concessions.

Except for the Amendment to HKFRS 16 COVID-19-Related Rent Concessions and the application of the agenda decision of the IFRS Interpretation Committee (the "Committee") — Supply Chain Financing Arrangements, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

本公司於百慕達註冊成立的獲豁免有限公司，其股份於聯交所上市。本公司註冊辦事處地址及主要營業地點已在本年報中公司資料部份披露。

本公司為一家投資控股公司。由胡正先生、胡漢程先生、胡漢朝先生及胡健雯小姐累計共同擁有本公司75%股票及以一致行動進行，被視為本公司控制股東。

本公司的其附屬公司主要從事生產及銷售紙、紙板及紙製包裝產品。本公司及其附屬公司於下文統稱為「本集團」。

綜合財務報表乃以人民幣（「人民幣」）列值，該貨幣（「功能貨幣」）用於本公司的主要附屬公司營運所在的主要經濟環境。

2. 新訂及經修訂的香港財務報告準則（「香港財務報告準則」）的應用

對本年度強制生效之經修訂香港財務報告準則

於本年度，本集團於編製綜合財務報表時已首次應用由香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則中對概念框架的提述修訂本及以下香港財務報告準則之修訂本，該等修訂本於二零二零年一月一日或之後開始的年度期間強制生效：

香港會計準則1及香港會計準則8（修訂本）	重大之定義
香港財務報告準則3（修訂本）	業務之定義
香港財務報告準則9、香港會計準則39及香港財務報告準則7（修訂本）	利率基準改革

此外，本集團已提早採納香港財務報告準則16修訂本新型冠狀病毒相關租金優惠。

除香港財務報告準則16修訂本新型冠狀病毒相關租金優惠及解國際財務報告準則解釋委員會（「委員會」）的議程決定的應用 — 供應鏈融資安排，於本年度應用香港財務報告準則概念框架指引之修訂及該等香港財務報告準則之修訂不會對本集團現時及過往年度之業績和財務狀況及／或載於該等綜合財務報表之披露造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The application of the amendments had no impact on the consolidated financial statements in the current year as similar conclusion would have been reached without applying the optional concentration test.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

香港會計準則1及香港會計準則8(修訂本)重大之定義

本集團於本年度首次應用香港會計準則1及香港會計準則8(修訂本)。該修訂本為重大一詞提供新定義，說明「倘遺漏、錯誤陳述或隱瞞資訊可以合理預期會影響一般用途財務報表的主要使用者基於該等提供有關特定報告實體之財務資訊的財務報表作出之決策，則該資訊屬重大」。該修訂本亦釐清在整體財務報表的範圍內，重大性取決於資訊的性質或幅度(單獨或與其他資訊結合使用)。

於本年度應用有關修訂對綜合財務報表並無影響。

應用香港財務報告準則3(修訂本)業務之定義的影響

本集團於本年度首次應用有關修訂。該等修訂本澄清，儘管業務通常具有產出，但一組經整合的活動及資產毋須產出亦符合資格構成業務。所收購的一組活動及資產至少須包括一項投入及一項實質過程並共同顯著促進創造產出的能力，方會被視作業務。

該等修訂本刪除市場參與者是否有能力取代任何缺失的投入或過程及持續製造產出的評估。該等修訂本亦引入額外指引，有助釐定是否已獲得實質過程。

此外，該等修訂本引入一項可選集中性測試，允許對所收購的一組活動及資產是否為一項業務進行簡化評估。根據可選集中性測試，倘所收購的總資產的絕大部分公平值均集中於單個可識別資產或一組類似資產中，則所收購的一組活動及資產並非一項業務。經評估的總資產不包括現金及現金等價物、遞延稅項資產及遞延稅項負債的影響所產生的商譽。可按個別交易基準選擇是否應用該可選集中性測試。

應用有關修訂對本年度的綜合財務報表並無影響，因為若不採用可選集中性測試亦會達致相若結論。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Impacts on application of Amendment to HKFRS 16 COVID-19-Related Rent Concessions

The Group has applied the amendment for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of the amendment had no impact to the opening retained profits at 1 January 2020. The Group has benefited from two to six months waiver of lease payments on several leases in the PRC. The Group has derecognised the part of lease liability that has been extinguished by the forgiveness of lease payments using the discount rates originally applied to these leases respectively, resulting in a decrease in the lease liabilities of RMB1,411,000, which has been recognised as variable lease payments in profit or loss for the current year.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

應用香港財務報告準則16(修訂本)與新型冠狀病毒相關租金優惠的影響

本集團已於本年度首次應用該修訂本。該修訂本為承租人引進了新的可行權宜方法使其可選擇不評估與新型冠狀病毒相關的租金優惠是否為一項租賃修訂。該可行權宜方法僅適用於滿足以下所有條件的新型冠狀病毒直接產生的租金優惠：

- 租賃款項變動引致的經修訂租賃代價大致上等同或低於緊接變動前的租賃代價；
- 租賃款項的任何減少僅影響原定於二零二一年六月三十日或之前到期的款項；及
- 租賃的其他條款及條件並無實質變動。

承租人應用可行權宜方法將租金優惠導致的租賃款項變動入賬的方式，與其應用香港財務報告準則16租賃將變動列賬的方式一致(倘變動並非租賃修訂)。寬免或豁免租賃款項入賬為可變租賃款項。相關租賃負債乃經調整以反映寬免或豁免的金額，而相應調整於事件發生的期間內在損益中確認。

應用該修訂本對於二零二零年一月一日的期初保留溢利並無影響。本集團受惠於在中國若干租賃之兩至六個月租賃款項獲得豁免。本集團已終止確認因豁免租賃款項(分別採用該等租賃最初適用的貼現率)而消除的部分租賃負債，導致租賃負債減少人民幣1,411,000元，並已於本年度的損益內確認為可變租賃款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Impacts on application of the agenda decision of the Committee — Supply Chain Financing Arrangements

In December 2020, the Committee, through its agenda decision, clarified how liabilities to pay for goods or services received and the related cash flows when the related invoices are part of supply chain financing arrangements should be presented in the statement of financial position and statement of cash flows. The Committee observed that an entity’s assessment of the nature of the liabilities that are part of the supply chain financing arrangements may help in determining whether the related cash flows arise from operating or financing activities. Accordingly, the settlement of trade related payables directly by the relevant financiers which resulted in derecognition of the relevant liabilities constitute non-cash transactions and the entity’s subsequent settlement with financiers should be considered as repayment of borrowings and presented under financing activities in the statement of cash flows. Upon issuance of the agenda decision, the management of the Group reassessed the Group’s accounting policies in respect of the presentation of cash flows arising from discounting bills which are not derecognised, in which the Group considered the cash received from discounting as borrowings whilst the cash flows relating to the borrowings were presented under operating activities as the management considers the cash flows are in substance, the receipts from trade customers. Based on the clarification through the agenda decision, the Group changed its accounting policies retrospectively by presenting the cash received from discounting under financing activities in the consolidated statement of cash flow and the settlement of the related receivables and borrowings are disclosed as non-cash transactions.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

對應用委員會議程決定的影響 — 供應鏈融資安排

二零二零年十二月，委員會通過其議程決定澄清了當相關發票是供應鏈融資安排的一部分時，應如何支付已收貨品或服務的負債以及相關現金流量，應在財務狀況表和現金流量表中呈列。委員會注意到，一個實體對作為供應鏈融資安排一部分的負債性質的評估可能有助於確定相關現金流量是來自經營活動還是融資活動。因此，相關金融機構直接結算與貿易有關的應付賬款導致終止確認相關負債構成非現金交易，該實體隨後與金融機構的結算應被視為償還借款，並在現金流量表中的融資活動下呈列。發出議程決定後，本集團管理層重新評估了本集團有關未終止確認的貼現票據產生的現金流量的呈報的會計政策，其中，本集團將從貼現中獲得的現金視為借款，同時將現金流量視為現金。與借款有關的款項是在經營活動下呈報的，因為管理層認為現金流量是實質性的，即來自貿易客戶的收入。根據對議程決定的澄清，本集團通過在合併現金流量表中呈列從融資活動中貼現收到的現金，追溯地改變了其會計政策，相關應收款項和借款的結算被披露為非現金交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Impacts on application of the agenda decision of the Committee — Supply Chain Financing Arrangements

(Continued)

Effects of this change of accounting policy on the consolidated statement of cash flows are as follows:

- Proceeds received from discounting of bills to banks which did not qualify for derecognition previously included under operating activities of approximately RMB327,165,000 have been reclassified and presented as cash inflows under financing activities for the year ended 31 December 2019, which resulted in decrease in net cash from operating activities for the year ended 31 December 2019 by approximately RMB327,165,000, and increase in net cash from financing activities for the year ended 31 December 2019 by approximately RMB327,165,000.

For the year ended 31 December 2020, the net cash from operating activities would have been increased by approximately RMB279,779,000 and the net cash used in financing activities would have been increased by RMB279,779,000, if the Group has not applied the accounting policies.

The reclassification has had no effect on reported profit or loss, total comprehensive income, financial position or equity for any period presented.

As a result of the change of the accounting policy, the effect of discounting of receivables backed by bills on its cash flows and disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows have been presented in note 41.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

對應用委員會議程決定的影響 — 供應鏈融資安排(續)

會計政策變更對綜合現金流量表的影響如下：

- 之前不屬於終止確認條件的票據貼現給銀行的收益約人民幣327,165,000元已在截至二零一九年十二月三十一日止年度重新分類並列為融資活動下的現金流入，導致截至二零一九年十二月三十一日止年度的經營活動產生的現金流量淨額減少約為人民幣327,165,000元，並截至二零一九年十二月三十一日止年度的融資活動產生的現金淨額增加約為人民幣327,165,000元。

截至二零二零年十二月三十一日止年度，倘若本集團未採用該會計政策，則來自經營活動的現金淨額將增加約人民幣279,779,000元，而用於融資活動的現金淨額將增加人民幣279,779,000元。

重新分類對所呈列的任何期間的呈報損益，全面收益總額，財務狀況或權益概無影響。

由於會計政策的變更，以票據為後盾的應收款項貼現對其現金流及使財務報表使用者能夠評估融資活動產生的負債變化(包括現金流量產生的變化)的披露的影響已在附註41中列出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	<i>Insurance Contracts and the related Amendments</i> ¹
Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i> ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform — Phase 2</i> ⁴
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i> ¹
Amendments to HKAS 16	<i>Property, Plant and Equipment — Proceeds before Intended Use</i> ²
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i> ²
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2018-2020</i> ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate the application of other new and amendments to HKFRSs will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

已頒佈惟尚未生效的新訂或經修訂的香港財務報告準則

本集團並無提前應用以下已頒佈惟尚未生效的新訂或經修訂的香港財務報告準則：

香港財務報告準則 17	保險合約及相關修訂 ¹
香港財務報告準則 3 (修訂本)	概念框架的提述 ²
香港財務報告準則 9、香港會計準則 39、香港財務報告準則 7、香港財務報告準則 4 及香港財務報告準則 16 (修訂本)	利率基準改革 — 第二階段 ⁴
香港財務報告準則 10 及香港會計準則 28 (修訂本)	投資者與其聯營公司或合營企業之間資產出售或投入 ³
香港會計準則 1 (修訂本)	負債分類為流動或非流動以香港註及釋 5 (二零二零年) 之有關修訂 ¹
香港會計準則 16 (修訂本)	物業、廠房及設備 — 擬定用途前所得款項 ²
香港會計準則 37 (修訂本)	繁重合約 — 履行合約的成本 ²
香港財務報告準則 (修訂本)	香港財務報告準則年度改善 (二零一八年至二零二零年循環) ²

¹ 於二零二三年一月一日或以後開始之年度期間生效。

² 於二零二二年一月一日或以後開始之年度期間生效。

³ 於待定日子或以後開始之年度期間生效。

⁴ 於二零二一年一月一日或之後開始之年度期間生效。

除下述新訂及經修訂香港財務報告準則外，本公司董事預期，應用已頒佈其他新訂及經修訂香港財務報告準則會對本集團綜合財務報表於可見將來不會構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 Business Combinations so that it refers to the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the “**Conceptual Framework**”) instead of Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting 2010 issued in October 2010);
- add a requirement that, for transactions and other events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

香港財務報告準則3(修訂本)對概念框架的提述

修訂內容：

- 更新香港財務報告準則3企業合併中的提述，使其跟據二零一八年六月發佈的二零一八年財務報告概念框架(「**概念框架**」)，取代財務報表的編製和呈報框架(由二零一零年十月發佈的財務報告二零一零概念框架所取締)；
- 增加一項規定，就香港會計準則37撥備、或然負債及或然資產或香港(國際財務報告詮釋委員會)－詮釋21徵稅範圍內的交易和其他事件，收購方應用香港會計準則37或香港(國際財務報告詮釋委員會)－詮釋21取代以概念框架來確定其在企業合併中承擔的負債；及
- 增加一項明確聲明，表明收購方並無確認於業務合併中收購的或然資產。

預期該等修訂內容之應用不會對本集團之財務狀況及表現造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group’s outstanding liabilities as at 31 December 2020, the application of the amendments will not result in reclassification of the Group’s liabilities.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

香港會計準則1(修訂本)將負債分類為流動或非流動以及香港詮釋5(二零二零年)之有關修訂

該等修訂本為評估將結清負債期限延遲至自報告日期起至少十二個月的權利提供澄清及額外指引，以將負債分類為流動或非流動，當中包括：

- 訂明負債應基於報告期末存在之權利而分類為流動或非流動。具體而言，有關修訂本澄清：
 - (i) 該分類不受管理層於十二個月內結清負債的意圖或預期所影響；及
 - (ii) 澄清倘若該權利以遵守契諾為條件，即使貸款人於較後日期方才測試是否符合條件，該權利於報告期末符合條件的情況下存在；及
- 澄清倘若負債具有若干條款，可由對手方選擇透過轉讓實體本身的股本工具進行結清，僅當實體應用香港會計準則32金融工具：呈列將選擇權單獨確認為股本工具，該等條款不影響將其分類為流動或非流動。

此外，香港詮釋5因香港會計準則第1號之修訂本而進行修訂，以使相應措辭保持一致而結論不變。

根據本集團截至二零二零年十二月三十一日的未償債務，採用修訂不會導致本集團的負債重新分類。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Amendments to HKAS 16 Property, Plant and Equipment — Proceeds before Intended Use

The amendments specify that the costs of any item that were produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the relevant property, plant and equipment is functioning properly) and the proceeds from selling such items should be recognised and measured in the profit or loss in accordance with applicable standards. The cost of the items are measured in accordance with HKAS 2 Inventories.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

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

The amendments specify that, when an entity assesses whether a contract is onerous in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, the unavoidable costs under the contract should reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Costs of fulfilling the contract include incremental costs and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are applicable to contracts for which the Group has not yet fulfilled all its obligations as at the date of initial application. Specifically, the amendments are applicable to the Group’s assessment of onerous contracts in relation to outstanding unfulfilled paper-making contracts and packaging contracts.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

香港會計準則16(修訂本)物業、廠房及設備 — 擬定用途前所得款項

修訂本規定，在將物業、廠房和設備項目帶到使其能夠按照管理層預期的方式運作所必需的位置和條件的同時，所產生的任何項目的成本(例如在測試產品是否符合要求時所產生的樣品於相關物業、廠房和設備是否正常运行)及出售此類物品的收益應按照適用的標準在損益中確認和計量。物品的成本根據香港會計準則2存貨計量。

預期應用該等修訂不會對本集團的財務狀況及表現造成重大影響。

香港會計準則第37號(修訂本)繁重合約 — 履行合約的成本

修訂本規定，當主體根據香港會計準則37撥備、或然負債及或然資產評估合約是否虧損時，合約下的不可避免成本應反映出退出合約的淨成本最少，即較低者。履行費用以及因未能履行而產生的任何補償或罰款。履行合約的成本包括增量成本及與履行合約直接相關的其他成本的分配(例如，分配用於履行合約的不動產、廠房和設備的折舊費)。

該等修訂適用於本集團於首次應用日期尚未履行其所有責任的合約。具體而言，該修訂適用於本集團對與未完成的造紙合同和包裝合同有關的繁重合同的評估。

預期應用該等修訂不會對本集團的財務狀況及表現造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Amendments to HKFRSs Annual Improvements to HKFRSs 2018–2020

The annual improvements make amendments to the following standards.

HKFRS 9 Financial Instruments

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the “10 per cent” test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf.

HKFRS 16 Leases

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

HKAS 41 Agriculture

The amendment ensures consistency with the requirements in HKFRS 13 Fair Value Measurement by removing the requirement in paragraph 22 of HKAS 41 to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. 新訂及經修訂的香港財務報告準則(「香港財務報告準則」)的應用(續)

香港財務報告準則(修訂本)年度改善(二零一八年至二零二零年循環)

年度改進對以下準則作出修訂。

香港財務報告準則9 金融工具

修訂本案澄清為了對原本金融負債的條款修改以「百分之十」測試進行評估是否構成重大修改，借款人僅包括借款人與貸款人之間已付或已收的費用，包括借款人或貸款人的代表者已付或已收的費用。

香港財務報告準則16 租賃

修訂本對在香港財務報告準則16中的第13號說明性例子刪除了有關出租人為租賃改善作報銷的說明性例子以消除任何潛在的混淆。

香港會計準則41 農業

修訂本刪除了香港會計準則41第22段中關於使用現值技術計量生物資產的公允價值時不包括稅收現金流量的要求，從而確保與香港財務報告準則13公允價值計量的要求保持一致。

預期應用該等修訂不會對本集團的財務狀況及表現造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories*, or value in use in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial assets takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. 重大會計政策

綜合財務報表乃根據香港會計師公會所頒佈的香港財務報告準則編製。就編製綜合財務資料而言，倘有關資料合理預期會影響主要用戶作出的決定，則有關資料被視為重大。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例所規定的適用披露事項。

綜合財務報表乃按各歷史成本基準於各報告期末編制，詳情載於下文所載會計政策。

歷史成本一般基於交換商品和服務時所考慮的對價的公允值。

公允值乃市場參與者於計量日期於有序交易中出售資產所收取或轉讓負債所支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債的公允值時，倘市場參與者於計量日期對資產或負債定價時將考慮資產或負債之特點，則本集團會考慮該等特點。於該等綜合財務報表中作計量及／或披露用途之公允值乃按此基準釐定，惟香港財務報告準則2以股份支付範圍內以股份支付之交易、香港財務報告準則16租賃範圍內之租賃交易，以及與公允值類似但並非公允值之計量（例如香港會計準則2存貨之可變現淨值或香港會計準則36資產減值之使用價值）除外。

非金融資產的公允值計量計及市場參與者透過最大限度使用該資產達致最佳用途、或透過將資產售予將最大限度使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specially, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. 重大會計政策(續)

此外，就財務報告而言，公允值計量可按公允值計量之輸入數據可觀察程度及公允值計量之輸入數據對其整體之重要性劃分為第一、二及三級，詳述如下：

- 第一級輸入數據乃實體於計量日期可於活躍市場就相同資產或負債獲得之報價(未經調整)；
- 第二級輸入數據乃為第一級所載報價以外之輸入數據，而該等數據乃就有關資產或負債可直接或間接觀察之輸入數據；及
- 第三級輸入數據乃資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司控制之企業之財務報表。控制是指本公司：

- 可對被投資對象行使之權力；
- 須承擔或享有參與被投資對象可變回報之風險及權力；及
- 可運用其權力以影響其回報。

倘有事實及情況顯示上述三項因素其中一項或以上出現變動，則本集團重新評估其是否對被投資對象存有控制權。

附屬公司乃於本集團取得附屬公司控制權起綜合入賬，並於本集團失去該附屬公司控制權時終止入賬，則停止該附屬公司之綜合入賬。特別是，年內所收購或出售之附屬公司之收入及開支由本集團取得控制權當日起至本集團不再控制該附屬公司之日止計入綜合損益及其他全面收益表。

損益及其他全面收入的各部分歸屬於本公司應佔擁有人及非控股權益。附屬公司的全面收入總額歸屬於本公司應佔擁有人及非控股權益，即使此將導致非控股權益產生虧蝕結餘。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attribute to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction- by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

3. 重大會計政策 (續)

綜合基準 (續)

倘有必要，將對附屬公司的財務報表作出調整，以使其會計政策與本集團其他成員公司所採用者保持一致。

本集團成員之間交易之所有集團內公司間資產與負債、權益、收入、開支及現金流量已於綜合時抵銷。

附屬公司的非控股權益與本集團的權益分開呈列，而該等權益代表其持有者於清算時有權按相關附屬公司的淨資產比例分配的現有所有權權益。

當本集團失去附屬公司控制權，收益或虧損以 (i) 已收代價的公允值及任何保留權益之總和；與 (ii) 附屬公司之前的資產 (包括商譽)、負債和任何非控股權益的淨值之差額計算，並計入損益。所有有關該附屬公司之前確認為其他全面收入中的金額會以猶如本集團直接出售附屬公司的有關資產或負債的情況入賬 (即按適用的香港財務報告準則所指定/允許，重新分類至損益或轉移到另一類權益)。在喪失控制權日仍保留於前附屬公司之任何投資的公允值，會被視為初始確認時的公允值，如適用，即於聯營公司或合資企業投資的初始確認之成本，並後續根據香港財務報告準則9計賬。

可選集中度測試

自二零二零年一月一日生效，本集團可選擇以逐項交易基準應用可選集中度測試，可對所收購之一組活動及資產是否並非一項業務作簡化評估。倘所購總資產的公允值幾乎全部都集中在單一可識別資產或一組類似可識別資產中，則符合集中度測試。評估之總資產不包括現金及現金等價物、遞延稅項資產、及由遞延稅項負債影響產生之商譽。倘符合集中度測試，該組活動及資產會被釐定為並非業務及毋須作進一步評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in October 2010).

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised, and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively.
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low-value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. 重大會計政策 (續)

綜合基準 (續)

資產收購

當本集團收購一組不構成業務的資產和負債，本集團識別並確認以購買價為基礎將購買價款首先分攤至以公允價值模式計量的投資物業和金融資產後所獲得的可識別的個體資產和承擔的負債。／金融負債以各自的公允價值計量，則將購買價格的剩餘餘額根據購買日的相對公允價值分配給其他可識別的資產和負債。此類交易不會產生商譽或議價購入收益。

業務合併

業務收購使用收購法列賬。業務合併所轉讓的代價按公允價值計量，而計算方法為轉讓至本集團的資產、本集團向被收購方之前擁有人產生的負債及本集團為交換被收購方的控制權而發行的股權權益於收購日期的公允價值之總和。有關收購的成本一般於產生時於損益內確認。

除若干確認豁免外，所收購的可識別資產及所承擔的負債必須符合國際會計師公會頒佈的編製及呈列財務報表之框架（於二零一零年十月被財務報告概念框所取代）下資產及負債的定義。

於收購日期，已收購的可識別資產及承擔的負債按彼等的公允價值確認，除了：

- 遞延稅項資產或負債以及有關僱員福利安排的資產或負債乃分別根據香港會計準則12所得稅及香港會計準則19僱員福利確認及計量。
- 租賃負債按剩餘租賃付款額（定義見香港財務報告準則16）的現值確認和計量，如同已獲得的租賃在購買日為新租賃一樣，但(a)租賃期限自獲取日期起12個月內結束；或(b)價值低的資產。使用權資產的確認和計量與相關租賃負債的金額相同，並進行調整以反映與市場條款相比租賃的有利或不利條款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued) Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

3. 重大會計政策 (續) 業務合併 (續)

商譽乃按所轉讓的代價、任何非控股權益於被收購方中所佔款項以及收購方以往持有被收購方股權權益的公允價值(如有)之總和，減所收購的可識別資產及所承擔的負債於收購日期的金值後所超出的差額計量。倘經過重估後，所收購的可識別資產與所承擔負債於收購日期的淨額高於所轉讓代價、任何非控股權益於被收購方中所佔款項及收購方以往持有被收購方股權權益的公允價值(如有)之總和，則超出款項即時於損益內確認為議價收購收益。

現時擁有的權益且於清盤時讓彼等的持有人有權按比例分佔實體淨資產的非控股權益，可初步按公允價值或非控股權益應佔被收購方可識別資產淨值的已確認款項比例計量。計量基準視乎每項交易而作出選擇。其他種類的非控股權益乃按其公允價值基準計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排，則或然代價按其於收購日期之公允價值計量，並計入於業務合併轉讓之代價之一部分。符合資格為計量期間調整之或然代價公平值變動將予追溯調整。計量期間調整為於「計量期間」(不可超過自收購日期起計一年)取得有關於收購日期已存在之事實及情況之額外資料產生之調整。

不合資格為計量期間調整之或然代價後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。分類為資產或負債之或然代價將按公允價值於後續報告日期重新計量，相應之盈虧於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued) Revenue from contracts with customers

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance 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.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. 重大會計政策(續) 來自客戶合約之收益

根據香港財務報告準則15，本集團於完成履約責任時(或就此)確認收入，即於特定履約責任相關的貨品或服務的「控制權」轉移予客戶時。

履約責任指不同的貨品或服務(或一籃子貨品或服務)或一系列不同的貨品或服務其大致上相同。

經參考相關履約責任的完成進度，當達至下面其中一項時，控制權隨時間的推移而轉移及收入隨時間的推移而確認：

- 客戶同時接收及耗用由本集團執行本集團履約所提供的效益；
- 客戶控制由本集團執行本集團的履約產生及提升的資產；或
- 本集團的履約不會產生對本集團有其他用途的資產及本集團對迄今完成的履約之付款有可執行之權利。

否則，則當客戶取得不同貨品或服務的控制權時按一個時間點確認收入。

合約資產指本集團有權以本集團尚未成為無條件轉移予客戶的貨品或服務以換取代價。此乃根據香港財務報告準則9作評估減值。相反，應收款項指本集團無條件的可收取代價，即到期前只需等待到期支付代價。

合約負債指本集團已從客戶收取代價(或代價金額已到期)而本集團有責任去轉移貨品或服務予客戶。

屬同一合約之合約資產及合約負債按淨額入賬及列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued) Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. 重大會計政策(續) 來自客戶合約之收益(續)

隨時間確認收益：計量履約責任的完成進度

完全履行履約義務的進展是基於輸入法計量的，即基於本集團的努力或履行履約義務相對於履約義務的總預期投入的投入來確認收入，最能說明本集團在轉移商品或服務控制方面的表現。

租賃

租賃之定義

當合約傳達權利以控制使用一項已識別資產一段時間以換取代價，則該合約乃(或包含)一項租賃。

於初始應用日期或之後訂立或修改或由業務合併引起之合約，本集團根據香港財務報告準則16之定義於初始時，修改日期及或收購日期，倘適用，評估一份合約是否(或包含)一項租賃。除非合約之條款及條件其後改變，此合約將不會再評估。

本集團作為承租人(按附註2所載過渡應用香港財務報告準則16)

將代價分配至合約成分

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，本集團將合約代價分配至各租賃成分，基準是租賃成分的相對獨立價格及非租賃成分的總獨立價格；當中獲得包括租賃土地和非租賃建築組成部分在內的財產的所有權權益的合同，除非這種分配不能可靠地進行。

本集團亦採用實際權宜之計，不將由租賃組成部分分開至非租賃組成部分，而是將租賃組成部分和任何相關的非租賃組成部分作為單個租賃組成部分進行會計處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued) Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. 重大會計政策(續) 租賃(續)

本集團作為承租人(按附註2所載過渡應用香港財務報告準則16)(續)

短期租賃及低值資產租賃

本集團對租約期自開始日期計12個月或更短者且並無包含購買權之機器設備及物業應用短期租賃確認豁免。同時就低值資產租賃也應用確認豁免。短期租賃及低值資產租賃之租賃付款於租約期內按直線法或其他系統基準確認為費用。

使用權資產

使用權資產成本包括：

- 租賃負債初始計量金額；
- 於開始日期或之前作出之任何租賃付款，減去任何已收租賃補助；
- 本集團涉及之任何初始直接成本；及
- 本集團涉及拆卸及遷移相關資產，恢復相關資產所在地點或恢復相關資產按租賃條款及條件要求之狀況之估計成本。

使用權資產按成本減去任何累計折舊和減值損失後的金額進行計量，並針對租賃負債的任何重新計量進行調整。

本集團合理確定於租賃期完結時可獲得相關租賃資產擁有權之使用權資產，從開始日期至可使用年期完結計算折舊。否則，使用權資產按其估計可使用年期及租賃年期較短者，以直線法計算折舊。

本集團之使用權資產於綜合財務狀況表以獨立呈列。

可退回之租金按金

已付之可退回租金按金根據香港財務報告準則9金融工具入賬及以公允值初始計量。就於初始計量之公允值所作之調整乃視為額外租賃付款及包括在使用權資產成本內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, 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 the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (按附註2所載過渡應用香港財務報告準則16) (續)

租賃負債

於租賃開始日期，本集團以該日未付租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘隱含在租賃中之利率未能明顯確定，本集團則採用租賃開始日期之漸進借貸率。

租賃付款包括：

- 固定付款 (包括實質上固定付款) 減去任何應收租賃補助；
- 取決於一項指數或比率之浮動租賃付款，按開始日期之指數或比率初始計量；
- 本集團於剩餘價值擔保之預期應付金額；
- 倘本集團合理確定將會行使購買權之行使價；及
- 倘租期影響本集團行使終止租賃權，終止租賃所支付之罰金。

於開始日期後，租賃負債按利息增長及租賃付款作調整。

每當出現下列情況，本集團重新計量租賃負債 (及對相關使用權資產作出對應調整)：

- 租期已變更或行使購買權之評估變更，在此情況下相關租賃負債按於重新計量當日之已修訂折現率將已修訂租賃付款折現來重新計量。
- 租賃付款變更乃由於根據保證剩餘價值之預期付款變更，在此情況下相關租賃負債按初始折現率將已修訂租賃付款折現來重新計量。

本集團將租賃負債於綜合財務狀況表以獨立項目呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued) Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease modifications

Except for COVID-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

COVID-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3. 重大會計政策(續) 租賃(續)

本集團作為承租人(按附註2所載過渡應用香港財務報告準則16)(續)

租賃修改

除本集團就新型冠狀病毒相關的租金優惠外運用了實際的權宜之計，本集團將租賃修改入賬為單獨之租賃，倘：

- 修改增加租賃範圍，加入一項或多項相關資產之使用權；及
- 租賃代價增加與範圍增加的獨立價格相稱，並對該獨立價格進行任何適當之調整以反映特定合同的情況。

就租賃修改並無入賬為獨立租賃而言，本集團按修改租賃之租期以於修改生效日期之修訂折現率將修訂租賃付款折現來重新計量租賃負債。

本集團就重新計量租賃負債以相關使用權資產作出對應調整來入賬。當修改合約包含租賃部分及一項或多項額外租賃或非租賃部分，本集團按租賃部分之相關獨立價格及非租賃部分之合計獨立價格將修改合約之代價分配至各自租賃部分。

新型冠狀病毒相關租金優惠

對於新型冠狀病毒疫情直接導致的租金減免，如果滿足以下所有條件，本集團選擇採用實際的權宜之計，不評估變更是否為租賃變更：

- 租賃付款變動導致的經修訂租賃代價與緊接變動前的租賃代價大致相同或少於緊接變動前的租賃代價；
- 租賃付款的任何減幅僅影響原到期日為二零二一年六月三十日或之前的付款；及
- 租賃的其他條款及條件並無實質變動。

承租人採用實際權宜法將因租金優惠引起的租賃付款變動入賬時，倘有關變動並非租賃修改，則其會使用相同方式將採納香港財務報告準則16租賃的變動入賬。租賃付款之寬免或豁免入賬列作可變租賃付款。相關租賃負債經調整以反映獲寬免或豁免的金額，並於有關事件發生期間於損益確認相應調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued)

Leases (Continued)

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of HKFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 重大會計政策 (續)

租賃 (續)

售後租回交易

本集團採用香港財務報告準則15的規定，以評估售後租回交易是否構成本集團的銷售。

集團作為賣方承租人

對於不滿足銷售要求的轉讓，本集團（作為賣方承租人）在香港財務報告準則9的範圍內將轉讓收益作為借款入賬。

外幣

編製各集團實體的財務報表時，以非該實體功能貨幣（外幣）進行的交易會按交易日期當日的匯率以相關功能貨幣列賬確認。於報告期末，以外幣計值的貨幣項目均按當日的匯率重新換算。以外幣計值按歷史成本計量之非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時所產生的匯兌差額，於其產生期間在損益內確認。

借款成本

收購、興建或生產合資格資產（需要大量時間製作以供擬定用途或銷售的資產）應佔的直接借貸成本將會加入該資產的成本，直至該資產大致可作預定用途或銷售。

在相關資產準備用於其預期用途或出售後仍未償還的任何特定借款，計入一般借款池，以計算一般借款的資本化率。在特定借款用於符合條件的資產的支出之前，將其暫時投資所賺取的投資收入從符合資本化條件的借款費用中扣除。

所有其他借貸成本均於產生期間於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans/state-managed retirement benefit schemes/the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefits is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring cost.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

3. 重大會計政策(續) 政府補貼

當可合理保證本集團符合附帶條件且會收到補貼時，方確認政府補貼。

政府補貼乃就集團確認的有關開支(預期補貼可予抵銷成本開支)期間按系統基準於損益內確認。具體而言，以本集團購買、建造或以其他方式獲得非流動資產為主要條件的政府補貼，作為遞延收入/相關資產賬面值剔除部分於綜合財務狀況表中確認，並於相關資產可使用年期內轉撥至損益。

政府補貼是作為支出或已發生的虧損補償、或是以給予本集團及時的財務支援為目的而獲得的，無未來相關成本在其成為應收款項期間於損益內確認。該等補貼呈列於「其他收入」項下。

退休福利成本及福利終止

界定供款退休福利計劃/國家管理退休福利計劃的付款在僱員提供可獲取該等供款的服務時確認為開支。

終止福利

終止福利之負債於本集團實體不能取消提供該終止福利時及實體確認任何有關重組成本(以較早者為準)確認。

短期僱員福利

短期僱員福利於僱員提供服務時就預計將支付福利的未貼現金額確認。所有短期僱員福利確認為開支，除非另一項香港財務報告準則要求或允許將有關福利納入資產成本，則作別論。

在扣除已經支付的任何金額後，對僱員應得的福利(例如工資及薪金、年假及病假)確認負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 重大會計政策(續)

稅項

所得稅開支指目前應付稅項及遞延稅項的總額。

即期應繳稅項乃按年內應課稅溢利計算。由於於其他年度課稅或可扣稅之收入或開支及永久毋須課稅或不可扣減之項目，故應課稅溢利有別於綜合損益及其他全面收益表內呈報之「除稅前溢利」。本集團之即期稅項負債乃按現行稅率或報告期末時實際確立之稅率計算。

遞延稅項為就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基的暫時差額。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產一般乃於可能出現應課稅溢利對銷可用的可扣稅暫時差額時確認。倘若暫時差額由商譽或不影響應課稅溢利及會計溢利的交易中首次確認（業務合併除外）的其他資產及負債所產生，則不會確認該等資產及負債。此外，若暫時差額是源自商譽之首次確認，則不確認遞延稅項負債。

與附屬公司的投資相關的應課稅暫時差額確認為遞延稅項負債，惟若本集團可控制暫時差額的回撥而暫時差額於可見將來應不會回撥的情況除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額的益處且預計於可見將來可以回撥時確認。

遞延稅項資產的賬面值於報告期末作檢討，並撇減至不再可能有足夠應課稅溢利可供收回全部或部分資產時為限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

3. 重大會計政策 (續)

稅項 (續)

遞延稅項資產及負債乃按預期於負債獲償還或資產獲變現期間適用的稅率(以報告期末已生效或實質上已生效的稅率(及稅法)為基準)計算。

遞延稅項負債及資產的計算，反映了本集團於報告期末所預期對收回或償還其資產及負債的賬面值的方式所產生的稅務結果。

就本集團確認使用權資產及相關租賃負債之租賃交易計量遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸屬於租賃負債的租賃交易而言，本集團就整體租賃交易應用香港會計準則12所得稅規定。與使用權資產及租賃負債相關的暫時差額按淨額基準評估。使用權資產折舊超出租賃負債租賃部分的租賃付款主要部分導致產生可扣減暫時差額淨額。

當有法定行使權以本期稅項資產抵銷本期稅項負債，及當該些稅項為同一稅務機關所徵收之所得稅，且本集團有意將其本期稅項資產及負債以淨額結算，遞延稅項資產及負債會被抵銷。

當期及遞延稅項於損益中確認。倘當期或遞延稅項因業務合併的初始會計處理而引起時，有關之稅務影響會被納入業務合併的會計處理。

於評估所得稅處理的不確定性時，集團考慮有關稅務機關會否接納個別集團實體填報所得稅時使用或擬使用的不確定稅項處理之可能性。倘有關稅務機關很可能不會接納不確定稅務處理，每項不確定性之影響會使用最大可能金額或預期值反映。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued) Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and machinery in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 重大會計政策(續) 物業、廠房及設備

物業、廠房及設備(包括持有作用於生產或供應貨品或服務的樓宇,或就行政用途,不包括在建工程,如下文除外)按成本減其後累計折舊及累計減值虧損入賬(如有)。

供生產、供應或行政用途的在建工程按成本減去任何已確認的減值虧損列賬。成本包括專業費用,及就合資格資產而言,根據本集團之會計政策資本化的借貸成本。該等物業於竣工及可供用於擬定用途時分類為物業、廠房及設備的適當類別。此等資產的折舊基準與其他物業資產相同,乃於資產可供用於擬定用途時開始計提。

物業、廠房及設備項目(在建工程除外)的折舊乃以直線法確認,以撇銷其估計可使用年期內的成本減剩餘價值。估計使用年期及折舊方法乃於各報告期末檢討,估計變動的影響按預先計提的基準入賬。

根據融資租賃持有的資產按與自置資產相同的基準於其預期可使用年期內計算折舊。然而,倘無法合理確定擁有權將於租期結束時取得,則資產按租期及可使用年期(以較短者為準)折舊。

物業、廠房及設備項目乃於出售後或預期繼續使用該資產不會產生未來經濟利益時終止確認。出售或廢棄物業、廠房及設備項目產生的任何收益或虧損按出售所得款項與資產賬面值間的差額計算,並於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued) Intangible assets

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

3. 重大會計政策(續) 無形資產

內部產生無形資產 — 研發開支

研究活動的開支於其產生期間確認為開支。

僅在出現所有下列情況下，來自開發活動(或來自內部項目開發階段)的內部產生無形資產始予以確認：

- 完成無形資產以使其可供使用或出售的技術可行性；
- 完成無形資產及使用或出售無形資產的意圖；
- 使用或出售無形資產的能力；
- 無形資產如何帶來可能的未來經濟利益；
- 有足夠技術、財務及其他資源以完成開發及使用或出售無形資產；及
- 可靠計量無形資產於開發期間所需開支的能力。

內部產生無形資產的首次確認金額為無形資產於初步符合上述確認準則日期起產生的開支總和。倘並無內部產生無形資產可予確認，開發開支於其產生期間於損益內確認。

首次確認後，內部產生無形資產按成本減累計攤銷及累計減值虧損(如有)報告，與獨立收購的無形資產基準相同。

無形資產於出售時或預期使用或出售有關資產不會產生未來經濟利益時取消確認。任何因取消確認無形資產而產生的收益及虧損將獲計算為出售所得款項淨額與資產賬面值之間的差額，並於有關資產獲取取消確認時於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued)

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

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a cash-generating unit for which the estimates of future cash flows have not been adjusted.

3. 重大會計政策(續)

物業、廠房及機器、使用權資產及無形資產減值

於報告期末，本集團會檢討其物業、廠房及機器、使用權資產及使用壽命有限的無形資產之賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。倘有任何該等跡象，則估計有關資產的可收回款額，以確定減值虧損(如有)的程度。具有無限可使用年期的無形資產及尚未可供使用的無形資產每年及於出現可能減值的跡象時進行減值測試。

物業、廠房及機器、使用權資產及無形資產的可收回金額會個別估計。倘不能個別估計資產的可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。

於測試減值的現金產生單位時，當可確立一個合理及一致的分配基準時，分配企業資產至相關現金產生單位，或分配至最小現金產生單位組別直至能確立一個合理及一致的分配基準。可收回金額按企業資產所屬現金產生單位或現金產生單位組別釐定可收回金額，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

可收回金額為公允價值減去銷售成本及使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估的貨幣時間值及資產特定風險(就此而言，未來現金流量估計尚未作出調整)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued) Impairment on property, plant and equipment, right-of-use assets and intangible assets (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 重大會計政策(續) 物業、廠房及機器、使用權資產及無形資產減值(續)

倘估計資產(或現金產生單位)之可收回金額將少於其賬面值,則資產(或現金產生單位)之賬面值將調減至其可收回金額。於分配減值虧損時,首先分配減值虧損以減少任何商譽的賬面值(如適用),然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公允價值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損已在損益內即時確認。

倘減值虧損其後撥回,則增加資產的賬面值(或現金產生單位)至其可收回數額的修訂後估計金額,惟增加後的賬面值不能超過倘於過往年度並無確認該資產(或現金產生單位)的減值虧損而應確定的賬面值。減值虧損的撥回即時確認為收入。

存貨

存貨乃按成本及可變現淨值的較低者入賬,而存貨成本按加權平均法釐定。可變現淨值指存貨的估計售價減去所有估計完工成本及成功出售所需的成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued) Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 重大會計政策(續) 以股份支付

以權益結算的股份為基礎付款交易

向員工授出股票

向員工及其他提供類似服務的以權益結算的以股份為基礎的支付以授予日的權益工具的公允價值計量。

以權益結算以股份為基礎的付款於授出日期釐定的公允價值(未經考慮所有非市場歸屬條件)，根據本集團對將最終歸屬的權益工具之估計於歸屬期間以直線法列作開支，而權益(購股權儲備)則相應增加。於各報告期末，本集團根據所有相關非市場歸屬條件的評估修訂預期歸屬的權益工具數目的估計。修訂原估計之影響(如有)於損益中確認以使累計開支反映經修訂估計，並對股份支付儲備作相應調整。對於在授予日立即歸屬的股票，授予的股票的公允價值立即計入損益。

金融工具

當集團實體成為工具合約條文的訂約方時，金融資產及金融負債會被確認。

金融資產及金融負債乃按公允值作初始計量，惟來自客戶合約而產生的應收貿易賬款則根據香港財務報告準則15作初始計量。因收購或發行金融資產及金融負債(按公允值計入損益之金融資產及金融負債除外)而直接應佔之交易成本於初始確認時，按適用情況加入或扣自該項金融資產或金融負債之公允值。因收購按公允值計入損益之金融資產或金融負債而直接應佔之交易成本即時於損益確認。

實際利息法為計算金融資產攤銷成本及於有關期間內分配利息收入的方法，實際利率為在債務工具估計年期或較短期間(如適用)內貼現估計未來現金收入(包括實際利率組成部分而支付或收取的全部費用、交易成本及其他溢價或折讓)至首次確認時的賬面淨值的確實利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued) Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, pledged bank deposits and bank balance) and contract assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 重大會計政策 (續) 金融工具 (續)

金融資產

金融資產的分類及其後計量

金融資產當符合至以下情況時則其後以攤銷成本計量：

- 金融資產由以收取合約現金流量為目的之業務模式持有；及
- 合約條款導致於特定日期僅按未清償本金金額支付本金及利息之現金流量。

此外，倘可對銷或顯著減少一項會計錯配，本集團可能不可撤銷地指定一項須按攤銷成本計量或按公允值計入其他全面收益計量的金融資產以按公允值計入損益來計量。

攤銷成本及利息收入

利息收入就其後按攤銷成本計量之金融資產以實際利率法確認。利息收入對金融資產賬面總值應用實際利率法計算，除非該金融資產其後轉變為信貸減值(見下文)。就金融資產其後轉變為信貸減值，利息收入按該金融資產下一報告期間之攤銷成本應用實際利率法確認。若信貸減值的金融工具之信貸風險改善而該金融資產再毋須信貸減值，利息收入對金融資產於自釐定該資產再毋須信貸減值之報告期間開始對金融資產賬面總值採用實際利率法確認。

金融資產減值

本集團於金融資產就預期信貸虧損確認虧損撥備乃視乎香港財務準則9項下的減值(包括應收貿易及其他賬款、附追索權應收票據貼現、應收關連公司款項及銀行結餘)。預期信貸虧損金額於每個報告日期更新以反映自初始確認以來之信貸風險變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for contract assets and trade receivables. Customers are assessed for ECL categorising into receivables fully backed by bank bills and not backed by bank bills. The ECL on contract assets and trade receivables not backed by bank bills are assessed individually for debtors and contract assets with significant balances and/or collectively using a provision matrix with appropriate groupings based primarily on the debtors’ ageing profiles. The ECL for debtors with trade receivables backed by bank bills are assessed individually taking into consideration of credit rating and reputation of the banks issuing the bills.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

終身預期信貸虧損指由所有可能違約事件超出相關工具預期壽命將引致之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指終身預期信貸虧損預期從可能於報告日期後12個月內的違約事件引致之部分。所作評估基於本集團過往信貸虧損記錄，並調整債務人的特定因素，普遍經濟狀況及同時對於報告日期之現況及預測未來狀況之評估。

本集團通常就合約資產及應收貿易賬款確認終身預期信貸虧損。客戶將按預期信貸虧損進行評估，分類為完全由銀行票據為後盾及不作銀行票據後盾的應收賬款。不作銀行票據為後盾的合約資產及貿易應收款項的預期信貸虧損會按債務人及具有重大結餘的合約資產單獨評估及／或使用主要基於債務人賬齡資料的適當分組的撥備矩陣集體評估。具有銀行票據支持的貿易應收賬款的債務人的預期信貸虧損將根據信用評級和發行票據的銀行的聲譽進行單獨評估。

就所有其他工具，本集團以相等於12個月預期信貸虧損計量虧損撥備，除非自初始確認後信貸風險顯著增加，本集團則確認終身預期信貸虧損。評估是否應確認終身預期信貸虧損乃基於自初始確認後發生違約的可能性或風險是否顯著增加。

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險作比較。作出評估時，本集團同時考慮合理及有據的定量及定性資料，包括過往經驗及毋須不必要的成本或費用而可得之前瞻性資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著增加(續)

具體而言，以下為評估信貸風險是否顯著增加所考慮的資料：

- 金融工具之外部(如有)或內部信貸評級實質上或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如信用利差、債務人信用違約掉期價格顯著增加；
- 現行或預測業務的不利逆轉，財政或經濟狀況預期會導致債務人顯著減低其履行債務責任的能力；
- 債務人經營業績實質上或預期顯著惡化；
- 債務人於法規、經濟、或技術環境實質或預期的重大不利逆轉導致債務人顯著減低其履行債務責任的能力。

無論上述評估之結果如何，當合約付款逾期超過90天，本集團即假定信貸風險自初始確認以來顯著增加，除非本集團有合理及有理據的資料另作證明。

本集團定期監控用作識別是否出現信貸風險顯著增加的標準之有效性及當適用時修訂標準以確保該標準乃於金額逾期前可識別信貸風險的顯著增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(ii) 違約的定義

就內部信貸風險管理，當內部開發資料或取得外部資料顯示債務人不太可能全數支付其債權人，包括本集團（並未考慮本集團持有任何抵押品），本集團認為發生違約事件。

不管上述情況如何，當金融資產逾期超過90天，本集團認為已發生違約事件，除非本集團具合理及有理據資料顯示滯後違約標準更為合適。

(iii) 信貸減值金融資產

當一項及多項違約事件發生令該金融資產估計未來現金流量具不利影響，金融資產則信貸減值。金融資產減值的證據包括以下事件之可觀察數據：

- (a) 發行人或借款人存在嚴重財政困難；
- (b) 違約，即如違約或過期事件；
- (c) 借款人之貸款人，就有關借款人財政困難之經濟或合約原因，給予借款人一般貸款人不會考慮的讓步；
- (d) 借款人有可能面臨破產或其他財務重組；或
- (e) 因財政困難該金融資產已消失於活躍市場。

(iv) 撇銷政策

當有資料顯示對手方存在嚴重財政困難及並無實際把握收回款項，例如，當對手方已進行清盤或已進入破產程序，或如為應收貿易賬款，當金額乃逾期超過兩年，以較早者為準，本集團撇銷金融資產。金融資產的撇銷可能仍須根據本集團回收程序的執行方式，當適用時考慮法律建議。撇銷構成剔除確認事項。任何其後撥於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the below basis:

- Nature of financial instruments;
- Ageing status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3. 重大會計政策 (續) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸虧損的計量及確認

預期信貸虧損計量具違約可能性，默認虧損 (即違約的損失幅度) 及違約曝光的功能。違約可能性及默認虧損的評估乃基於過往數據經前瞻性資料作調整。預期信貸虧損的估計反映不偏倚及概率加權金額乃按發生違約相關風險的比重來釐定。本集團在考慮歷史信用損失經驗的情況下，通過準備金矩陣使用實際權宜方法估計貿易應收款項的預期信貸虧損，並針對這些前瞻性信息進行了調整，而無需花費過多的成本或精力。

一般而言，預期信貸虧損為根據合約所有應欠本集團合約現金流量與本集團於初始確認時預期收到，按實際利率貼現的現金流量的差額。

當預期信貸虧損按共同基準計量，或適用於個別工具級別的證據可能尚未提供的情况下，金融工具將按以下基準組合：

- 金融工具的性質；
- 賬齡狀況；
- 債務人之性質、規模及行業；及
- 當適用時之外部信貸評級。

管理層定期審視組別情況以確保每一組別裡面繼續具備類似的信貸風險特徵。

利息收入按金融資產賬面總值計算，而已作信貸減值之金融資產則除外，在此情況下，利息收入則按金融資產之攤銷成本計算。

本集團就所有金融工具經調整其賬面值於損益賬確認減值收益或虧損，而應收貿易賬款則除外，其相關調整乃通過虧損撥備賬確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Financial liabilities

All financial liabilities (including trade and other payables, amounts due to directors and bank and other borrowings) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

終止確認金融資產

倘從資產收取現金流量之合約權利已屆滿，或本集團轉讓金融資產及已將其於資產擁有權之絕大部分風險及回報轉移予另一實體，本集團方會剔除確認金融資產。倘本集團既無轉移亦無保留絕大部分風險及回報及繼續控制已轉移資產，本集團於資產確認其留存權益及就可能須支付金額確認聯營負債。倘本集團保留已轉移資產之絕大部分風險及回報，本集團繼續確認該金融資產並就已收取款項確認抵押借貸。

於終止確認一項以攤銷成本計量的金融資產時，資產賬面值與已收及應收代價之差額，將於損益中確認。

金融負債及權益工具

分類為債務或權益

債務及權益工具按所訂立之合約安排性質，以及金融負債及權益工具之定義而分類為金融負債或權益。

權益工具

權益工具為證明一實體經扣除其所有負債後的資產剩餘權益之任何合約。本公司發行的權益工具按收取所得款項減直接發行成本確認。

永續工具，包括本集團不承擔交付現金或其他金融資產的合同義務，或者本集團擁有全權酌情決定權無限期推遲支付分配和本金的贖回，被分類為權益工具。

金融負債

所有金融負債(包括貿易及其他應付款項、應付董事款項及銀行及其他借款)是其後以實際利率法按攤銷成本計量。

終止確認金融負債

當且僅當本集團的責任被解除，取消或已到期時，本集團終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之間的差額於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables and contract assets

The Group uses provision matrix to calculate ECL for the trade receivables not backed by bank bills and contract assets, which is assessed individually for each significant trade debtors and contract assets and collectively for others by grouping of various trade debtors and contract assets that have similar loss patterns after considering size and industry of debtors, business relationship, ageing status, repayment history and/or past due status of respective trade receivables.

The provision rates applied in the provision matrix is estimated based on the historical observed default rates of the debtors taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and updated if required after considering the forward-looking information that available to the directors of the Company. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables not backed by bank bills for the same types of contracts. The Group has therefore estimated the expected loss rates for the trade receivables not backed by bank bills and the contract assets on the same basis.

The provision of ECL is sensitive to changes in estimates. Due to greater financial uncertainty triggered by the Covid-19 pandemic, the Group has increased the expected loss rates in the current year as there is higher risk that a prolonged pandemic could lead to increased credit default rates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in note 40.

4. 估計不明朗因素的主要來源

於採用附註3所述的本集團會計政策時，本公司董事須對尚無法從其他渠道確認的資產及負債賬面值作出多項判斷、估計及假設。該等估計及相關假設乃基於過往經驗及其他視作相關的因素作出。實際結果或會有別於該等估計。

本公司會持續檢討該等估計及相關假設。倘就會計估計的修訂只影響修訂估計的期間，則有關修訂會在該期間確認；倘有關修訂影響即期及未來期間，則有關修訂會在修訂期間及未來期間確認。

以下為於報告期末所作出有關未來的主要假設及估計不確定因素的其他主要來源，並具有相當風險而可能導致須於下個財政年度就資產及負債的賬面值作出重大調整。

貿易應收款項及合約資產預期信貸虧損撥備

本集團就不以銀行票據為後盾的貿易應收款項及合約資產採用預繳模式計算預期信貸虧損，該等貿易應收款項乃就各重大貿易債務人及合約資產個別評估，並按其他人的貿易債務人及合約資產分組進行集體評估。考慮債務人的規模和行業，業務關係，賬齡，還款歷史和/或逾期相對應貿易應收款項的過往狀態後的類似的損失模式。

預繳模式中適用的撥備率是根據債務人的歷史觀察違約率估算的，並考慮到合理且可支持的前瞻性信息，而無需不必要的費用或工夫。在每個報告期末，本公司董事考慮了可用的前瞻性信息後，如果需要，將重新評估和更新歷史觀察到的違約率。合約資產與未開單的半成品有關，並且與相同類型合約的以銀行票據為後盾的貿易應收款項具有大致相同的風險特徵。因此，本集團用同一基準估計以銀行票據為後盾的貿易應收款項及合約資產的預期損失率。

預期信貸虧損撥備對估計的變化相當敏感。由於新型冠狀病毒疫情引發更大的財務不確定性，本集團提高了本年度的預期損失率，因為長期疫情可能導致信用違約率上升的風險更高。有關預期信貸虧損及本集團應收貿易賬款及合約資料的資料於附註40披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Revenue

For the year ended 31 December 2020

(a) Disaggregation of revenue from contracts with customers

5. 收入

截至二零二零年十二月三十一日止年度

(a) 來自客戶合約的收入分析

		Corrugated Medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Types of goods or service	貨品或服務類別			
Sales of corrugated medium paper products	銷售瓦楞芯紙產品			
Corrugated medium paper AA grade	AA級瓦楞芯紙	1,684,546	–	1,684,546
Corrugated medium paper C grade	C級瓦楞芯紙	8,302	–	8,302
		1,692,848	–	1,692,848
Sales of paper-based packaging products	銷售紙製包裝產品			
Brown Box	咖啡色紙箱	–	538,250	538,250
Honeycomb Paper	蜂窩紙製品	–	116,668	116,668
Color Box	彩色紙箱	–	145,275	145,275
		–	800,193	800,193
Total	總計	1,692,848	800,193	2,493,041
Timing of revenue recognition	收入確認之時間			
A point in time	一個時間點	1,692,848	–	1,692,848
Over time	一段時間內轉移	–	800,193	800,193
		1,692,848	800,193	2,493,041

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Revenue (Continued)

For the year ended 31 December 2020 (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

		Segment revenue	Elimination	Consolidated
		分部收入	抵銷	綜合
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Sales of corrugated medium paper products	銷售瓦楞芯紙產品	1,839,318	(146,470)	1,692,848
Sales of paper-based packaging products	銷售紙製包裝產品	800,193	-	800,193
Revenue from contracts with customers	來自客戶合約的收入	2,639,511	(146,470)	2,493,041

(b) Performance obligations for contracts with customers

(1) Sales of corrugated medium paper (revenue recognised at a point in time)

For sales of corrugated medium paper products, revenue is recognised when control of goods has transferred, being when the goods have been shipped to the customer's specific location. The normal credit term is 30–120 days.

The Group requires certain customers to provide deposits. When the Group receives a deposit before delivery of goods, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

(2) Sales of paper-based packaging (revenue recognised over time)

The Group's contracts with customers for the manufacture and sale of paper-based packaging products are tailor-made based on customers' specification with no alternative use to the Group. Taking into account the contract terms, the legal and regulatory environment in PRC, some of the contracts provide the Group enforceable right to payment for performance completed to date and revenue is recognised over time based on the stage of completion of the contract using input method. The normal credit term is 30–120 days.

Please refer to note 24 for the detail on recognition of contract assets.

5. 收入(續)

截至二零二零年十二月三十一日止年度(續)

(a) 來自客戶合約的收入分析(續)

以下列出的是與客戶合同的收入與分部信息中披露的金額的對賬。

	Segment revenue	Elimination	Consolidated
	分部收入	抵銷	綜合
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
Sales of corrugated medium paper products	1,839,318	(146,470)	1,692,848
Sales of paper-based packaging products	800,193	-	800,193
Revenue from contracts with customers	2,639,511	(146,470)	2,493,041

(b) 客戶合約的履約責任

(1) 瓦楞芯紙產品銷售(收入在一個時間點確認)

對於瓦楞芯紙產品的銷售，收入在貨物控制轉移時確認，即貨物已運至客戶的特定地點時。正常信用期為30至120天。

本集團要求若干客戶提供訂金。當本集團在交付貨物之前收到存款時，這將在合同開始時產生合約負債，直到特定合同確認的收入超過訂金額為止。

(2) 紙製包裝銷售(收入在一段時間內轉移確認)

本集團與客戶訂立的紙製包裝產品製造及銷售合約乃根據客戶的規格量身定制，本集團無其他用途。考慮到合約條款、中國的法律及監管環境，部分合約為本集團提供可執行的可支付權利，而該等權益已於截至目前已完成，而收入乃根據合約完成階段使用輸入法確認。正常信用期為30天至120天。

合約資產確認的詳情載於附註24。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Revenue (Continued)

For the year ended 31 December 2020 (Continued)

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

The performance obligation under the contract for the sales of corrugated medium paper and paper-based packaging products has original expected duration of less than one year and as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

For the year ended 31 December 2019

(a) Disaggregation of revenue from contracts with customers

Types of goods or service	貨品或服務類別	Corrugated	Paper-based	Total
		Medium paper	packaging	
		瓦楞芯紙	紙製包裝	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Sales of corrugated medium paper products	銷售瓦楞芯紙產品			
Corrugated medium paper AA grade	AA級瓦楞芯紙	1,559,861	–	1,559,861
Sales of paper-based packaging products	銷售紙製包裝產品			
Brown Box	咖啡色紙箱	–	495,384	495,384
Honeycomb Paper	蜂窩紙製品	–	172,685	172,685
Color Box	彩色紙箱	–	139,221	139,221
		–	807,290	807,290
Total	總計	1,559,861	807,290	2,367,151
Timing of revenue recognition	收入確認之時間			
A point in time	一個時間點	1,559,861	–	1,559,861
Over time	一段時間內轉移	–	807,290	807,290
		1,559,861	807,290	2,367,151

5. 收入(續)

截至二零二零年十二月三十一日止年度(續)

(c) 交易價格分配給與客戶簽訂合同的剩餘履約義務

瓦楞芯紙及紙製包裝產品銷售合約的履約義務原先預期持續時間少於一年，而根據香港財務報告準則15准許，分配至該等未獲滿足合約的交易價格並未披露。

截至二零一九年十二月三十一日止年度

(a) 來自客戶合約的收入分析

Types of goods or service	貨品或服務類別	Corrugated	Paper-based	Total
		Medium paper	packaging	
		瓦楞芯紙	紙製包裝	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Revenue (Continued)

For the year ended 31 December 2019 (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Segment revenue 分部收入 RMB'000 人民幣千元	Elimination 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Sales of corrugated medium paper products 銷售瓦楞芯紙產品	1,693,124	(133,263)	1,559,861
Sales of paper-based packaging products 銷售紙製包裝產品	807,290	–	807,290
Revenue from contracts with customers 來自客戶合約的收入	2,500,414	(133,263)	2,367,151

(b) Performance obligations for contracts with customers

(1) Sales of corrugated medium paper (revenue recognised at a point in time)

For sales of corrugated medium paper products, revenue is recognised when control of goods has transferred, being when the goods have been shipped to the customer's specific location. The normal credit term is 30–120 days.

The Group requires certain customers to provide deposits. When the Group receives a deposit before delivery of goods, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

(2) Sales of paper-based packaging (revenue recognised over time)

The Group's contracts with customers for the manufacture and sale of paper-based packaging products are tailor-made based on customers' specification with no alternative use to the Group. Taking into account the contract terms, the legal and regulatory environment in PRC, some of the contracts provide the Group enforceable right to payment for performance completed to date and revenue is recognised over time based on the stage of completion of the contract using input method. The normal credit term is 30–120 days.

Please refer to note 24 for the detail on recognition of contract assets.

5. 收入(續)

截至二零一九年十二月三十一日止年度(續)

(a) 來自客戶合約的收入分析(續)

以下列出的是與客戶合同的收入與分部信息中披露的金額的對賬。

	Segment revenue 分部收入 RMB'000 人民幣千元	Elimination 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Sales of corrugated medium paper products 銷售瓦楞芯紙產品	1,693,124	(133,263)	1,559,861
Sales of paper-based packaging products 銷售紙製包裝產品	807,290	–	807,290
Revenue from contracts with customers 來自客戶合約的收入	2,500,414	(133,263)	2,367,151

(b) 客戶合約的履約責任

(1) 瓦楞芯紙產品銷售(收入在一個時間點確認)

對於瓦楞芯紙產品的銷售，收入在貨物控制轉移時確認，即貨物已運至客戶的特定地點時。正常信用期為30至120天。

本集團要求若干客戶提供訂金。當本集團在交付貨物之前收到存款時，這將在合同開始時產生合約負債，直到特定合同確認的收入超過訂金額為止。

(2) 紙製包裝銷售(收入在一段時間內轉移確認)

本集團與客戶訂立的紙製包裝產品製造及銷售合約乃根據客戶的規格量身定制，本集團無其他用途。考慮到合約條款、中國的法律及監管環境，部分合約為本集團提供可執行的可支付權利，而該等權益已於截至目前已完成，而收入乃根據合約完成階段使用輸入法確認。正常信用期為30天至120天。

合約資產確認的詳情載於附註24。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Revenue (Continued)

For the year ended 31 December 2019 (Continued)

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

The performance obligation under the contract for the sales of corrugated medium paper and paper-based packaging products has original expected duration of less than one year and as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

6. Segment Information

The Group is principally engaged in supply of corrugated medium paper and paper-based packaging products.

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the executive directors of the Company) in order to allocate resources to the segment and to assess its performance.

The Group is organised into business units based on their products, based on which information is prepared and reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance. The Group's reportable segments under HKFRS 8 *Operating Segments* are identified as two main operations:

1. Paper-based packaging: this segment produces and sells paper-based packaging products.
2. Corrugated medium paper: this segment produces and sells corrugated medium paper.

5. 收入(續)

截至二零一九年十二月三十一日止年度(續)

(c) 交易價格分配給與客戶簽訂合同的剩餘履約義務

瓦楞芯紙及紙製包裝產品銷售合約的履約義務原先預期持續時間少於一年，而根據香港財務報告準則15准許，分配至該等未獲滿足合約的交易價格並未披露。

6. 分部資料

本集團主要從事供應瓦楞芯紙及紙製包裝產品。

本集團按主要營運決策者(即本集團管理層)定期審閱以就各分部間進行資源分配及評估各分部表現的本集團內部報告，作為釐定其營運分部的基準。

本集團按其產品劃分經營單位，並編製經營單位的資料，呈報本集團主要營運決策者，作為資源分配及表現評估之用。本集團在香港財務報告準則8下的可申報分部主要分為兩類：

1. 瓦楞芯紙：此分部生產及銷售瓦楞芯紙。
2. 紙製包裝：此分部生產及銷售紙製包裝產品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Segment Information (Continued)

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2020

6. 分部資料(續)

(a) 分部收入及業績

本集團按可申報及經營分部劃分的收入及業績分析如下。

截至二零二零年十二月三十一日止年度

		Corrugated Medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
REVENUE	收入			
External sales	外部銷售	1,692,848	800,193	2,493,041
Inter-segment sales	分部間銷售	146,470	-	146,470
Segment revenue	分部收入	1,839,318	800,193	2,639,511
Eliminations	抵銷			(146,470)
Group revenue	集團收入			2,493,041
Segment profit	分部溢利	46,480	22,786	69,266
Eliminations	抵銷			335
Unallocated other income	未分配其他收入			69,601
Unallocated corporate expenses	未分配企業開支			3,623
				(8,293)
Profit before tax	除稅前溢利			64,931

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Segment Information (Continued)

(a) Segment revenue and results (Continued)

Other segment information included in the measurement of segment results:

6. 分部資料(續)

(a) 分部收入及業績(續)

包括於分部業績之計算的其他分部資料：

		Corrugated Medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Depreciation on property, plant and equipment	物業、廠房及設備折舊	68,251	23,257	91,508
Depreciation on right-of-use assets	使用權資產折舊	8,830	12,204	21,034
Less: Amount capitalised in inventories	減：存貨的資本化金額	(50,944)	–	(50,944)
Less: Amount recognised in cost of sales	減：已確認之銷售成本金額	–	(15,371)	(15,371)
Less: Amount capitalised in intangible assets	減：無形資產的資本化金額	(136)	–	(136)
Total depreciation and amortisation	折舊及攤銷總計	26,001	20,090	46,091
Impairment losses recognised on trade and other receivables	已確認貿易及其他 應收款項減值	1,825	3,230	5,055

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Segment Information (Continued)

(a) Segment revenue and results (Continued)

For the year ended 31 December 2019

6. 分部資料(續)

(a) 分部收入及業績(續)

截至二零一九年十二月三十一日止年度

		Corrugated Medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
REVENUE	收入			
External sales	外部銷售	1,559,861	807,290	2,367,151
Inter-segment sales	分部間銷售	133,263	–	133,263
Segment revenue	分部收入	1,693,124	807,290	2,500,414
Eliminations	抵銷			(133,263)
Group revenue	集團收入			2,367,151
Segment profit	分部溢利	104,570	18,661	123,231
Eliminations	抵銷			82
				123,313
Unallocated other income	未分配其他收入			858
Unallocated corporate expenses	未分配企業開支			(4,991)
Profit before tax	除稅前溢利			119,180

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Segment Information (Continued)

(a) Segment revenue and results (Continued)

Other segment information included in the measurement of segment results:

		Corrugated Medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Depreciation on property, plant and equipment	物業、廠房及設備折舊	59,189	21,775	80,964
Depreciation on right-of-use assets	使用權資產折舊	7,780	12,426	20,206
Amortisation	攤銷	338	–	338
Less: Amount capitalised in inventories	減：存貨的資本化金額	(44,668)	–	(44,668)
Less: Amount recognised in cost of sales	減：已確認之銷售成本金額	–	(17,874)	(17,874)
Total depreciation and amortisation	折舊及攤銷總計	22,639	16,327	38,966
Impairment losses (reversed) recognised on trade and other receivables	已確認(回撥)貿易及 其他應收款項減值	104	(64)	40

The accounting policies of the reporting and operating segments are the same as the Group's accounting policies described in note 3. Segment results represented the profit earned by each segment without allocation of corporate income and expenses.

No reconciliation of reportable and operating segment revenues is provided as the total revenues for reportable and operating segments excluded inter-segment revenue is the same as the Group's revenue.

6. 分部資料(續)

(a) 分部收入及業績(續)

包括於分部業績之計算的其他分部資料：

	Corrugated Medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Depreciation on property, plant and equipment	59,189	21,775	80,964
Depreciation on right-of-use assets	7,780	12,426	20,206
Amortisation	338	–	338
Less: Amount capitalised in inventories	(44,668)	–	(44,668)
Less: Amount recognised in cost of sales	–	(17,874)	(17,874)
Total depreciation and amortisation	22,639	16,327	38,966
Impairment losses (reversed) recognised on trade and other receivables	104	(64)	40

營運分部的會計政策與附註3所述本集團會計政策相同。分部業績指各分部賺取的溢利，未扣除企業收入及開支。

因可申報分部的總收入(剔除分部間收入)與本集團的收入相同，故並無提供可申報分部收入的對賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Segment Information (Continued)

(b) Information about products

The following is analysis of the Group's revenue from its major products:

		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
Corrugated medium paper AA grade	AA級瓦楞芯紙	1,684,546	1,559,861
Corrugated medium paper C grade	C級瓦楞芯紙	8,302	-
Brown Box	咖啡色紙箱	538,250	495,384
Honeycomb Paper	蜂窩紙製品	116,668	172,685
Color Box	彩色紙箱	145,275	139,221
		2,493,041	2,367,151

(c) Geographic information

The Group's operations are all located in the PRC.

(d) Information about major customers

Revenue from customers of the corresponding years over 10% of the total revenue of the Group is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Customer A ¹	客戶甲 ¹	N/A 不適用	253,424

¹ Revenue from paper-based packaging.

(e) Segment assets and liabilities

Information of the reporting and operating segments of the Group reported to the chief operating decision maker for the purposes of resource allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

6. 分部資料(續)

(b) 有關產品資料

載列於本集團主要產品收入分析：

(c) 地區資料

本集團的營運均位於中國。

(d) 有關主要客戶的資料

相應年度的來自客戶個別的收入佔本集團總收入逾10%者如下：

(e) 分部資產及負債

供主要營運決策者作資源分配及表現評估之用的本集團營運分部資料並無計入任何資產及負債。因此，並無呈列分部資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. Other Income

7. 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
Interest income from bank deposits	銀行存款利息收入	5,057	6,085
Interest income from rental deposits	租賃按金利息收入	96	139
Management fee income	管理費收入	39	73
Sales of scrap materials	銷售廢料	1,249	806
Government grants related to income (note)	有關收入的政府補貼(附註)	14,290	1,937
Government grants amortised from deferred income (note 35)	由遞延收入攤銷的政府補貼(附註35)	4,100	3,325
Sundry income	雜項收入	1,456	1,663
Total	總計	26,287	14,028

Note: Government grants received by the Group's PRC subsidiaries as financial incentives for local economic. No other conditions are attached to the financial incentives.

附註：本集團於中國成立的附屬公司收到當地政府對於經濟財政鼓勵的政府補貼。此財政鼓勵不附加任何其他條件。

8. Impairment Losses Under Expected Credit Loss Model, Net of Reversal

8. 減值虧損撥回淨值

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Impairment losses recognised on trade and other receivables	已確認貿易及其他應收款項之減值虧損	(5,055)	(40)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Other Gains and Losses

9. 其他收益及虧損

		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
Exchange gain (loss), net	匯兌收益(虧損)淨額	1,294	(932)
(Loss) gain on disposals of property, plant and equipment, net	出售物業、廠房及設備(虧損)收益淨額	(2,280)	546
Impairment losses recognised on property, plant and equipment	已確認物業、廠房及設備之減值虧損	(1,215)	(546)
		(2,201)	(932)

10. Finance Costs

10. 融資成本

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest on:	以下項目的利息：		
Bank and other borrowings	銀行及其他借款	45,288	42,027
Lease liabilities	租賃負債	3,125	3,808
Imputed interest on consideration payables	應付代價款項的估算利息	1,202	-
		49,615	45,835

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Income Tax Expense

11. 所得稅開支

		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
PRC Enterprise Income Tax:	中國企業所得稅：		
Current tax	即期稅項	3,579	16,468
(Over) under provision in prior years	以前年度過度撥備	(3,615)	(1,303)
		(36)	15,165
Withholding Tax	預扣所得稅	1,237	7,288
Deferred tax (note 32):	遞延稅項(附註32)：	1,170	(4,301)
		2,371	18,152

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. Certain PRC subsidiaries approved as advanced-technology enterprises by the relevant government authorities are subject to a preferential rate of 15%. During the year, four PRC subsidiaries were approved as "small and low-profit enterprises" by the relevant government authorities are subject to a two-tiered preferential rate. The first RMB1 million of taxable profit of the qualifying group entities will be taxed at 5%, and taxable profit above RMB1 million will be taxed at 10%.

本集團於兩年年均無在香港產生應課稅溢利，故並無就香港利得稅作出撥備。

按中華人民共和國企業所得稅法(「企業所得稅法」)及其實施條例規定，中國附屬公司的稅率兩個年度均為25%。若干中國附屬公司得到相關政府部門批准為高新技術企業，優惠稅率為15%。於本年內，四家附屬公司獲相關政府部門批准為「小型微利企業」，並享有兩級制優惠。合資格的實體組合，其首人民幣一百萬元應納稅所得利潤按稅率5%計算，而超過人民幣一百萬元應納稅所得利潤則按稅率10%計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

11. Income Tax Expense (Continued)

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

The tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 所得稅開支(續)

其他司法管轄區產生的稅項則按個別司法管轄區適用之稅率計算。

由於本集團的收入既不產生自，也不來自香港，故並無就香港利得稅作出撥備。

本年度稅項開支與綜合損益及其他全面收益表內除稅前溢利的對賬如下：

		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
Profit before tax	除稅前溢利	64,931	119,180
PRC Enterprise Income Tax at 25%	中國企業所得稅25%	16,233	29,795
Tax effect of income tax credit granted to subsidiaries for research and development costs	向附屬公司授出的研發成本所得稅抵免的稅務影響	(12,361)	(13,520)
Tax effect of expenses not deductible for tax purpose	就稅項而言不可扣稅開支的稅務影響	3,452	814
Effect of tax exemption on concessionary rates granted to the PRC subsidiaries	稅項豁免對中國附屬公司獲授優惠稅率的稅務影響	(4,401)	(6,310)
Tax effect of tax losses/deductible temporary differences not recognised	未確認稅務虧損/可扣減暫時性差異之稅務影響	3,651	3,176
Utilisation of deductible temporary differences previously not recognised	動用先前未確認之稅務虧損可扣減暫時性差異	(278)	-
Over provision in respect of prior years	於以前年度過度撥備	(3,615)	(1,303)
Withholding tax on undistributed profits of the PRC subsidiaries (note)	中國附屬公司不可分派溢利的預扣稅(附註)	(310)	5,500
Tax expense for the year	本年度稅項開支	2,371	18,152

Note: In accordance with the PRC tax circular (Guoshuihan [2008] 112) effective from 1 January 2008, the PRC withholding income tax at the rate of 10% is applicable to dividends to "non-resident" investors who do not have an establishment or place of business in the PRC. For "resident" investors with establishment or place of business in the PRC, the PRC withholding income tax is 5%. The withholding income tax represents the withholding income tax provided on the profits arisen during the year ended 31 December 2020 of the PRC subsidiaries of the Company which was available for distribution amounting to RMB12,400,000 (2019: RMB55,000,000). During the year ended 31 December 2020, one of the subsidiary applied the "resident" certification and the withholding rate changed from 10% to 5%.

附註：根據於二零零八年一月一日生效的中國稅務通函(國稅函[2008]第112號)，稅率為10%的中國預扣所得稅適用於應付「非居民」(其在中國並無設立機構或營運地點)投資者的股息。5%的中國預扣所得稅適用於應付「居民」(其在中國設立機構或營運地點)投資者的股息。該數額指就本公司的中國附屬公司截至二零二零年十二月三十一日止年度所產生溢利而撥備的預扣所得稅，其可供分派達人民幣12,400,000元(二零一九年：人民幣55,000,000元)。截至二零二零年十二月三十一日止年度，其中一家子公司申請了「居民」認證，其預扣稅率從10%更改為5%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Profit for the Year

Profit before tax for the year has been arrived at after charging (crediting):

12. 本年度溢利

於本年度除稅前溢利已扣除(計入)下列各項：

		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
Depreciation of property, plant and equipment	物業、廠房及設備折舊	91,508	80,964
Depreciation of right-of-use assets	使用權資產折舊	21,034	20,206
Amortisation of other intangible assets	其他無形資產攤銷	-	338
Less: Amount capitalised in inventories	減：存貨的資本化金額	(50,944)	(44,668)
Less: Amount recognised in cost of sales	減：已確認之銷售成本金額	(15,371)	(17,874)
Less: Amount capitalised in intangible assets	減：無形資產的資本化金額	(136)	-
Total depreciation and amortisation	折舊及攤銷總額	46,091	38,966
COVID-19-related rent concessions (note 18)	新型冠狀病毒有關租金優惠(附註18)	(1,411)	-
Auditor's remuneration	核數師酬金	1,950	1,748
Cost of inventories recognised as expense	已確認之貨存成本支出	2,028,040	1,777,080
Staff costs	員工成本		
— directors' and chief executive's emoluments (note 13)	— 董事及行政總裁酬金(附註13)	3,882	3,831
— salaries and other benefits costs other than directors and chief executive	— 董事及行政總裁以外的薪金及其他福利成本	221,596	220,224
— retirement benefits schemes contributions other than directors and chief executive	— 董事及行政總裁以外的退休福利計劃供款	4,286	15,856
Less: Amount capitalised in inventories	減：存貨的資本化金額	(47,354)	(42,317)
Less: Amount recognised in cost of sales	減：已確認之銷售成本金額	(71,191)	(77,768)
Less: Amount capitalised in intangible assets	減：無形資產的資本化金額	(841)	-
Total staff costs	員工成本總額	110,378	119,826

Where government grants, including the COVID-19 related grants, as part of profit or loss, presented consistently by deducting them in reporting the related expenses, rather than separately or under other income in note 7.

如果政府補助，包括與新型冠狀病毒相關的補助，作為損益的一部分，通過在報告相關費用時扣除它們而一致地呈列，而不是在附註7中單獨或在其他收入項下列出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Directors' and Chief Executive's Emoluments

The emoluments paid or payable to each of the 7 (2019: 10) directors and the chief executive were as follows:

13. 董事及行政總裁酬金

已付或應付七名董事(二零一九年: 十名)及行政總裁的酬金如下:

		Fee	Salary	Performance related bonus	Retirement benefits scheme contributions	Total
		袍金	薪金	表現獎金	退休福利計劃供款	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
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度					
Executive directors	執行董事					
— Hu Zheng	— 胡正	-	1,000	-	18	1,018
— Hu Hanchao	— 胡漢朝	-	1,000	-	-	1,000
— Hu Hancheng	— 胡漢程	-	1,000	-	18	1,018
Non-executive director	非執行董事					
— Chen Riyue	— 陳日月	360	-	-	-	360
Independent non-executive directors	獨立非執行董事					
— Chung Kwok Mo John	— 鍾國武	174	-	-	-	174
— Shin Yick Fabian	— 冼易	156	-	-	-	156
— Liew Fui Kiang	— 劉懷鏡	156	-	-	-	156
		846	3,000	-	36	3,882

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Directors' and Chief Executive's Emoluments (Continued)

13. 董事及行政總裁酬金(續)

		Fee	Salary	Performance related bonus	Retirement benefits scheme contributions	Total
		袍金 RMB'000 人民幣千元	薪金 RMB'000 人民幣千元	表現獎金 RMB'000 人民幣千元	退休福利 計劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
For the year ended	截至二零一九年					
31 December 2019	十二月三十一日止年度					
Executive directors	執行董事					
— Hu Zheng	— 胡正	—	1,000	—	—	1,000
— Hu Hanchao	— 胡漢朝	—	1,000	—	—	1,000
— Hu Hancheng	— 胡漢程	—	1,033	—	5	1,038
Non-executive directors	非執行董事					
— Hu Hanxiang	— 胡漢祥	—	150	—	—	150
— Chen Riyue	— 陳日月	210	—	—	—	210
Independent non-executive directors	獨立非執行董事					
— Wu Youjun	— 吳友俊	35	—	—	—	35
— Zhu Hongwei	— 朱宏偉	35	—	—	—	35
— Chung Kwok Mo John	— 鍾國武	177	—	—	—	177
— Shin Yick Fabian	— 冼易	93	—	—	—	93
— Liew Fui Kiang	— 劉懷鏡	93	—	—	—	93
		643	3,183	—	5	3,831

Note:

Mr. Hu Hancheng and Mr. Hu Zheng are also the Chief Executives of the Company and their emolument disclosed above include those for services rendered by them as the Chief Executives. The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The emoluments of non-executive director and independent non-executive directors shown above were for their services as the directors of the Company.

Mr. Hu Hanxiang retired as a non-executive director of the Company on 31 May 2019, and Mr. Chen Riyue appointed as a non-executive director of the Company on 31 May 2019. Mr. Wu Youjun and Mr. Zhu Hongwei resigned as independent non-executive directors of the Company on 31 May 2019, and Mr. Liew Fui Kiang and Mr. Shin Yick Fabian appointed as independent non-executive directors of the Company on 31 May 2019.

Neither the chief executive nor any of the directors waived any emoluments during the years ended 31 December 2020 and 2019.

附註：

胡漢程先生及胡正先生同時為本公司主要行政人員，他們以上酬金的披露乃包括他們在擔任主要行政人員時收取。上述執行董事之酬金結合了他們為本公司及本集團管理事務的服務。上述非執行董事及獨立非執行董事之酬金是他們為本公司的服務。

胡漢祥先生於二零一九年五月三十一日退任本公司非執行董事，陳日月先生於二零一九年五月三十一日委任本公司非執行董事。吳友俊先生及朱宏偉先生於二零一九年五月三十一日退任本公司獨立非執行董事，劉懷鏡先生及冼易先生於二零一九年五月三十一日委任本公司獨立非執行董事。

截至二零二零年及二零一九年十二月三十一日止年度內，並無行政總裁或任何董事放棄任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Five Highest Paid Employees

The five highest paid employees of the Group during the year included two directors (2019: three directors), details of whose remuneration are set out in note 13 above. Details of the remunerations for the year of remaining three (2019: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

14. 五名最高薪金員工

年內，本集團五名最高薪酬僱員包括兩名董事(包括最高行政人員)(二零一九年：三名董事(包括最高行政人員))，彼等的酬金詳情載於上文附註13。其餘三名(二零一九年：兩名)並非本公司董事或最高行政人員的最高薪酬僱員的酬金詳情如下：

		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
Salaries	薪金	2,609	1,692
Performance related bonus	有關表現獎金	1,313	910
Retirement benefits schemes	退休福利計劃	13	15
		3,935	2,617

Their emoluments were within the following bands:

他們酬金介乎下列組別：

		Number of employees 員工人數	
		2020 二零二零年	2019 二零一九年
HKD1,000,001 to HKD1,500,000	港幣 1,000,001 元至港幣 1,500,000 元	1	1
HKD1,500,001 to HKD2,000,000	港幣 1,500,001 元至港幣 2,000,000 元	2	1
		3	2

During the year, no emoluments of the five highest paid individuals (including directors and other employees) were incurred as inducement to join the Group or compensation for loss of office.

年內，五名最高薪酬人士(包括董事及其他僱員)並無出任任何酬金作為加入本集團的獎勵或離職補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

15. Dividend

Dividend for ordinary shareholders of the Company recognised as distribution during the year:

		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
2019 Final — RMB0.03 (2019: 2018 final — RMB0.10) per share	二零一九年度末期 — 每股人民幣 3.00 分 (二零一九年：二零一八年度末期 — 每股人民幣 10.00 分)	15,000	50,000

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2020 of RMB0.03 (2019: final dividend in respect of the year ended 31 December 2019 of RMB0.03) per ordinary share, in an aggregate amount of RMB15,000,000 (2019: RMB15,000,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

16. Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

		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
Earnings	盈利		
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	用以計算每股基本盈利即本公司擁有人應佔年內利潤	54,772	82,184
Number of shares	股份數目		
Number of ordinary shares for the purposes of basic earnings per share	用於計算每股基本盈利的普通股股數	500,000,000	500,000,000

No diluted earnings per share for the years ended 31 December 2020 and 2019 were presented as there were no potential ordinary shares in issue for the years ended 31 December 2020 and 2019.

15. 股息

本年度確認為分派予本公司普通股股東之股息：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
於報告期末後，本公司董事建議派付截至二零二零年十二月三十一日止年度末期股息每股人民幣 3.00 分(二零一九年：二零一九年十二月三十一日止年度：末期股息每股人民幣 3.00 分)，合計人民幣 15,000,000 元(二零一九年：人民幣 15,000,000 元)，惟須獲股東於應屆股東週年大會批准。	15,000	50,000

16. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利按以下數據計算：

	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
截至二零二零年及二零一九年十二月三十一日止年度沒有發行潛在普通股，故截至二零二零年及二零一九年十二月三十一日止年度，每股攤薄盈利並無出現。	54,772	82,184
	500,000,000	500,000,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Property, Plant and Equipment

17. 物業、廠房及設備

		Buildings	Leasehold improvements	Furniture and fixtures	Motor vehicles	Plant and machinery	Construction in progress	Total
		樓宇	租賃物業裝修	傢俬及固定裝置	汽車	廠房及機器	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
COST	成本							
At 1 January 2019	於二零一九年一月一日	189,010	11,309	29,883	21,116	1,119,295	11,926	1,382,539
Additions	添置	-	-	775	1,080	149	86,786	88,790
Disposals	出售	-	-	(347)	(1,243)	(2,809)	(177)	(4,576)
Transfer from construction in progress	由在建工程轉撥	456	-	11,295	-	44,834	(56,585)	-
Transfer to construction in progress	轉撥至在建工程	-	-	-	-	(17,659)	16,083	(1,576)
At 31 December 2019	於二零一九年十二月三十一日	189,466	11,309	41,606	20,953	1,143,810	58,033	1,465,177
Additions	添置	164	32	1,248	870	-	137,657	139,971
Acquisition of a subsidiary	收購附屬公司	34,530	786	807	3,726	53,421	12,706	105,976
Disposals	出售	(125)	(1,620)	(1,202)	(1,078)	(13,480)	(1,369)	(18,874)
Transfer from construction in progress	由在建工程轉撥	18,232	-	3,240	-	173,343	(194,815)	-
Transfer to construction in progress	轉撥至在建工程	-	-	-	-	(45,589)	33,172	(12,417)
At 31 December 2020	於二零二零年十二月三十一日	242,267	10,507	45,699	24,471	1,311,505	45,384	1,679,833
DEPRECIATION	折舊							
At 1 January 2019	於二零一九年一月一日	83,891	8,460	17,949	16,234	369,566	-	496,100
Provided for the year	年內計提	9,065	1,079	2,174	2,410	66,236	-	80,964
Eliminated on disposals	出售時對銷	-	-	(312)	(1,043)	(1,793)	-	(3,148)
Transfer to construction in progress	轉撥至在建工程	-	-	-	-	(1,576)	-	(1,576)
Impairment loss recognised in profit or loss	已在損益確認減值虧損	-	-	-	-	546	-	546
At 31 December 2019	於二零一九年十二月三十一日	92,956	9,539	19,811	17,601	432,979	-	572,886
Provided for the year	年內計提	10,983	1,090	3,040	2,530	73,865	-	91,508
Eliminated on disposals	出售時對銷	(42)	(1,618)	(1,118)	(941)	(10,063)	-	(13,782)
Transfer to construction in progress	轉撥至在建工程	-	-	-	-	(12,417)	-	(12,417)
Impairment loss recognised in profit or loss	已在損益確認減值虧損	-	-	-	-	1,215	-	1,215
At 31 December 2020	於二零二零年十二月三十一日	103,897	9,011	21,733	19,190	485,579	-	639,410
CARRYING VALUES	賬面值							
At 31 December 2020	於二零二零年十二月三十一日	138,370	1,496	23,966	5,281	825,926	45,384	1,040,423
At 31 December 2019	於二零一九年十二月三十一日	96,510	1,770	21,795	3,352	710,831	58,033	892,291

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Property, Plant and Equipment (Continued)

The above items of property, plant and equipment, except for construction in progress are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual value at the following rates per annum:

Buildings	4.50%–18%
Leasehold improvements	Over the shorter of the term of the lease, or 20%–50%
Furniture and fixtures	11.25%–18%
Motor vehicles	18%
Plant and machinery	4.50%–18%

The buildings are situated in the PRC and are held under medium term lease.

Details of property, plant and equipment pledged are set out in note 38.

17. 物業、廠房及設備(續)

以上物業、廠房及設備(在建工程除外)項目在計及估計餘值後，以直線法於估計可使用年內按下列年度比率計提折舊：

樓宇	4.50%–18%
租賃物業裝修	在較短的租約期限內，或20%–50%
傢俬及固定裝置	11.25%–18%
汽車	18%
廠房及機器	4.50%–18%

樓宇位於中國，以中期租約持有。

已抵押物業、廠房及設備詳情載於附註38。

18. Right-of-Use Assets

18. 使用權資產

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Leased properties 物業租賃 RMB'000 人民幣千元	Machinery and vehicles 機器及車輛 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 January 2020	二零二零年 十二月三十一日止年度				
Carrying Amount	賬面值	172,583	19,316	6,044	197,943
As at 31 December 2019	於二零一九年 十二月三十一日				
Carrying Amount	賬面值	170,504	37,321	8,369	216,194
For the year ended 31 December 2020	二零二零年 十二月三十一日止年度				
Depreciation charge	折舊計提	5,888	12,569	2,577	21,034
For the year ended 31 December 2019	二零一九年 十二月三十一日止年度				
Depreciation charge	折舊計提	5,732	12,097	2,377	20,206

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Right-of-Use Assets (Continued)

18. 使用權資產(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
Expense relating to short-term leases	有關短期租賃開支	3,636	4,933
Total cash outflow for leases	租賃之現金流出合計	20,787	22,724
(Disposal) additions to right-of-use assets, net	使用權資產(出售)添置淨額	(5,023)	12,430

For both years, the Group leases various offices, warehouses, machinery for its operations. Lease contracts are entered into for fixed term of 12 months to 22 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

於兩個年度，本集團就各個營運辦公室、貨倉、機器訂立租賃。租賃以固定租期12個月至22年訂立合約，但如下所述可具有延長和終止選擇權。租賃條款乃按個別基準磋商，並包含廣泛的不同條款及條件。於釐定租期及評估不可撤銷期限年期時，本集團應用合約之定義及釐定可行使合約之期間。

此外，本集團擁有數個其主要生產設施所在之工業樓宇及辦公室樓宇。本集團乃此等物業權益(包括相關租賃土地)之登記持有人。購入此等物業權益時作出一次性預付款。僅當所支付款項能夠可靠地分配時，此等持有物業之租賃土地部分方會獨立列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. Right-of-Use Assets (Continued)

Extension and termination options

The Group has extension options in a number of leases for properties but no termination option. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The potential exposures to these future lease payments for extension options in which the Group is not reasonably certain to exercise is summarised below:

18. 使用權資產(續)

延期及終止選擇權

本集團已就零數個物業租賃延期選擇權但沒終止意見。該等乃用於盡量提高管理使用資產營運方面的經營靈活性。所持有的大部份延期及終止選擇權僅可由本集團行使，而不得由有關出租人行使。

本集團於租賃開始日期評估是否合理確定行使延期選擇權。以下是本集團不能合理確定行使的延期選擇權的這些未來租賃付款的潛在風險總結如下：

		Lease liabilities recognised as at 31 December 2020	Potential future lease payments not included in lease liabilities (undiscounted) 未包括在租賃 負債潛在未來 租賃付款金額 (未貼現) RMB'000 人民幣千元
Properties	物業	-	20,819

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Right-of-Use Assets (Continued)

The following table summarised the additional lease liabilities recognised during the year ended 31 December 2019 as a result of exercising extension option that the Group was not reasonably certain to exercise:

For the year ended 31 December 2019

		Extension option exercisable during the year ended 31 December 2019 可在截至 二零一九年 十二月三十一日 止年度內行使 延期選擇權 No. of leases 租賃數量	Extension option exercised 延期選擇權 已行使 No. of leases 租賃數量
Properties	物業	3	–
Additional lease liabilities recognised during the year ended 31 December 2019 (RMB'000)	截至二零一九年十二月三十一日止年度確認的額外租賃負債 (人民幣千元)		18,787

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 December 2020, there is no such triggering event.

18. 使用權資產 (續)

下表總結了截至二零一九年十二月三十一日止年度因行使延期選擇權而導致本集團無法合理確定行使的額外租賃負債：

截至二零一九年十二月三十一日止年度

	Extension option exercisable during the year ended 31 December 2019 可在截至 二零一九年 十二月三十一日 止年度內行使 延期選擇權 No. of leases 租賃數量	Extension option exercised 延期選擇權 已行使 No. of leases 租賃數量
Properties	3	–
Additional lease liabilities recognised during the year ended 31 December 2019 (RMB'000)		18,787

此外，當發生重大事件或承租人控制範圍內的情況發生重大變化時，本集團會重新評估是否合理地確定行使延期選擇權。截至二零二零年十二月三十一日止年度，概無任何觸發該事件。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Right-of-Use Assets (Continued)

Rent concessions

During the year ended 31 December 2020, lessors of various offices, equipment and vehicles provided rent concessions to the Group through rent reductions ranging from 1% to 100% over two to six months.

Some of these rent concessions occurred as a direct consequence of COVID-19 pandemic and met of all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. The effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of RMB1,411,000 were recognised as negative variable lease payments.

Some of these rent concessions were not within the scope of COVID-19-related rent concessions. The reduction of the Group's lease liabilities of RMB199,000 and a corresponding adjustment of the same amount to the right-of-use assets were recognised.

Sale and leaseback transactions — seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfer does not satisfy the requirements of HKFRS 15 to be accounted for as a sale of the machinery. During the year ended 31 December 2020, the Group has raised RMB44,900,000 borrowings in respect of such sale and leaseback arrangements.

Details of the lease maturity analysis of lease liabilities are set out in notes 29 and 40.

18. 使用權資產(續)

租金優惠

截至二零二零年十二月三十一日止年度，多個辦公室、設備和車輛的出租人為本集團提供在透過二至六個月內將租金減幅度從1%至100%的租金優惠。

當中一些租金優惠為新型冠狀病毒疫情直接所致及符合所有香港財務報告準則16.46B所列之條件，及本集團選擇應用可行權宜方法而非評估該等變動是否租賃修改。出租人對有關租賃的寬免或放棄對租賃付款變動的影響人民幣1,411,000元已確認為負可變租賃付款。

當中一些租金優惠不與新型冠狀病毒相關的租金優惠的範圍之內。本集團的租賃負債減少了人民幣199,000元，並相應地對使用權資產進行了相應的調整。

售後租回交易 — 賣方承租人

為了更好地管理本集團的資本結構和融資需求，本集團有時會就機械租賃訂立銷售回租安排。該等合法轉讓不符合香港財務報告準則15(作為機器銷售入賬)的規定。截至二零二零年十二月三十一日止年度，本集團就有關出售及回租安排籌集了人民幣44,900,000元的借款。

租賃負債的租賃成熟度分析的詳細信息在附註29和40中列出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Other Intangible Assets

19. 其他無形資產

		Development costs 開發成本 RMB'000 人民幣千元
COST	成本	
At 1 January 2019, 31 December 2019 and 31 December 2020	於二零一九年一月一日、二零一九年 十二月三十一日及二零二零年十二月三十一日	8,563
Additions	添置	4,120
At 31 December 2020	二零二零年十二月三十一日	12,683
AMORTISATION	攤銷	
At 1 January 2019	二零一九年一月一日	8,225
Charge for the year	年內計提	338
At 31 December 2019	二零一九年十二月三十一日	8,563
Charge for the year	年內計提	-
At 31 December 2020	二零二零年十二月三十一日	8,563
CARRYING VALUES	賬面值	
At 31 December 2020	二零二零年十二月三十一日	4,120
At 31 December 2019	二零一九年十二月三十一日	-

Development costs are internally generated.

開發成本源自內部。

The above intangible asset has finite useful lives. Such intangible asset is amortised on a straight-line basis over 5 years.

上述無形資產可使用年期有限。而該無形資產按直線法分5年攤銷。

20. Deposits for Acquisition of a Subsidiary

On 10 December 2019, the Group entered into a Letter of Intent with Jiangxi Shengjing Technology Company Limited for the acquisition of 80% of equity interest in Yudu County Zhengyi Paper Products and Paper Industry Company Limited. Deposits amounted to RMB2,000,000 and RMB3,000,000 were paid on 4 December 2019 and 12 December 2019, respectively. The acquisition was completed on 1 March 2020. Please refer to note 36 for the details of the acquisition.

20. 收購附屬公司按金

於二零一九年十二月十日，本集團與江西盛璟科技有限公司訂立收購于都縣正億紙品紙業有限公司80%股權，並分別在二零一九年十二月四日及二零一九年十二月十二日分別支付人民幣2,000,000元及人民幣3,000,000元為按金。此次收購已於二零二零年三月一日完成。收購詳情請載於附註36。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Inventories

21. 存貨

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Raw material and consumables	原材料及消耗品	119,657	110,811
Finished goods	成品	50,093	26,464
		169,750	137,275

Details of inventories pledged are set out in note 38.

已抵押存貨詳情載於附註38。

22. Trade and Other Receivables

22. 貿易及其他應收款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	513,348	431,716
Less: allowance for credit losses	減：信貸虧損撥備	(6,728)	(1,912)
		506,620	429,804
Trade receivables backed by bills	以票據為後盾的貿易應收款項	372,851	298,640
Less: allowance for credit losses	減：信貸虧損撥備	(472)	-
		878,999	728,444
Advances to suppliers	墊付供應商款項	18,232	25,693
Prepayments	預付款項	5,975	5,304
Other receivables	其他應收款項	19,716	12,533
Less: allowance for credit losses	減：信貸虧損撥備	(181)	-
		43,742	43,530
Total trade and other receivables	貿易及其他應收款項總額	922,741	771,974

As at 31 December 2020 and 31 December 2019, gross amount of trade receivables from contracts with customers amounted to RMB886,199,000 and RMB730,356,000 respectively.

於二零二零年十二月三十一日及二零一九年十二月三十一日，與客戶的合約應收貿易賬款總額分別為人民幣886,199,000元及人民幣730,356,000元。

The Group allows an average credit period of 30 to 120 days from the invoice date to its trade customers except for the customers newly accepted of which payment is made when goods are delivered. For customers with good credit quality, the Group also allows them to provide bank bills before the due date of trade receivables. Those bills have maturity ranging from 60 to 180 days guaranteed by bank.

本集團由發票開具日期起計算，向貿易客戶提供30天至120天的信用期，惟承接的客戶須於貨品交付時付款。對於信譽良好的客戶，本集團亦允許其於應收貿易賬款到期日前提供銀行票據。這些賬單的到期日為60至180天，由銀行擔保。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Trade and Other Receivables (Continued)

Included in the trade receivables backed by bills are amount of RMB172,121,000 (2019: RMB100,303,000) backed by bank bills.

As at 31 December 2020, total bills received amounting to RMB372,851,000 (31 December 2019: RMB298,640,000) are held by the Group for future settlement of trade receivables, of which certain bills were further discounted/endorsed by the Group. The Group continues to recognise their full carrying amounts at the end of the reporting period and details are disclosed in note 23. All bills received by the Group are with a maturity period of less than one year.

The following is an aged analysis of trade receivables not backed by bank bills presented based on dates of delivery of goods, at the end of the reporting period:

		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
0-60 days	0-60 days	409,324	307,211
61-90 days	61-90天	42,753	40,519
91-180 days	91-180天	49,197	59,461
Over 180 days	180天以上	5,346	22,613
		506,620	429,804

The aged analysis of trade receivables backed by bank bills based on dates of delivery of goods or recognition date of the gross trade receivables, at the end of the reporting period are analysed as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
0-60 days	0-60天	41,818	65,413
61-90 days	61-90天	51,869	35,514
91-180 days	91-180天	195,698	148,813
Over 180 days	180天以上	82,994	48,900
Total	總計	372,379	298,640

22. 貿易及其他應收款項(續)

以票據為後盾的貿易應收款項包括人民幣172,121,000元(二零一九年:人民幣100,303,000元)的票據作後盾。

於二零二零年十二月三十一日,本集團持有未來結算貿易應收款項的賬面總額為人民幣372,851,000元(二零一九年十二月三十一日:人民幣298,640,000元),其中若干票據進一步貼現/認可本集團。本集團於報告期末繼續確認其全部賬面值,詳情載於本附註23。本集團收到的所有單單的到期日均不足一年。

列載於報告期末按照貨品發送日期為基準呈列的貿易應收款項不受銀行票據支持的賬齡分析:

		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
0-60 days	0-60天	41,818	65,413
61-90 days	61-90天	51,869	35,514
91-180 days	91-180天	195,698	148,813
Over 180 days	180天以上	82,994	48,900
		372,379	298,640

列載於報告期末按照貨品發送日期或貿易應收款項總額確認日期以銀行票據支持呈列的票據應收賬齡分析如下:

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Trade and Other Receivables (Continued)

As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB97,296,000 (2019: RMB103,049,000) which are past due as at the reporting date. Out of the past due balances, RMB11,346,000 (2019: RMB28,460,000) has been past due 90 days or more and is not considered as in default after taking into account the repayment histories and financial position of debtors. For trade receivables in which customers have provided bank bills for settlement are not considered as past due nor in default. Other than bills received, the Group does not hold any collateral over these balances.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

As at 31 December 2020, in determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The customers with balances that are neither past due nor impaired have good repayment histories and no impairment is considered necessary.

Details of trade receivables and bills receivables pledged as set out in note 38.

Details of impairment assessment of trade and other receivables for the year ended 31 December 2020 are set out in note 40.

During the year ended 31 December 2020, the Group discounted bills receivable of external customers with recourse in aggregated amounts of RMB520,743,000 (2019: RMB580,025,000) to banks for short term financing of which the associated borrowings amounting to RMB515,255,000 (2019: RMB572,263,000). Upon the change in accounting policy related to the discounting of bills as mentioned in note 2, the proceeds received from discounting of bills to banks which do not qualify for derecognition have been included under cash inflows under financing activities for the year ended 31 December 2020 with comparative information restated. For proceeds received from discounting of bills to financial institutions of customers, the relevant cash flow are presented as operating cash flow in the consolidated statement of cash flows for the year then ended as the management considers the cash flows are, in substance, the receipts from trade debtors. For the non-cash settlement of discounted bills receivables, please refer to note 41.

During the year, the Group endorsed bills receivables with recourse in aggregated amounts of RMB26,490,000 (2019: RMB48,881,000) to suppliers for settlement. The relevant transactions are non-cash transactions and the effects are excluded from the consolidated statement of cash flows.

22. 貿易及其他應收款項(續)

於二零二零年十二月三十一日，本集團的貿易應收款項結餘包括總賬面值人民幣97,296,000元(二零一九年：人民幣103,049,000元)的債務人，於報告日期已到期。過往到期結餘中，人民11,346,000元(二零一九年：人民幣28,460,000元)已逾期90天或以上，並在考慮到報告期末後的結算，償還歷史及債務人的財務狀況後不被視為違約。對於客戶提供結算銀行票據的貿易應收款項，不視為逾期或違約。除收到的票據外，本集團並未就該等結餘持有任何抵押品。

在承接任何新客戶前，本集團先評估潛在客戶的信用質量及釐定客戶信用限額。

於二零二零年十二月三十一日，在釐定貿易應收款項是否可予收回時，本集團考慮由初次授出信用當日起至報告日期止期間貿易應收款項的信用質量的任何變動。客戶擁有良好還款記錄，並無逾期亦無減值，因此沒有作出減值之需要。

已抵押貿易應收款項及應收票據詳情載於附註38。

截至二零二零年十二月三十一日止年度的貿易及其他應收款項之減值評估詳情載於附註40。

截至二零二零年十二月三十一日止年度期間，本集團累計由外部客戶的附帶追索權之已貼現應收票據金額為人民幣520,743,000元(二零一九年：人民幣580,025,000元)予銀行作為短期融資的關聯借貸金額為人民幣515,255,000元(二零一九年：人民幣572,263,000元)。如附註2所述，與票據貼現有相關的會計政策發生變化後，從票據貼現給不符合終止確認條件的銀行的收益已計入截至二零二零年十二月三十一日止年度融資活動的現金流入下，並已重列其比較資料。對於從票據貼現給客戶金融機構所獲得的收益，相關現金流量在合併現金流量表中以經營現金流量的形式列示，並在該年度結束時反映，因為管理層認為現金流量實質上是來自貿易應收賬。關於應收票據貼現的非現金結算，請參見附註41。

年內，本集團向供應商以附帶追索權的已背書應收票據總金額的人民幣26,490,000元(二零一九：人民幣48,881,000元)作為支付方法。相關交易為非現金交易，其影響不包括在綜合現金流量表中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. Transfers of Financial Assets

The following were the Group's bills receivables as at 31 December 2020 and 2019 that were transferred to banks, financial institutions or suppliers by discounting or endorsing on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and the related trade payables and has recognised the cash received from banks and financial institutions on the transfer as a secured borrowings (see note 28).

Bills receivables of external customers are carried at amortised cost. Bills receivables arising from intra-group transactions in which the relevant group entities discounted or transferred the bills to banks, financial institutions or suppliers, such bills receivables and related intra-group payables have been eliminated in the Group's consolidated statement of financial position.

As at 31 December 2020

Carrying amount of bills receivables	應收票據賬面值
— external customers	— 外部顧客
— intra-group customers	— 集團內部顧客
Carrying amount of trade payables	貿易應付款項賬面值
Carrying amount of bank and other borrowings	銀行及其他借款賬面值

As at 31 December 2019

Carrying amount of bills receivables	應收票據賬面值
— external customers	— 外部顧客
— intra-group customers	— 集團內部顧客
Carrying amount of trade payables	貿易應付款項賬面值
Carrying amount of bank and other borrowings	銀行及其他借款賬面值

23. 轉讓金融資產

列載於二零二零年及二零一九年十二月三十一日本集團金融資產的應收票據透過按全面追索基準貼現或背書該等應收款項而轉移予銀行、金融機構或供應商。由於本集團並無轉移與該等應收票據有關的重大風險及回報，其會繼續悉數確認應收款項的賬面值，並已確認轉移由銀行及金融機構收取的現金作為有抵押借貸(見附註28)。

外部顧客的應收票據按成本攤銷。於集團內部產生的應收票據交易，其相關集團實體的票據已貼現或轉移至銀行、金融機構或供應商，該應收票據及有關集團內部應付款項已在本集團的綜合財務狀況表內抵銷。

於二零二零年十二月三十一日

Bills receivables discounted to banks with full recourse	Bills receivables endorsed to suppliers with full recourse	Total
全面追索權之應收貼現票據	已背書給供應商票據	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
395,378	9,873	405,251
263,154	9,873	273,027
132,224	-	132,224
-	(9,873)	(9,873)
(395,378)	-	(395,378)

於二零一九年十二月三十一日

Bills receivables discounted to banks with full recourse	Bills receivables endorsed to suppliers with full recourse	Total
全面追索權之應收貼現票據	已背書給供應商票據	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
296,278	10,482	306,760
213,978	10,482	224,460
82,300	-	82,300
-	(10,482)	(10,482)
(296,278)	-	(296,278)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Contract Assets

24. 合約資產

		31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Made-to-order paper-based packaging products	按訂單生產的紙製包裝產品	18,628	16,957
Current	當前	18,628	16,957

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract assets, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on expected settlement dates.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

Made-to-order paper-based packaging products

The Group typically does not require a deposit on acceptance of order. The consideration is payable on the earlier of the delivery and acceptance of the finished goods by customers or notice from the customer to cancel the order. If the customer cancels the order then the Group is entitled to receive payment for work done to date pursuant to legal and regulatory environment in the PRC. The Group typically issue bills to customers when the finished goods are delivered to customers and acknowledged by customers. The credit term is ranging from 30 to 120 days.

Details of the impairment assessment are set out in note 40.

合約資產主要與本集團考慮完成而非開票之權利有關，因為該等權利以本集團未來表現為條件。當權利成為無條件時，合約資產轉移至貿易應收款項。

合約資產預期不會在本集團的正常營運週期內結算，會按預期結算日期分類為流動及非流動。

影響已確認合約資產金額的典型付款條款如下：

按訂單生產的紙製包裝產品

本集團通常接受訂單時不需收取訂金。代價應在客戶交付和接受成品之前或客戶取消訂單的通知中支付。如果客戶取消訂單，則本集團有權根據中國的法律和監管環境收到迄今為止所完成工作的付款。當成品交付給客戶並得到客戶的認可時，本集團通常會向客戶發出賬單。信用期為30至120天。

減值評估詳情載於附註40。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. Pledged Bank Deposits and Bank Balances and Cash

Bank balances carry interest at market rates within range from 0.01% to 0.35% (2019: 0.01% to 0.35%) per annum. The pledged deposits carry interest rates which range from 0.3% to 1.65% (2019: 0.3% to 1.65%) per annum.

Pledged bank deposits represent deposit pledged to banks to secure banking facilities granted to the Group. Deposits amounting to RMB106,401,000 (31 December 2019: RMB139,904,000) have been pledged to secure the short-term bank borrowings and bills payables repayable within three to six months and are therefore classified as current assets. The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

26. Trade and Other Payables

Trade payables	貿易應付款項
Bills payables — secured	應付票據 — 有抵押
Other tax payables (note)	其他應付稅項(附註)
Payroll and welfare payables	應付薪酬及福利費
Construction payables	應付工程款項
Others	其他

Note: Included in other tax payables is RMB36,078,000 (2019: RMB28,880,000) provision of value-added tax.

The following is an aged analysis of trade payables presented based on the dates of receipt of goods at the end of the reporting period.

0–60 days	0–60天
61–90 days	61–90天
91–180 days	91–180天
Over 180 days	180天以上

25. 已抵押銀行存款及銀行結餘及現金

銀行結餘附帶市場年利率介乎0.01%至0.35% (二零一九年：0.01%至0.35%)。已抵押存款附帶年利率介乎0.30%至1.65% (二零一九年：0.30%至1.65%)。

已抵押銀行存款指抵押予銀行的存款，以擔保向本集團授出銀行融資。為數人民幣106,401,000元 (二零一九年十二月三十一日：人民幣139,904,000元) 的存款為須於三至六個月內償還的銀行借款及應付票據作出抵押，因此分類為流動資產。已抵押銀行存款會在償還相關銀行借款時解除。

26. 貿易及其他應付款項

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
--	-----------------------------------	-----------------------------------

139,194	156,003
15,829	68,572
37,893	30,800
35,919	30,901
4,341	3,918
26,271	17,386

259,447 307,580

附註：其他應付稅項中的增值稅撥備佔人民幣36,078,000元 (二零一九年：人民幣28,880,000元)。

載列於報告期末按照貨品收取日期呈列的貿易應付款項賬齡分析：

	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
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117,537	131,759
5,040	11,822
8,456	4,181
8,161	8,241

139,194 156,003

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Trade and Other Payables (Continued)

The aged analysis of bills payables based on the dates of receipt of goods at the end of the reporting period are analysed as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
0–60 days	0–60天	5,416	20,538
61–90 days	61–90天	6,741	13,744
91–180 days	91–180天	3,672	34,290
		15,829	68,572

The credit period on purchase of material is 30 to 120 days. The Group has financial risk management policies in place to monitor the settlement.

27. Consideration Payables

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current	非流動	10,875	–
Current	流動	11,956	–
		22,831	–

On 1 March 2020, the Group acquired 80% equity interest in Yudu County Zhengyi Paper Products and Paper Industry Company Limited (“Zhengyi”) for an aggregate consideration of RMB47,200,000 plus contingent consideration. Deposits in the aggregate amount of RMB16,000,000 and cash consideration of RMB13,800,000 was paid on or prior to the completion. For the remaining cash considerations of RMB6,200,000, RMB7,860,000, RMB1,670,000 and RMB1,670,000 should be paid in September 2020, March 2021, March 2022 and March 2023 respectively. Regarding the contingent consideration arrangement, the Group is required to pay additional amounts of RMB4,270,000, RMB4,270,000 and RMB4,260,000 at 30 June 2021, 2022 and 2023 respectively if Zhengyi’s profit after tax in each of the calendar years 2020, 2021 and 2022 exceeds RMB3,000,000, RMB4,000,000 and RMB5,000,000 respectively.

The present value of the discounted considerations amounted to RMB27,829,000 was accounted for by the Group with discount rate of 5.23% as consideration payables at initial recognition. For detail of the acquisition please refer to note 36.

26. 貿易及其他應付款項(續)

列載於報告期末按照貨品收取日期呈列的票據應付賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
0–60 days	0–60天	5,416	20,538
61–90 days	61–90天	6,741	13,744
91–180 days	91–180天	3,672	34,290
		15,829	68,572

購買材料的平均信用期介乎30至120天。本集團設有財務風險管理政策以監控償還情況。

27. 應付代價款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current	非流動	10,875	–
Current	流動	11,956	–
		22,831	–

於二零二零年三月一日，本集團以總代價人民幣47,200,000元另加或然代價收購于都縣正德紙品及紙業有限公司(「正德」)80%的股權。於完成當日或之前已支付按金總額人民幣16,000,000元及現金代價人民幣13,800,000元。餘下現金代價人民幣6,200,000元、人民幣7,860,000元、人民幣1,670,000元和人民幣1,670,000元應分別於二零二零年九月，二零二一年三月，二零二二年三月和二零二三年三月支付。就有關或然對價安排，倘若正德在二零二零年、二零二一年和二零二二年每個日曆年的稅後利潤分別超過人民幣3,000,000元、人民幣4,000,000元和人民幣5,000,000元，本集團需在二零二一年六月三十日，二零二二年和二零二三年六月三十日分別支付人民幣4,270,000元、人民幣4,270,000元和人民幣4,260,000元的額外金額。

貼現代價的現值為人民幣27,829,000元，於本集團初始確認時以貼現率5.23%列為應付代價款項。有關收購的詳細信息，請參見附註36。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Bank and Other Borrowings Bank Borrowings

28. 銀行及其他借款 銀行借款

		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
Secured	有抵押	764,583	670,113
Unsecured	無抵押	83,493	51,820
		848,076	721,933
Carrying amount repayable:	須於以下期間償還的賬面值：		
Within one year	一年內	833,826	688,683
Within in a period of more than one year but not exceeding two years	一年以上但不超過兩年	14,250	19,000
Within in a period of more than two years but not exceeding five years	兩年以上但不超過五年	-	14,250
		848,076	721,933
Carrying amount of bank loans that contain a repayment on demand repayable:	償還包含應要求一年內償還 銀行借款賬面值		
Within one year	一年內	-	-
		848,076	721,933
Less: Amounts due within one year shown under current liabilities	減：列在流動負債下之一年內償還款項	(833,826)	(688,683)
Amounts shown under non-current liabilities	非流動負債下之償還款項	14,250	33,250

The Group's borrowings that are denominated in the following currencies other than the functional currency of the relevant entities are set out below:

本集團以相關實體功能貨幣以外貨幣計值的借款載列如下：

		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
HKD	港元	47,324	51,820

Bank borrowings as at year end were secured by the pledge of assets as set out in note 38.

誠如附註38所載，年末銀行借款以資產抵押作抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Bank and Other Borrowings (Continued)

Bank Borrowings (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2020 二零二零年	2019 二零一九年
Effective interest rate: 實際利率：		
Fixed rate borrowings 浮息借款	2.66% to 7.20% per annum 年利率 2.66% 至 7.20%	2.50% to 5.44% per annum 年利率 2.50% 至 5.44%
Variable rate borrowings 浮息借款	2.30% to 3.40% per annum 年利率 2.30% 至 3.40%	3.85% to 5.66% per annum 年利率 3.85% 至 5.66%

At 31 December 2020, variable-rate bank borrowings are amounting to RMB47,325,000 (2019: RMB289,471,000). The borrowings are arranged at the interest rate based on benchmark interest rate from HIBOR ("Benchmark Rate") plus, if applicable, a premium and expose the Group to cash flow interest rate risk. At 31 December 2020, fixed rate bank borrowings are amounting to RMB922,719,000 (2019: RMB521,267,000).

As at 31 December 2020, secured bank borrowings include the discounting of (i) bills receivables from external trade customers amounting to RMB141,186,000 (2019: RMB125,173,000), and (ii) intra-group bills receivables amounting to RMB132,224,000 (2019: RMB82,300,000), to banks with recourse.

28. 銀行及其他借款(續)

銀行借款(續)

本集團借貸的實際利率(該亦相等於已訂約利率)的幅度如下：

	2020 二零二零年	2019 二零一九年
Effective interest rate: 實際利率：		
Fixed rate borrowings 浮息借款	2.66% to 7.20% per annum 年利率 2.66% 至 7.20%	2.50% to 5.44% per annum 年利率 2.50% 至 5.44%
Variable rate borrowings 浮息借款	2.30% to 3.40% per annum 年利率 2.30% 至 3.40%	3.85% to 5.66% per annum 年利率 3.85% 至 5.66%

於二零二零年十二月三十一日，銀行浮息借款金額為人民幣47,325,000元(二零一九年：人民幣289,471,000元)。借貸利率乃按中國人民銀行安排的基準年利率(「基準年利率」)，再加上(如適用)，溢價及令本集團面臨現金流量利率風險。於二零一九年十二月三十一日，銀行定息借款金額為人民幣922,719,000元(二零一九年：人民幣521,267,000元)。

於二零二零年十二月三十一日，已向銀行追索基準貼現的有抵押銀行借貸包括(i)外間貿易客戶應收票據金額為人民幣141,186,000元(二零一九年：人民幣125,173,000元)；及(ii)分部間應收票據金額為人民幣132,224,000元(二零一九年：人民幣82,300,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

28. Bank and Other Borrowings (Continued) Other Borrowings

28. 銀行及其他借款(續) 其他借款

		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
Secured (note 1)	已抵押(附註1)	253,127	132,899
Unsecured (note 2)	無抵押(附註2)	10,140	18,480
		263,267	151,379
Carrying amount repayable:	須於以下期間償還的賬面值：		
Within one year	一年內	191,513	127,910
Within a period of more than one year but not exceeding two years	一年以上但不超過兩年	54,041	16,576
Within a period of more than two years but not exceeding five years	兩年以上但不超過五年	17,713	6,893
		263,267	151,379
Less: Amount due within one year shown under current liabilities	減：列在流動負債下之一年內償還款項	(191,513)	(127,910)
Amounts shown under non-current liabilities	非流動負債下之償還款項	71,754	23,469

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Bank and Other Borrowings (Continued) Other Borrowings (Continued)

Notes:

- (1) In 2017, the Group entered into agreements (the “**Agreements A**”) with a PRC financial institution (“**Financial Institution A**”) whereby the Group drew down RMB43,599,000 from the Financial Institution A (included in other borrowings) which are to be repayable within 3 years from the date of draw down at variable rates based on Benchmark Rate plus a premium. The effective interest rate of the borrowings as at 31 December 2020 are 9.24% (2019: 9.24%).

In 2019, the Group entered into agreements (the “**Agreements B**”) with a PRC financial institution (“**Financial Institution B**”) whereby the Group drew down RMB44,900,000 from the Financial Institution B (included in other borrowings) which are to be repayable within 3 years from the date of draw down at variable rates based on Benchmark Rate plus a premium. The effective interest rate of the borrowings as at 31 December 2020 are ranging from 11.71% to 11.72% (2019: ranging from 11.71% to 11.72%).

In 2020, the Group entered into agreements (the “**Agreements C**”) with PRC financial institutions (“**Financial Institutions C**”) whereby the Group drew down RMB137,757,000 from the Financial Institution B (included in other borrowings) which are to be repayable within 3 years from the date of draw down at variable rates based on Benchmark Rate plus a premium. The effective interest rate of the borrowings as at 31 December 2020 are ranging from 9.60% to 10.24%.

As collaterals for the above financing, the Group transferred the ownership title of the related machineries to the Financial Institution A, Financial Institution B and Financial Institution C.

Except for the other borrowings related to Agreements A, Agreements B and Agreements C, as at 31 December 2020, secured other borrowings also include the discounting of other bills receivables from external trade customers amounting to RMB122,967,000 (2019: RMB88,805,000) to financial institutes with recourse.

Upon discharging all the Group’s obligations under the Agreements A, Agreements B and Agreements C, the Financial Institution A, Financial Institution B and Financial Institution C will return the ownership title of the machineries to the Group for nominal amount of RMB100. Despite the Agreements involve a legal form of a lease, the Group accounted for the Agreements A, Agreements B and Agreements C, as collateralised borrowings at amortised cost using effective interest method in accordance with the actual substance of the Agreements A, Agreements B and Agreements C.

- (2) Loans of RMB10,140,000 (2019: RMB18,480,000) are included in other borrowings in the consolidated statement of financial position at 31 December 2020, which are obtained from two companies (2019: two companies) controlled by a non-controlling equity owner of a subsidiary. The loans are arranged as entrusted loans through banks, which are to be repayable within one year at fixed interest rate of 3.50% per annum (2019: 3.50%). During the year, loans of RMB8,340,000 has been repaid and the repayment of remaining loans amount of RMB10,140,000 has been extended for one year with interest rate remained at 3.50% per annum.

28. 銀行及其他借款(續) 其他借款(續)

附註:

- (1) 於二零一七年，本集團於與一間中國金融機構(「**金融機構甲**」)訂立協議(「**協議甲**」)，據此，大致上為本集團可自金融機構甲獲取人民幣43,599,000元借款(包括其他借款)，而該資金將在三年內償還，於二零二零年十二月三十一日，其利息乃按浮息基準利率加溢價每年在9.24%(二零一九年：9.24%)計算。

於二零一九年，本集團於與一間中國金融機構(「**金融機構乙**」)訂立協議(「**協議乙**」)，據此，大致上為本集團可自金融機構乙獲取人民幣44,900,000元借款(包括其他借款)，而該資金將在三年內償還，於二零二零年十二月三十一日，其利息乃按浮息基準利率加溢價每年介乎11.71%至11.72%(二零一九年：介乎11.71%至11.72%)計算。

於二零二零年，本集團於與一間中國金融機構(「**金融機構丙**」)訂立協議(「**協議丙**」)，據此，大致上為本集團可自金融機構丙獲取人民幣137,757,000元借款(包括其他借款)，而該資金將在三年內償還，於二零二零年十二月三十一日，其利息乃按浮息基準利率加溢價每年介乎9.60%至10.24%計算。

作為上述融資之抵押，本集團已將相關機器之擁有權轉讓予該金融機構甲、金融機構乙及金融機構丙。

於二零二零年十二月三十一日，除與協議甲、協議乙和協議丙有關的其他借款外，有抵押的其他借款還包括將來自對外貿易客戶的其他票據應收貼現人民幣122,967,000元(二零一九年：人民幣88,805,000元)至有追索權的金融機構。

於解除本集團在協議甲、協議乙及協議丙下所有責任後，金融機構甲、金融機構乙及金融機構丙將會按名義值人民幣100元將該機器之擁有權歸還予本集團。儘管協議以法律形式進行之租賃，本集團乃按協議甲、協議乙及協議丙實質內容，使用實際利率法將協議甲、協議乙及協議丙作攤銷成本的抵押品借款來入賬。

- (2) 在獲取由附屬公司非控制權益擁有人所控制的兩家公司(二零一九年：兩家公司)共人民幣10,140,000元(二零一九年：人民幣18,480,000元)的貸款已記錄於二零二零年十二月三十一日綜合財務狀況表中的其他借款內。該貸款透過銀行安排的委託貸款，而該貸款均須於一年內以固定年利率3.50%(二零一九年：3.50%)償還。於年內已償還貸款8,340,000元，餘下貸款人民幣10,140,000元已延長一年，其年利率修訂為3.50%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Lease Liabilities

29. 租賃負債

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	14,226	17,277
Within a period of more than one year but not more than two years	一年以上但不超過兩年	13,122	16,495
Within a period of more than two years but not more than five years	兩年以上但不超過五年	8,176	16,193
Within a period of more than five years	五年以上	9,700	15,719
		45,224	65,684
Less: Amount due for settlement with 12 months shown under current liabilities	減：流動負債顯示在十二個月內 應償還款項	(14,226)	(17,277)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債顯示在十二個月後 應償還款項	30,998	48,407
Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:		下列是以相關集團實體的功能貨幣以外貨幣列值 之租賃承擔：	
			HKD 港元 RMB'000 人民幣千元
As at 31 December 2020	於二零二零年十二月三十一日		518
As at 31 December 2019	於二零一九年十二月三十一日		663

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Contract Liabilities

30. 合約負債

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Corrugated medium paper products	瓦楞芯紙產品	3,583	2,215
Current	當前	3,583	2,215

As at 1 January 2019, contract liabilities amounted to RMB2,644,000.

合約負債於二零一九年一月一日的金額為人民幣2,644,000元。

The amount of contract liabilities includes the revenue to be recognised and the related value-added tax. The contract liabilities balance varies in accordance with the number of contracts outstanding at the end of reporting period. The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

合約負債金額包括待確認收入和相關增值稅。合約負債餘額根據報告期末未完成的合同數量而變化。下表顯示了本年度確認的收入中有多少與結轉合約負債有關，以及與以前期間滿足的履約義務有多大關係。

		Corrugated medium paper products 瓦楞芯紙產品 RMB'000 人民幣千元
For the year ended 31 December 2020	二零二零年十二月三十一日止年度	
Revenue recognised that was included in the contract liability balance at the beginning of the year	年初已確認包含合同負債收入的金額	1,960
For the year ended 31 December 2019	二零一九年十二月三十一日止年度	
Revenue recognised that was included in the contract liability balance at the beginning of the year	年初已確認包含合同負債收入的金額	2,340

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

影響已確認合約負債金額的典型付款條款如下：

Sales of corrugated medium paper products

The Group requires a deposit on acceptance of orders from some of the customers. When the Group receives a deposit before the delivery of corrugated medium paper products, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

瓦楞芯紙產品銷售

本集團要求接受部分客戶的訂單收取訂金。當本集團在交付瓦楞芯紙產品前收到訂金時，這將在合約開始時產生合約負債，直至有關合約確認的收入超過存款金額為止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Amounts Due to Directors

The amounts due to directors are unsecured, interest free and repayable on demand.

31. 應付董事款項

應付董事款項為無抵押、免息及應要求償還。

32. Deferred Taxation

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

32. 遞延稅項

為作呈列之用，若干遞延稅項資產及負債已於綜合財務狀況表內對銷。為作財務呈報之用，遞延稅項結餘分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	(7,265)	(6,475)
Deferred tax liabilities	遞延稅項負債	6,787	5,629
		(478)	(846)

The following are the major deferred tax (assets) liabilities recognised and movements thereon during the current and prior years:

以下為於本年度及過往年度主要已確認遞延稅項(資產)/負債及其變動：

		Right of use assets	Lease liabilities	Contract assets	Provision for inventory	Deferred income	Impairment on receivables	Depreciation differences	Undistributed profit of subsidiaries	Unused tax loss	Other payables	Impairment on property, plant and equipment	Total
		使用權資產	租賃負債	合約資產	存貨撥備	遞延收入	應收款項減值	折舊差額	不可分派溢利	稅項虧損	應付款項	物業、廠房及設備減值	總計
		RMB'000	RMB'000	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	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	9,603	(9,603)	664	(1,924)	(3,862)	(281)	1,574	7,284	-	-	-	3,455
(Credit) charge for the year	年內(回撥)計提	(1,426)	1,274	(154)	(62)	(1,977)	(6)	(166)	(1,784)	-	-	-	(4,301)
At 1 January 2020	於二零二零年一月一日	8,177	(8,329)	510	(1,986)	(5,839)	(287)	1,408	5,500	-	-	-	(846)
Acquisition of a subsidiary	收購附屬公司	288	-	-	-	-	(59)	2,000	-	(2,949)	(82)	-	(802)
(Credit) charge for the year	年內(回撥)計提	(1,190)	1,028	79	(33)	285	(683)	71	370	2,029	77	(183)	1,850
Effect of change of tax rate	稅率變化之影響	-	-	-	-	-	-	-	(680)	-	-	-	(680)
At 31 December 2020	於二零二零年十二月三十一日	7,275	(7,301)	589	(2,019)	(5,554)	(1,029)	3,479	5,190	(920)	(5)	(183)	(478)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Deferred Taxation (Continued)

At the end of the reporting period, the Group has unused tax losses of RMB10,686,000 (2019: RMB3,789,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses of RMB4,556,000 (2019: RMB3,789,000) due to the unpredictability of future profit streams. The unrecognised tax losses at the end of reporting period will be expired in the following years:

		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
2024	二零二四年	2,570	3,789
2025	二零二五年	1,986	-
		4,556	3,789

At the end of the reporting period, the Group has deductible temporary differences of RMB9,758,000 (2019: RMB4,050,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT law of the PRC, withholding tax is imposed on 10% of dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. The aggregate amount of temporary differences associated with undistributed earnings of the PRC subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB591,369,000 (2019: RMB588,783,000). No deferred tax liabilities have been recognised in respect of these difference because the Group is in a position to control the timing of the reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

32. 遞延稅項(續)

在此報告期末內，本集團未動用稅項虧損為人民幣10,686,000元(二零一九年：人民幣3,789,000元)的可用於抵銷未來利潤。由於無法預測其未來的盈利來源，本年遞延稅項資產尚未確認為人民幣4,556,000元(二零一九年：人民幣3,789,000元)。在此報告期末內未確認稅務虧損將在以下年度到期：

在此報告期末，本集團的可抵扣暫時性差異為人民幣9,758,000元(二零一九年：人民幣4,050,000元)。由於此等可抵扣暫時性差異很可能無法獲得應課稅利潤，因此尚未確認與該可抵扣暫時性差異有關的遞延稅項資產。

中國企業所得稅法規定，就中國附屬公司所賺取溢利中宣派的股息徵收百分之十為預扣稅，自二零零八年一月一日起生效尚未確認遞延稅項負債的附屬公司未分派盈利相關暫時差額，合共約為人民幣591,369,000元(二零一九年：人民幣588,783,000元)。由於本集團能控制暫時差額的回撥時間，且該等差額在可見將來可能不會回撥，故並無就該等差額確認遞延稅項負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

33. Share Capital

33. 股本

		Number of shares 股份數目	Nominal value 票面值 HK\$ 港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元的普通股		
Authorised:	法定：		
At 1 January 2019, 31 December 2019, and 31 December 2020	於二零一九一月一日、二零一九年 十二月三十一日及二零二零年 十二月三十一日	1,000,000,000	100,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2019, 31 December 2019, and 31 December 2020	於二零一九一月一日、二零一九年 十二月三十一日及二零二零年 十二月三十一日	500,000,000	50,000,000
			RMB'000 人民幣千元
Presented as at 31 December 2019 and 2020	呈列為於二零一九年及二零二零年 十二月三十一日		41,655

There were no changes in the Company's authorised, issued and fully paid share capital during the both years.

於兩年度，本公司的法定、已發行及繳足股本均沒有改變。

34. Retirement Benefits Schemes

The Group operates a mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of a trustee. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees but subject to a maximum amount of HK\$1,500 per month (2019: HK\$1,500 per month) for each employee.

The employees of the Company's subsidiaries established in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specific contributions.

The total cost charged to income of RMB4,322,000 (2019: RMB15,861,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

34. 退休福利計劃

本集團為所有香港合資格僱員加入強積金計劃。強積金計劃之資產與本集團之資產分開，由信託人控制之基金持有。本集團及僱員均按相關入息的5%向強積金計劃供款，但上限為每名每月1,500港元（二零一九年：1,500港元）。

本公司中國附屬公司之僱員均為中國政府所管理之國家退休福利計劃之成員。附屬公司須按僱員薪金若干百分比向退休福利計劃供款以推行有關福利。本集團在退休福利計劃之下之唯一責任為根據該計劃作出指定供款。

於收除扣除的總成本約人民幣4,322,000元（二零一九年：人民幣15,861,000元）乃代表本集團於本會計期間就上述計劃已付及應付的供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Deferred Income

In 2020, the Group received government subsidies of RMB2,200,000 (2019: RMB16,501,000) for the cost of constructions of its paper-based package and corrugated medium paper plant and the replacement of machineries. The amounts were treated as deferred income at 31 December 2020 and 2019. The amounts are transferred to income over the useful lives of the relevant assets and the amounts transferred to income during the current year is RMB4,100,000 (2019: RMB3,325,000). As at 31 December 2020, an amount of RMB37,018,000 (2019: RMB38,918,000) remains to be amortised.

36. Acquisition of Subsidiary

On 10 December 2019, the Group entered into a Letter of Intent with Jiangxi Shengjing Technology Company Limited (“**Jiangxi Shengjing**”) for the acquisition of 80% of equity interest in Zhengyi. Deposits totalling amounted to RMB5,000,000 were paid in 2019. On 3 January 2020, the Group entered into an equity acquisition agreement (“**Agreement**”) with Jiangxi Shengjing regarding the acquisition of 80% equity interest in Zhengyi for an aggregate consideration of RMB47,200,000 plus contingent consideration.

According to the Agreement, the Group is required to pay an aggregate deposit of RMB16,000,000 inclusive of the deposit of RMB5,000,000 paid in 2019, and cash consideration of RMB13,800,000 should be paid on completion. For the remaining consideration of RMB6,200,000, RMB7,860,000, RMB1,670,000 and RMB1,670,000 should be paid in September 2020, March 2021, March 2022 and March 2023 respectively. Regarding the contingent consideration arrangement, the Group is required to pay additional amounts of RMB4,270,000, RMB4,270,000 and RMB4,260,000 at 30 June 2021, 2022 and 2023 respectively if Zhengyi’s profit after tax in each of the calendar years 2020, 2021 and 2022 exceeds RMB3,000,000, RMB4,000,000 and RMB5,000,000 respectively.

The acquisition was completed on 1 March 2020. Zhengyi is principally engaged in the corrugated medium paper making business and was acquired with the objective of improving the Group’s sales and production. The acquisition has been accounted for as acquisition of business using the acquisition method.

35. 遞延收入

於二零二零年，本集團收到關於紙製包裝及瓦楞芯紙廠房建築成本及機器更換的政府補貼，金額為人民幣2,200,000元（二零一九年：人民幣16,501,000元）。此金額在二零二零年及二零一九年十二月三十一日已確認為遞延收入。此金額將按相關資產使用年期轉撥至收入。此金額於本期內已轉至為收入，金額為人民幣4,100,000元（二零一九年：人民幣3,325,000元）。於二零二零年十二月三十一日，尚待攤銷的金額為人民幣37,018,000元（二零一九年：人民幣38,918,000元）。

36. 收購附屬公司

於二零一九年十二月十日，本集團與江西盛璟科技有限公司（「**江西盛璟**」）訂立收購于都縣正億紙品紙業有限公司80%股權，並在二零一九年支付人民幣5,000,000元按金。於二零二零年一月三日，本集團與江西盛璟訂立股權收購協議（「**協議**」），以總代價人民幣47,200,000元另加或然代價收購正義80%股權。

根據該協議，本集團須支付合共人民幣16,000,000元的訂金，包括於二零一九年支付的訂金人民幣5,000,000元，並應於完成時支付現金代價人民幣13,800,000元。餘下現金代價人民幣6,200,000元、人民幣7,860,000元，人民幣1,670,000元和人民幣1,670,000元應分別於二零二零年九月，二零二一年三月，二零二二年三月和二零二三年三月支付。就有關或然對價安排，倘若正億在二零二零年、二零二一年和二零二二年每個日曆年的稅後利潤分別超過人民幣3,000,000元、人民幣4,000,000元和人民幣5,000,000元，本集團需在二零二一年六月三十日，二零二二年和二零二三年六月三十日分別支付人民幣4,270,000元、人民幣4,270,000元和人民幣4,260,000元的額外金額。

此項收購已於二零二零年三月一日完成。正億主要從事瓦楞芯紙造紙業務，並被收購以提高本集團的銷售和生產水平。收購事項已使用收購法入賬為業務收購。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Acquisition of Subsidiary (Continued) Consideration transferred

36. 收購附屬公司(續) 已轉讓代價

		RMB'000 人民幣千元
Cash paid in previous year	去年已付現金	5,000
Cash paid in current year	本年已付現金	24,800
Deferred cash considerations (Note)	遞延現金代價(附註)	16,454
		46,254
Contingent consideration arrangement (Note)	或然代價安排(附註)	11,375
Total	總計	57,629

Note: RMB16,454,000 and RMB11,375,000 represent the estimated fair value of the deferred cash consideration and the obligation from the contingent consideration arrangement respectively. The fair value of the deferred cash consideration and contingent arrangement amounted to RMB10,963,000 and RMB11,868,000 respectively as at the end of the reporting period and have been included in consideration payables.

附註：人民幣16,454,000元及人民幣11,375,000元分別為遞延現金代價的估計公允值及或然代價安排的承擔。於報告期末，遞延現金代價及或然安排的公允價值分別為人民幣10,963,000元及人民幣11,868,000元，並已計入應付代價款項。

Assets acquired and liabilities recognised by the Group at the date of acquisition are as follows:

於收購日本集團獲取的資產及已確認的負債如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	105,976
Deferred tax assets	遞延稅項資產	802
Right of use assets	使用權資產	7,806
Inventories	存貨	20,145
Trade and other receivables	貿易及其他應收款項	4,205
Bank balances and cash	銀行結餘及現金	12,789
Trade and other payables	貿易及其他應付款項	(27,219)
Bank borrowings	銀行借款	(31,000)
Amount due to a non-controlling equity owner of a subsidiary	應付附屬公司非控制權益擁有人	(21,468)
		72,036

Non-controlling interests

The non-controlling interests (20%) in Zhengyi recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Zhengyi and amounted to RMB14,407,000.

非控制權益

於收購日期確認的正億非控制性權益(20%)乃參考已確認比例的正億淨資產的比例份額計量，金額為人民幣14,407,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. Acquisition of Subsidiary (Continued) Goodwill arising on acquisition

36. 收購附屬公司(續) 收購產生的商譽

		RMB'000 人民幣千元
Consideration transferred	已轉讓代價	57,629
Plus: non-controlling interests (20% in Zhengyi)	加：非控股權益(正億之20%)	14,407
Less: recognised amounts of net assets acquired	減：已確認獲取淨資產金額	72,036
Goodwill arising on acquisition	收購產生的商譽	-

No goodwill arose on the acquisition of Zhengyi.

收購正億並無產生商譽

Net cash outflow on acquisition of Zhengyi

收購正億的現金流出淨額

		RMB'000 人民幣千元
Net cash inflow from acquisition	收購產生現金流入淨額	
Bank balance and cash acquired	獲取銀行結餘及現金	12,789
Consideration paid in cash	以現金支付代價	(36,000)
		(23,211)
Represented by:	代表：	
Net cash outflow on acquisition of a subsidiary during the year ended 31 December 2019	截至二零一九年十二月三十一日止期間 收購正億的現金流出淨額	(5,000)
Net cash outflow on acquisition of a subsidiary during the year ended 31 December 2020	截至二零二零年十二月三十一日止期間 收購正億的現金流出淨額	(18,211)

Impact of acquisition on the results of the Group

Included in the profit for the year is RMB14,858,000 attributable to the additional business generated by Zhengyi. Revenue for the year includes RMB189,352,000 generated from Zhengyi.

收購對本集團業績的影響

截至本年度的溢利包括由正億產生附加業務的應佔的溢利，金額為人民幣14,858,000元。本年度包括由正億產生的收入為人民幣189,352,000元。

Had the acquisition of Zhengyi been completed on 1 January 2020, revenue for the year of the Group from continuing operations would have been RMB2,509,570,000, and profit for the year from continuing operations would have been RMB62,073,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2020, nor is it intended to be a projection of future results.

若於二零二零年一月一日完成收購正億，本集團於本年度的收益總額應為人民幣2,509,570,000元，而年內溢利金額應為人民幣62,073,000元。備考資料僅作說明用途，且未必為本集團在收購於二零二零年一月一日完成的情況下實際能達致的收益及營運業績的指標，亦不擬作為未來業績的預測。

In determining the 'pro-forma' revenue and profit of the Group had Zhengyi been acquired at the beginning of the current year, the directors of the Company calculated depreciation and amortisation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

若正億於本年初收購，於釐定本集團的「備考」收入及溢利時，董事計量已收購物業、廠房及設備折舊及攤銷時，基準乃根據於收購日期已確認物業、廠房及設備的金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Capital Commitments

37. 資本承諾

		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
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	新物業、廠房及設備以及租賃土地已訂約但未於綜合財務報表撥備的資本開支	22,484	23,275

38. Pledge of Assets

The following assets were pledged to secure certain banking and other facilities (including property, plant and equipment under a finance lease) granted to the Group at the end of the reporting period:

38. 資產抵押

以下為於報告期末本集團已抵押資產，作為授予本集團若干銀行及其他融資的擔保（包括融資租賃下的物業、廠房及設備）：

		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
Buildings and construction in progress	樓宇及在建工程	88,972	61,361
Plant and machinery	廠房及機器	134,813	134,378
Land use rights	土地使用權	109,267	106,269
Trade receivables	貿易應收款項	80,000	80,000
Bills receivables	應收票據	263,154	213,978
Pledged bank deposits	已抵押銀行存款	106,401	139,904
Inventories	存貨	53,683	53,657
		836,290	789,547

In addition to the pledge of assets above, bank borrowings of RMB132,224,000 (2019: RMB82,300,000) are secured by the discounted intra-group bills receivables as at 31 December 2020.

同時，就以上資產抵押，於二零二零年十二月三十一日，已向銀行追索基準貼現的有抵押銀行借款的分部間應收票據金額為人民幣132,224,000元（二零一九年：人民幣82,300,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. Capital Risk Management

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes bank borrowings and other borrowings as disclosed in note 28, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure periodically. As part of the review, the directors consider the cost of capital and the risks associates with the capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, new share issues as well as the issue of the new debt or the redemption of existing debt.

40. Financial Instruments

a. Categories of financial instruments

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets Amortised cost	金融資產 攤銷成本	1,208,930	1,111,970
Financial liabilities Amortised cost	金融負債 攤銷成本	1,314,166	1,183,618

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, amounts due to directors, bank and other borrowings, lease liabilities and obligation under a finance lease. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

39. 資本風險管理

本集團管理其資金，確保本集團內各實體能夠以持續經營方式營運，同時通過維持債務與股本之間的最佳平衡來為股東爭取最大回報。本集團的整體策略與去年維持不變。

本集團的資本構架包括債務（包括附註28所披露的銀行及其他借款），扣除現金及現金等價物，以及本公司擁有人應佔的權益（包括股份及儲備）。

本公司董事會定期檢討資本架構。作為檢討的一部分，董事考慮資本成本及資本相關風險。本集團會根據董事推薦建議，通過派付股息、發行新股，以及發行新債務或償還現有負債來平衡整體資本架構。

40. 金融工具

a. 金融工具的種類

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets Amortised cost	1,208,930	1,111,970
Financial liabilities Amortised cost	1,314,166	1,183,618

b. 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、應付董事款項、銀行及其他借款以及融資租賃應付款項。有關該等金融工具的詳情已於相關附註披露。與該等金融工具有關的風險包括市場風險（貨幣及利率風險）、信用風險及流動資金風險。下文載列如何降低該等風險的政策。管理層會管理及監控該等風險，以確保及時、有效地採取適當措施。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates and currency rates.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

(i) *Currency risk*

The Group collects most of its revenue and incurs most of the expenditures in RMB.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arise.

The carrying amount of the Group's foreign currency denominated monetary assets (mainly including bank balances and cash, pledged bank deposits and trade and other receivables) and monetary liabilities (mainly including trade and other payable and bank borrowings) at the reporting date 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
Assets	資產		
USD	美元	177	638
HKD	港元	7,470	12,860
JPY	日元	-	83
GBP	英磅	10	-
Liabilities	負債		
HKD	港元	47,843	52,443

Sensitivity analysis

The Group mainly exposes to the currency of HKD relative to RMB.

敏感度分析

本集團就人民幣相對主要承受港元的風險。

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險

集團的業務主要承受利率及外幣匯率變動的市場風險。

集團承受的市場風險或其管理及計量該等風險的方法概無重大變動。

(i) *貨幣風險*

集團的大部分收入及開支均以人民幣計值。

本集團進行若干以外幣計值的交易，因此承受匯率波動風險。本集團現時並無外幣對沖政策。然而，管理層監督外匯風險並於有需要時會考慮對沖重大外匯風險。

集團於報告日期以外幣計值的貨幣資產(主要包括銀行結餘及現金、已抵押銀行存款以及貿易及其他應收款項)及貨幣負債(主要包括貿易及其他應付款項以及銀行借款)的賬面值如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The following table details the Group's sensitivity to a 10% (2019: 10%) increase and decrease in RMB against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% (2019: 10%) change in foreign currency rates. The sensitivity analysis includes trade and other payables, bank borrowings, trade and other receivables as well as bank balances denominated in foreign currencies. A positive number below indicates an increase in post-tax profit and other equity where the RMB strengthens 10% (2019: 10%) against the relevant currency. For a 10% weakening of RMB against the relevant currency, they would be an equal and opposite impact on the profit and other equity and balances below would be negative.

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

下表詳述本集團對人民幣兌相關外幣匯率增加及減少10%(二零一九年: 10%)的敏感度。10%為用於向主要管理層人員報告內部外幣風險,並代表管理層對匯率的合理可能變動的評估。敏感度分析僅包括未折算的外幣計值貨幣項目,並於報告期末調整其兌換以反映匯率的10%(二零一九年: 10%)變動。敏感度分析包括以貨幣計值的銀行借貸及銀行結餘。正數反映稅前溢利增加,其中人民幣兌相關外幣匯率上升10%(二零一九年: 10%)。倘人民幣兌相關外幣的匯率減弱10%,則對稅前溢利帶來同等的負面影響。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
USD	美元		
Profit or loss	溢利或虧損	(16)	(84)
HKD	港元		
Profit or loss	溢利或虧損	3,336	3,279
JPY	日元		
Profit or loss	溢利或虧損	-	(8)
GBP	英磅		
Profit or loss	溢利或虧損	(1)	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits, and bank and other borrowings which carry at prevailing deposit interest rates and variable rate based on the interest rates quoted by the People's Bank of China respectively.

The Group's fair value interest rate risk relates primarily to its fixed rate pledged bank deposits, bank and other borrowings. The Group currently does not use any interest rate hedging policy to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

Sensitivity analysis on bank balances is not presented as the management considers that the Group's exposure to interest rate fluctuation is insignificant.

The sensitivity analyses below have been determined based on the exposure to interest rates for the variable-rate bank and other borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 100 basis points (2019: 50 basis points) increase or decrease for variable bank and other borrowings are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonably possible change in interest rates in respect of bank and other borrowings.

If interest rates had been 100 basis points (2019: 50 basis points) higher/lower and all other variable were held constant, the Group's: post-tax profit for the year ended 31 December 2020 would have decreased/increased by RMB1,462,000 (2019: RMB1,457,000).

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

由於銀行存款以及銀行及其他借款(按現行存款利率及根據中國人民銀行所報利率計算的浮息計息)的現行市場利率波動,因此本集團須承受現金流量利率風險。

本集團的公允值利率風險主要有關其定息已抵押銀行存款、銀行及其他借款。本集團現時並無利用任何衍生工具合約對沖其承擔的利率風險。然而,管理層於有需要時將考慮對沖重大利率風險。

本集團須承受與金融負債有關的利率風險,詳情載於本附註流動資金風險管理一節。

敏感度分析

由於管理層認為本集團承受利率波動風險不大,銀行結餘的敏感度分析並無呈列。

下列敏感度分析乃根據報告期末的浮息銀行及其他借款利率風險以及財政年度開始時的規定改變並於整個年度保持不變而釐定。公司內部向主要管理人員匯報利率風險時會以升跌100個基點(二零一九年:50個基點)(就浮息銀行及其他借款而言)為基準,即管理人員分別評估銀行及其他借款利率的合理可能變動。

倘利率上升/下降100個基點(二零一九年:50個基點),而所有其他變數維持不變,則本集團截至二零二零年十二月三十一日止年度的除稅後溢利會減少/增加人民幣1,462,000元(二零一九年:人民幣1,457,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment

As at 31 December 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets except that the credit risks associated with trade receivables is partially mitigated because settlement of certain trade receivables are backed by bank bills issued by reputable financial institutions.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit assessment system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. The Group may require a deposit to be received from certain customers of corrugated medium paper products before acceptance of orders. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances individually or based on provision matrix. Customers are assessed for ECL by categorising into receivables fully backed by bank bills and not backed by bank bills. Debtors with trade receivables backed by bank bills are assessed individually taking into consideration of the credit rating and reputation of the banks issuing the bills. The Group assessed the ECL on trade receivables not backed by bank bills and contract assets individually for debtors and contract assets with significant balance and/or collectively based on provision matrix with appropriate groupings based primarily on the debtors' and contract assets' ageing profiles.

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估

於二零二零年十二月三十一日，因對手方未能履行責任而對本集團造成財務損失的最大信用風險為綜合財務狀況表內所列各項已確認金融資產的賬面值。

本集團並無持有任何抵押品或其他信貸增強措施以彌補其與其金融資產相關的信貸風險，惟與貿易應收款項相關的信貸風險已部分減輕，因為若干以銀行票據為後盾的貿易應收款項的結算由信譽良好的金融機構發出。

與客戶訂立合約產生的貿易應收款項及合約資產

為盡量減低信貸風險，本集團管理層已委派團隊負責釐定信貸限額及信貸審批。在接納任何新客戶之前，本集團使用內部信用評估系統評估潛在客戶的信用質量並定義客戶的信用額度。定期審查歸因於客戶的限制。在接受訂單前，本集團可能要求從瓦楞紙中的某些客戶收到押金。已制定其他監督程序，以確保採取後續行動收回逾期債務。此外，本集團於個別或按撥備矩陣應用香港財務報告準則9時按預期信貸虧損模式進行減值評估。客戶通過分類為完全由銀行票據支持但不受銀行票據支持的應收賬款進行預期信用損失評估。具有銀行票據支持的貿易應收款項的債務人將根據發行票據的銀行的信用評級和聲譽進行單獨評估。本集團對債務人和合約資產單獨的銀行票據和合約資產單獨支持的貿易應收賬款的預期信用損失進行了評估，其中債務人和合同資產具有重大餘額和/或集中基於提供模式，並基於債務人和合約資產的賬齡概況進行適當分組。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets arising from contracts with customers (Continued)

The credit risks on bank balances are limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies.

Other receivables are assessed individually and not included in provision matrix. The credit quality of other receivables have been assessed with reference to the historical information about the past due information, default rate and the financial position of counterparties. The directors of the Company consider that the credit risk of other receivables is low in view of the good collection history.

The Group has concentration of credit risk as 29% (2019: 34%) of total trade receivables represented amounts due from the Group's largest three (2019: three) trade debtors as at 31 December 2020. The management is of the view that these trade debtors of the Group have good trade record without default history and consider that the trade receivable from these customers is recoverable.

Other than those described above, the Group has no significant concentration of credit risk.

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

與客戶訂立合約產生的貿易應收款項及合約資產(續)

銀行結餘的信貸風險有限，因為交易對手是國際信貸評級機構指定的信用評級較高的銀行/金融機構。

其他應收款項以單獨評估，不包括在預繳模式中。其他應收款項的信貸質素已參考有關過往信息，違約率及交易對手財務狀況的歷史資料進行評估。鑑於良好的收款記錄，本公司董事認為其他應收款項的信貸風險較低。

於二零二零年十二月三十一日，本集團三名貿易款項債務人(二零一九年：三名)佔本集團貿易應收款項總額29%(二零一九年：34%)，因此本集團存在信用風險集中的情況。管理層認為，上述本集團的貿易款項債務人擁有良好的交易記錄，以往從未拖欠，因此認為該等客戶結欠的貿易應收款項可予收回。

除上述者外，本集團並無重大集中信貸風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets arising from contracts with customers (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

2020	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
				RMB'000	RMB'000
二零二零年	附註	內部信貸評級	十二個月或終身預期信貸風險	總賬面值	
				人民幣千元	人民幣千元
Pledged bank deposits	已抵押銀行存款	25 (note i)	12m ECL	106,401	106,401
Bank balances	銀行結餘	25 (note i)	12m ECL	185,367	185,367
Other receivables	其他應收款項	22 (note ii)	12m ECL	19,716	19,716
Trade receivables — goods and services	貿易應收款項 — 貨品及服務	22 (note iii)	Lifetime ECL (not credit-impaired)	883,873	
		(note iii)	終身預期信貸虧損 (非信貸減值)	2,326	886,199
Contract assets	合約資產	24 (note iii)	Lifetime ECL (not credit-impaired)	18,628	18,628
		(note iii)	終身預期信貸虧損 (非信貸減值)		

Notes:

- (i) For the purpose of internal credit risk management, the Group has made reference to the external credit rating for its major bank balances.
- (ii) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. As at 31 December 2020, the Group has no past due other receivables.
- (iii) For trade receivables not backed by bank bills and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances amounted to RMB268,891,000 or credit-impaired, the Group determines the ECL on these items by using a provision matrix as mentioned above.

附註：

- (i) 就內部信貸風險管理而言，本集團已參考其主要銀行結餘的外部信貸評級。
- (ii) 就內部信貸風險管理而言，本集團使用逾期信息評估自初步確認後信貸風險是否顯著增加。於二零二零年十二月三十一日，本集團並無逾期其他應收款項。
- (iii) 就作銀行票據為後盾的貿易應收款項及合約資產而言，本集團已採用香港財務報告準則9的簡化方法計量終身預期信貸虧損的損失準備。除具有重大未結餘額的人民幣268,891,000元或信貸減值的債務人外，本集團採用上述撥備矩陣確定該等項目的預期信貸虧損。

40. 金融工具 (續)

b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

與客戶訂立合約產生的貿易應收款項及合約資產 (續)

下表詳列本集團金融資產的信貸風險，並須遵守預期信貸虧損評估：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets arising from contracts with customers (Continued)

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

與客戶訂立合約產生的貿易應收款項及合約資產(續)

		Notes 附註	Internal credit rating 內部信貸 評級	12m or lifetime ECL 十二個月或終身 預期信貸風險	Gross carrying amount	
					RMB'000 人民幣千元	RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	25	(note i) (附註 i)	12m ECL 十二個月預期信貸虧損	139,904	139,904
Bank balances	銀行結餘	25	(note i) (附註 i)	12m ECL 十二個月預期信貸虧損	231,089	231,089
Other receivables	其他應收款項	22	(note ii) (附註 ii)	12m ECL 十二個月預期信貸虧損	12,533	12,533
Trade receivables — goods and services	貿易應收款項 — 貨品及服務	22	(note iii) (附註 iii)	Lifetime ECL (not credit-impaired) 終身預期信貸虧損 (非信貸減值)	728,584	
			(note iii) (附註 iii)	Credit-impaired 信貸減值	1,912	730,356
Contract assets	合約資產	24	(note iii) (附註 iii)	Lifetime ECL (not credit-impaired) 終身預期信貸虧損 (非信貸減值)	16,957	16,957

Notes:

- (i) For the purpose of internal credit risk management, the Group has made reference to the external credit rating for its major bank balances.
- (ii) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. As at 31 December 2019, the Group has no past due other receivables.
- (iii) For trade receivables not backed by bank bills and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances amounted to RMB187,993,000 or credit-impaired, the Group determines the ECL on these items by using a provision matrix as mentioned above.

附註：

- (i) 就內部信貸風險管理而言，本集團已參考其主要銀行結餘的外部信貸評級。
- (ii) 就內部信貸風險管理而言，本集團使用逾期信息評估自初步確認後信貸風險是否顯著增加。於二零一九年十二月三十一日，本集團並無逾期其他應收款項。
- (iii) 就作銀行票據為後盾的貿易應收款項及合約資產而言，本集團已採用香港財務報告準則9的簡化方法計量終身預期信貸虧損的損失準備。除具有重大未結餘額的人民幣187,993,000元或信貸減值的債務人外，本集團採用上述撥備矩陣確定該等項目的預期信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets arising from contracts with customers (Continued)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2020, impairment allowance of RMB nil (2019: reversal of RMB101,000) were made on debtors with credit-impaired debtors and an impairment loss of RMB4,402,000 (2019: RMB141,000) was recognised.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

與客戶訂立合約產生的貿易應收款項及合約資產(續)

估計損失率是根據債務人預期壽命內的歷史觀察違約率估算的，並根據可獲得的前瞻性信息進行調整，無需過多的成本或工夫。管理層定期審查分組，以確保更新有關特定債務人的相關信息。

截至二零二零年十二月三十一日止年度，對有信貸減值債務人的債務人作出減值撥備為人民幣零元(二零一九年：回撥人民幣101,000元)及已確認減值虧損為人民幣4,402,000元(二零一九年：人民幣141,000元)。

下表顯示了根據簡化方法已確認的貿易應收款項的終生預期信貸虧損。

		Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total amount
		終身預期 信貸虧損 (非信貸減值)	終身預期 信貸虧損 (信貸減值)	總金額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 January 2019	於二零一九年一月一日	–	1,872	1,872
Changes due to financial instruments recognised as at 1 January 2019:	二零一九年一月一日確認的 金融工具變更：			
— Impairment losses recognised (reversed)	— 確認(回撥)減值虧損	141	(101)	40
As at 31 December 2019	於二零一九年十二月三十一日	141	1,771	1,912
Changes due to financial instruments recognised as at 1 January 2020:	二零二零年一月一日確認的 金融工具變更：			
— Impairment losses recognised	— 已確認減值虧損	4,402	–	4,402
— Acquisition of a subsidiary	— 收購附屬公司	19	395	414
As at 31 December 2020	於二零二零年十二月三十一日	4,562	2,166	6,728

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

For trade receivables backed by bank bills, allowance for impairment of RMB327,000 (2019: nil) has made since the directors of the Company consider the probability of default and taking into consideration of the credit rating and reputation of the banks issuing the bills.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. The Group has taken legal action against the debtors to recover the amount due.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings.

The following table details the Group's contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the year of the reporting period.

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

以銀行票據為後盾的貿易應收款項，其減值撥備為人民幣327,000元(二零一九年：無)及合約以票據作後盾的貿易應收款項，由於公司董事考慮了違約的可能性並考慮了票據發行銀行的信用等級和聲譽。

當有資料顯示債務人處於嚴重的財務困難且沒有現實的複蘇前景時，本集團會撇賬貿易應收款項，例如：當債務人已被清盤或已進入破產程序，或當貿易應收款項逾期兩年以上時(以先發生者為準)。本集團已對債務人採取法律行動以收回應付金額。

流動資金風險

在管理流動資金風險時，本集團監控及維持管理層認為充足的現金及現金等價物，以為本集團的營運提供資金，並減低現金流量波動的影響。管理層監督銀行借款的使用。

下表詳列本集團金融負債的合約到期日。該表乃根據本集團須付款的最早日期按照金融負債的未貼現現金流量編製。尤其是，含有須按要求償還條款之銀行貸款乃計入最早時間段，而不論銀行是否可能選擇行使彼等之權利。其他非衍生金融負債之到期日分析乃根據預定之償還日期編製。

該表包括利息及本金現金流量。倘利率為浮動利率，則未貼現金額按報告期年度的利率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Liquidity table

		Weighted average interest rate	On demand or less than 6 months 於六個月 或以內 RMB'000 人民幣千元	6 months to 1 year 六個月 至一年 RMB'000 人民幣千元	1-5 years 一至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流動總額 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元
2020	二零二零年							
Trade and other payables	貿易及其他應付款項	N/A 不適用	179,485	-	-	-	179,485	179,485
Amounts due to directors	應付董事款項	N/A 不適用	507	-	-	-	507	507
Bank borrowings	銀行借款							
— fixed rate	— 定息	4.25	494,045	310,226	14,742	-	819,013	800,751
— variable interest rate	— 浮息	2.35	8,971	38,941	-	-	47,912	47,325
Lease liabilities	租賃負債	5.75	9,045	8,217	24,334	17,462	59,058	45,224
Other borrowings	其他借款							
— fixed rate	— 定息	3.50	122,146	10,319	-	-	132,465	132,107
— variable interest rate	— 浮息	10.24	34,860	34,860	76,890	-	146,610	131,160
Consideration payable	應付代價款項	5.23	7,860	4,270	11,870	-	24,000	22,831
			856,919	406,833	127,836	17,462	1,409,050	1,359,390
2019	二零一九年							
Trade and other payables	貿易及其他應付款項	N/A 不適用	244,268	-	-	-	244,268	244,268
Amounts due to directors	應付董事款項	N/A 不適用	354	-	-	-	354	354
Bank borrowings	銀行借款							
— fixed rate	— 定息	4.01	257,515	152,553	37,463	-	447,531	432,462
— variable interest rate	— 浮息	4.83	162,250	134,527	-	-	296,777	289,471
Lease liabilities	租賃負債	5.78	10,333	10,332	38,190	23,697	82,552	65,684
Other borrowings	其他借款							
— fixed rate	— 定息	3.50	89,132	18,807	-	-	107,939	107,285
— variable interest rate	— 浮息	11.39	15,083	9,180	18,360	7,098	49,721	44,094
			778,935	325,399	94,013	30,795	1,229,142	1,183,618

The amounts included above for variable interest rate instrument for non-derivative financial liabilities is subject to change if changes in variable interest rates defer to those estimates of interest rates determined at the end of the reporting period.

倘浮息的變動有別於報告期末所釐訂的估計利率，則計入上表的非衍生金融負債中浮息工具的金額亦會有變。

40. 金融工具(續)

b. 金融風險管理目標及政策(續)

流動資金表

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Financial Instruments (Continued)

c. Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

40. 金融工具(續)

c. 公允值

金融資產和金融負債的公允價值是根據普遍接受的基於折現現金流量分析的定價模型確定的。

本集團管理層認為，於綜合財務報表內按攤銷成本列賬的金融資產及金融負債的賬面值與其公允值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. Reconciliation of Liabilities Arising From Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

41. 核對融資活動產生的負債

下表詳細列出本集團由融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債是指現金流量或未來現金流量被分類在本集團之綜合現金流量表內融資活動所得之現金流量。

		Bank borrowings	Other borrowings	Lease liabilities/Obligation under a finance lease 租賃負債/ 融資租賃 應付款項	Interest payables	Dividend payable	Amount due to a non-controlling equity owner of a subsidiary 應付附屬公司 非控制權益 擁有人	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	664,055	293,416	67,237	-	-	-	1,024,708
Financing cash flows (restated)	融資現金流量(經重列)	298,578	9,448	(17,791)	(42,027)	(50,000)	-	198,208
Foreign exchange translation	外幣兌換	(162)	-	-	-	-	-	(162)
Interest expense (restated)	利息支出(經重列)	-	-	3,808	42,027	-	-	45,835
Dividend	股息	-	-	-	-	50,000	-	50,000
Gross amount of bills receivable from external customers discounted with recourse (restated)	收取由外部客戶的附帶追索權之已貼現應收票據總額(經重列)	-	248,830	-	-	-	-	248,830
Non-cash settlement of discounted bills receivable (restated)	已貼現應收票據之非現金結算(經重列)	(240,538)	(400,315)	-	-	-	-	(640,853)
Increase in lease liabilities	租賃負債增加	-	-	12,430	-	-	-	12,430
At 31 December 2019	於二零一九年十二月三十一日	721,933	151,379	65,684	-	-	-	938,996
Financing cash flows	融資現金流量	312,470	78,726	(17,151)	(45,288)	(15,000)	(21,468)	292,289
Foreign exchange translation	外幣兌換	(3,486)	-	-	-	-	-	(3,486)
Interest expense	利息支出	-	-	3,125	45,288	-	-	48,413
Dividend	股息	-	-	-	-	15,000	-	15,000
Acquisition of a subsidiary	收購附屬公司	31,000	-	-	-	-	21,468	52,468
Covid-19-related rent concessions	新型冠狀病毒租金優惠	-	-	(1,411)	-	-	-	(1,411)
Gross amount of bills receivable from external customers discounted with recourse	收取由外部客戶的附帶追索權之已貼現應收票據總額	-	238,549	-	-	-	-	238,549
Non-cash settlement of discounted bills receivable	已貼現應收票據之非現金結算	(213,841)	(205,387)	-	-	-	-	(419,228)
Decrease in lease liabilities	租賃負債減少	-	-	(5,023)	-	-	-	(5,023)
At 31 December 2020	於二零二零年十二月三十一日	848,076	263,267	45,224	-	-	-	1,156,567

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. Related Parties Transactions

(a) Name and relationship

Name 名稱	Relationship 關係
Zhongshan City Zheng Ye Leasing Company Limited ("Zheng Ye Leasing") 中山市正業租賃有限公司(「正業租賃」)	Controlled by the controlling shareholders of the Company 由本公司控股股東控制

(b) Related parties transactions

During the year, the Group entered into the following transactions with related parties:

42. 關連人士交易

(a) 名稱及關係

(b) 關連人士交易

於年內，本集團與關連人士訂立以下交易：

		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
Zheng Ye Leasing	正業租賃		
— Interest on lease liabilities	— 租賃負債利息	949	1,282
— Lease liabilities	— 租賃負債	12,932	18,787

(c) Rental deposit of RMB450,000 (2019: RMB450,000) paid to Zheng Ye Leasing has been included in trade and other receivables in the consolidated statement of financial position at 31 December 2020.

(c) 已付正業租賃的人民幣450,000元(二零一九年：人民幣450,000元)租賃按金已載入於二零二零年十二月三十一日綜合財務狀況表中的貿易及其他應收款項。

(d) Related parties balances

Amounts due to directors are disclosed on note 31.

(d) 關連人士結餘

應付董事款項於附註31披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. Related Parties Transactions (Continued)

(e) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was 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 benefits	薪金及其他福利	24,232	19,151
Retirement benefits schemes contributions	退休福利計劃供款	175	215
		24,407	19,366

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

董事及主要行政人員的薪酬由薪酬委員會經考慮個人表現及市場趨勢後釐定。

43. Share-Based Payment Transactions

Cash-settled share-based payments

On 23 April 2019, an employees' share award scheme ("the Scheme") was adopted by the Company. Pursuant to the Scheme, the Company would subsidise some employees of the Group (the "Selected Participants") a portion of funds to purchase issued shares of the Company by a trustee through on-market transactions. Up to 26 June 2019, a total of 4,214,000 shares of the Company had been purchased and vested to the Selected Participants. The Group recognised the total expense of RMB1,467,000 for the year ended 31 December 2019 in relation to its contribution in the Scheme. For the year ended 31 December 2020, no employee was awarded under the Scheme and no expense was recognised.

42. 關連人士交易(續)

(e) 主要管理人員的薪酬

以下是董事及主要管理層其他成員於年內的薪酬：

		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 benefits	薪金及其他福利	24,232	19,151
Retirement benefits schemes contributions	退休福利計劃供款	175	215
		24,407	19,366

董事及主要行政人員的薪酬由薪酬委員會經考慮個人表現及市場趨勢後釐定。

43. 以股份支付交易

以現金結算的股份為基礎付款

於二零一九年四月二十三日，本公司採納了僱員股份獎勵計劃(「該計劃」)。根據該計劃，本公司補貼本集團的某些僱員(「特定參與者」)一部分資金，以由受託人通過市場交易購買本公司的已發行股票。截至二零一九年六月二十六日，已購買合計4,214,000股本公司股份並歸屬於選定參與者。截至二零一九年十二月三十一日止年度，本集團就其計劃的供款確認總支出人民幣1,467,000元。截至二零二零年十二月三十一日止年度，該計劃未授予任何僱員，也未確認任何費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Particulars of Subsidiaries of the Company

44. 本公司附屬公司的詳情

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 成立/註冊/ 運作地點	Paid up issued/ registered capital 已繳發行/ 註冊股本	Class of shares hold 本公司持有的 持有股份類別	Proportion ownership interest held by the Company 本公司持有的 所有權益比率 At 31 December 於十二月三十一日		Proportion of voting power held by the Company 所有投票權比率		Principal activities 主要業務
				2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	
TYAZ International Limited ("Zheng Ye (BVI)")	British Virgin Islands ("the BVI") 英屬處女群島	Authorised US\$50,000 Paid US\$20,000* 法定 50,000美元 已繳20,000美元*	Ordinary 普通股	100%	100%	100%	100%	Investment holding 投資控股
Zheng Ye International Company Limited ("Zheng Ye International") 正業國際有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通股	100%	100%	100%	100%	Investment holding 投資控股
Zheng Ye Investments Limited ("Zheng Ye Investments") 正業投資有限公司	Hong Kong 香港	N/A (2019: HK\$1) 不適用 (二零一九年: 1港元)	Ordinary 普通股	N/A 不適用	100%	N/A 不適用	100%	Deregistered in 24 June 2020 於二零二零年六月二十四日 註銷
Shing Yip (Hong Kong) Investment Enterprises Limited ("Shing Yip (Hong Kong)") 誠業(香港)投資實業有限公司	Hong Kong 香港	HK\$10,000 10,000港元	Ordinary 普通股	100%	100%	100%	100%	Investment holding 投資控股
Zheng Ye Packaging (Zhongshan) Company Limited ("Zheng Ye Packaging (Zhongshan)") 正業包裝(中山)有限公司	the PRC 中國	HK\$102,000,000 102,000,000港元	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and operating of paper-based packaging products, packaging related business and printing of decorative packaging Products 生產及經營紙製包裝產品包裝 相關業務及包裝裝潢印刷品 印刷
Zhongshan Yong Fa Paper Industry Company Limited ("Zhongshan Yong Fa Paper") 中山永發紙業有限公司	the PRC 中國	HK\$106,500,000 106,500,000港元	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and sale of paper- and paperboard 生產和銷售紙和紙板
Zhuhai Zheng Ye Packing Company Limited ("Zheng Ye Packaging (Zhuhai)") 珠海正業包裝有限公司	the PRC 中國	HK\$12,000,000 12,000,000港元	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and sale of paper-based packaging products and related packaging service 生產和銷售紙製包裝產品及 相關包裝服務
Zhengzhou Zheng Ye Packaging Company Limited ("Zheng Ye Packaging (Zhengzhou)") 鄭州正業包裝有限公司	the PRC 中國	N/A (2019: RMB20,000,000) 不適用 (二零一九年: 人民幣20,000,000元)	Ordinary 普通股	N/A 不適用	100%	N/A 不適用	100%	Deregistered on 1 December 2020 於二零二零年十二月一日註銷

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Particulars of Subsidiaries of the Company (Continued) 44. 本公司附屬公司的詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 成立/註冊/ 運作地點	Paid up issued/ registered capital 已繳發行/ 註冊股本	Class of shares hold 本公司持有的 持有股份類別	Proportion ownership interest held by the Company 本公司持有的 所有權益比率 At 31 December 於十二月三十一日		Proportion of voting power held by the Company 所有投票權比率		Principal activities 主要業務
				2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	
Shijiazhuang Zheng Ye Packaging Company Limited ("Zheng Ye Packaging (Shijiazhuang)") 石家莊正業包裝有限公司	the PRC 中國	RMB20,000,000 人民幣20,000,000元	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and sale of paper-based packaging products and printing of decorative packaging products 生產和銷售紙製包裝產品及包裝裝潢印刷品印刷
Wuhan Zheng Ye Alliance Packaging Company Limited ("Zheng Ye Packaging (Wuhan)") 武漢正業聯合包裝有限公司	the PRC 中國	RMB35,000,000 人民幣35,000,000元	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and sale of paper-based packaging products and printing of decorative packaging products 生產和銷售紙製包裝產品及包裝裝潢印刷品印刷
Zhongshan Rengo Hung Hing Paper Manufacturing Company Limited ("Hung Hing") 中山聯合鴻興造紙有限公司	the PRC 中國	USD53,660,000 53,660,000美元	Ordinary 普通股	58.7%	58.7%	58.7%	58.7%	Manufacturing and sale of paper and paperboard 生產和銷售紙和紙板
Yudu County Zhengyi Paper Products and Paper Industry Company Limited ("Zhengyi") 于都縣正德紙品紙業有限公司	the PRC 中國	RMB89,000,000 人民幣89,000,000元	Ordinary 普通股	80%	N/A 不適用	80%	N/A 不適用	Manufacturing and sale of paper and paperboard 生產和銷售紙和紙板
Zhongshan Lianfa Transportation Company Limited 中山市聯發運輸有限公司	the PRC 中國	RMB5,000,000 人民幣5,000,000元	Ordinary 普通股	100%	100%	100%	100%	Transportation 運輸
Zhongshan Zhengye Transportation Company Limited 中山市正業運輸有限公司	the PRC 中國	RMB3,000,000 人民幣3,000,000元	Ordinary 普通股	100%	100%	100%	100%	Transportation 運輸
Gaoan Gaungyong Logistics Company Limited 高安廣永物流有限公司	the PRC 中國	RMB3,000,000 人民幣3,000,000元	Ordinary 普通股	100%	N/A 不適用	100%	N/A 不適用	Transportation 運輸

* Except for Zheng Ye (BVI), the issued capital of all other companies is fully paid and indirectly held by the Company.

* 除TYAZ外，所有其他公司的已發行股本均已繳足，並由本公司間接持有。

All subsidiaries established in the PRC are wholly foreign owned enterprises.

所有在中國成立之附屬公司均為外商獨資企業。

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

於年內或年內任何時間，附屬公司概無任何未償還債務證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Details of a Non-Wholly Owned Subsidiary that has Material Non-Controlling Interests

45. 擁有重大非控股權益之非全資附屬公司詳情

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及日期	Proportion of ownership interests held by non-controlling interests 本公司持有的所有權權益比率		Profit allocated to non-controlling interests 非控制權益獲分配之溢利		Accumulated non-controlling interests 累計非控制權益	
		31/12/2020 二零二零年 十二月三十一日	31/12/2019 二零一九年 十二月三十一日	31/12/2020 二零二零年 十二月三十一日	31/12/2019 二零一九年 十二月三十一日	31/12/2020 二零二零年 十二月三十一日	31/12/2019 二零一九年 十二月三十一日
		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
Hung Hing 鴻興	Zhongshan, the PRC 中國中山市	41.3%	41.3%	4,826	18,844	203,324	198,498
Zhengyi 正億	Yudu, the PRC 中國于都縣	20.0%	N/A 不適用	2,962	-	20,569	-
				7,788	18,844	223,893	198,498

Hung Hing

鴻興

		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 assets	流動資產	224,610	226,040
Non-current assets	非流動資產	452,273	430,743
Current liabilities	流動負債	(117,455)	(118,189)
Non-current liabilities	非流動負債	(67,118)	(57,969)
Equity attributable to owners of the Company	本公司擁有人應佔權益	288,986	282,127
Non-controlling interests of Hung Hing	鴻興之非控制權益	203,324	198,498

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Details of a Non-Wholly Owned Subsidiary that has Material Non-Controlling Interests (Continued) Hung Hing (Continued)

45. 擁有重大非控股權益之非全資附屬公司詳情(續) 鴻興(續)

		Year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元
Revenue	收入	657,016	712,035
Expenses	開支	(645,331)	(666,407)
Profit and total comprehensive income for the year	年內溢利及全面收益	11,685	45,628
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	6,859	26,784
Profit and total comprehensive income attributable to the non-controlling interests of Hung Hing	鴻興之非控制權益應佔溢利及全面收益總額	4,826	18,844
Net cash (outflows) inflows from operating activities	經營業務(所用)所得現金淨額	(52,660)	90,147
Net cash used in investing activities	投資業務所用現金淨額	(52,208)	(39,291)
Net cash from (used in) financing activities	融資業務所得(所用)現金淨額	44,214	(53,613)
Net cash outflows	流出現金淨額	(60,654)	(2,757)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Details of a Non-Wholly Owned Subsidiary that has Material Non-controlling Interests (Continued) Zhengyi

45. 擁有重大非控股權益之非全資附屬公司詳情(續) 正億

		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 assets	流動資產	72,757	N/A 不適用
Non-current assets	非流動資產	124,009	N/A 不適用
Current liabilities	流動負債	(61,892)	N/A 不適用
Non-current liabilities	非流動負債	(32,027)	N/A 不適用
Equity attributable to owners of the Company	本公司擁有人應佔權益	82,278	N/A 不適用
Non-controlling interests of Zhengyi	正億之非控制權益	20,569	N/A 不適用
		Year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 RMB'000 人民幣千元	Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元
Revenue	收入	189,352	N/A 不適用
Expenses	開支	(174,541)	N/A 不適用
Profit and total comprehensive income for the year	年內溢利及全面收益	14,811	N/A 不適用
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	11,849	N/A 不適用
Profit and total comprehensive income attributable to the non-controlling interests of Zhengyi	正億之非控制權益應佔溢利及全面收益總額	2,962	N/A 不適用
Net cash inflows from operating activities	經營業務所得現金淨額	4,526	N/A 不適用
Net cash used in investing activities	投資業務所用現金淨額	(17,387)	N/A 不適用
Net cash from financing activities	融資業務所得現金淨額	36,008	N/A 不適用
Net cash inflows	所得現金淨額	23,147	N/A 不適用

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Statement of Financial Position of the Company

46. 本公司財務狀況表

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current Assets	非流動資產		
Unlisted investment in a subsidiary	於一家非上市附屬公司的投資	230,979	230,979
		230,979	230,979
Current Assets	流動資產		
Other receivables	其他應收款項	334	354
Amounts due from subsidiaries	應收附屬公司款項	29,618	28,633
Bank balances and cash	銀行及現金結餘	1,494	5,153
		31,446	34,140
Current Liabilities	流動負債		
Other payables	其他應付款項	217	215
Amounts due to subsidiaries	應付附屬公司款項	13,941	14,215
Amount due to directors	應付董事款項	-	28
		14,158	14,458
Net Current Assets	流動資產淨值	17,288	19,682
Total Assets less Current Liabilities	資產總值減流動負債	248,267	250,661
Capital and Reserves	資本及儲備		
Share capital	股本	41,655	41,655
Share premium and reserves	股本溢價及儲備	206,612	209,006
Total Equity	權益總額	248,267	250,661

Notes to the Consolidated Financial Statements

綜合財務報表附註

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. Statement of Financial Position of the Company

(Continued)

Movement in the Company's reserves

46. 本公司財務狀況表(續)

本公司儲備之變動

		Share premium 股本溢價 RMB'000 人民幣千元	Merger reserves 合併儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	92,968	97,559	57,765	248,292
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	10,714	10,714
Dividend paid	已付股息	-	-	(50,000)	(50,000)
At 31 December 2019	於二零一九年十二月三十一日	92,968	97,559	18,479	209,006
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	12,606	12,606
Dividend paid	已付股息	-	-	(15,000)	(15,000)
At 31 December 2020	於二零二零年十二月三十一日	92,968	97,559	16,085	206,612

47. Comparative Figures

Certain comparative figures to the financial statement had been reclassified to conform with the current year presentation.

47. 比較數字

財務報表的若干比較數字已重新分類，以符合當年的呈列。

Financial Summary

財務摘要

Consolidated results

綜合業績

		For the year ended 31 December					
		截至十二月三十一日止年度					
		2016	2017	2018	2019	2020	
		二零一六年	二零一七年	二零一八年	二零一九年	二零二零年	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Revenue	收入	2,074,090	2,414,127	2,848,016	2,367,151	2,493,041	
Profit before tax	除稅前溢利	124,909	242,839	154,014	119,180	64,931	
Income tax expense	所得稅開支	(15,911)	(29,597)	(23,301)	(18,152)	(2,371)	
Profit for the year	年內溢利	108,998	213,242	130,713	101,028	62,560	
Attributable to:	應佔：						
the owners of the Company	本公司擁有人	91,649	182,705	109,358	82,184	54,772	
non-controlling interests	非控制權益	17,349	30,537	21,355	18,844	7,788	
		108,998	213,242	130,713	101,028	62,560	

Consolidated assets and liabilities

綜合資產及負債

		At 31 December					
		於十二月三十一日					
		2016	2017	2018	2019	2020	
		二零一六年	二零一七年	二零一八年	二零一九年	二零二零年	
		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	
Total assets	總資產	2,425,965	2,561,870	2,557,823	2,424,551	2,682,775	
Total liabilities	總負債	(1,617,827)	(1,567,990)	(1,484,444)	(1,300,144)	(1,493,201)	
Net assets	淨資產	808,138	993,880	1,073,379	1,124,407	1,189,574	

Note 1: The Company was incorporated in Bermuda on 18 August 2010 as an exempted company with limited liability under the Bermuda Companies Act. Pursuant to a reorganisation scheme to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 4 March 2011. The financial summary has been presented on the basis that the Company had been the holding company of the Group from the beginning of the earliest period presented.

附註1：本公司於二零一零年八月十八日在百慕達根據百慕達公司法註冊成立為一家獲豁免有限公司。根據本集團為準備於香港聯合交易所有限公司（「聯交所」）上市本公司股份而合理化其架構所開展的集團重組，本公司於二零一一年三月四日成為現組成本集團的各公司的控股公司。財務摘要乃按本公司自最早呈報期間開始一直為本集團控股公司的基準而呈報。

Note 2: Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange during the period from the date of the Listing (i.e. 3 June 2011) to 31 December 2020.

附註2：自上市日期（即二零一一年六月三日）至二零二零年十二月三十一日止期間，本公司或其任何附屬公司概無購回、出售或贖回本公司於聯交所上市的任何股份。



ZHENGYE
INTERNATIONAL

正業國際控股有限公司
ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED