

LESSO 联塑

CHINA LESSO GROUP HOLDINGS LIMITED

中國聯塑集團控股有限公司

Incorporated in the Cayman Islands with limited liability

於開曼群島註冊成立的有限公司

Stock Code 股份代號：2128

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CORPORATE PROFILE

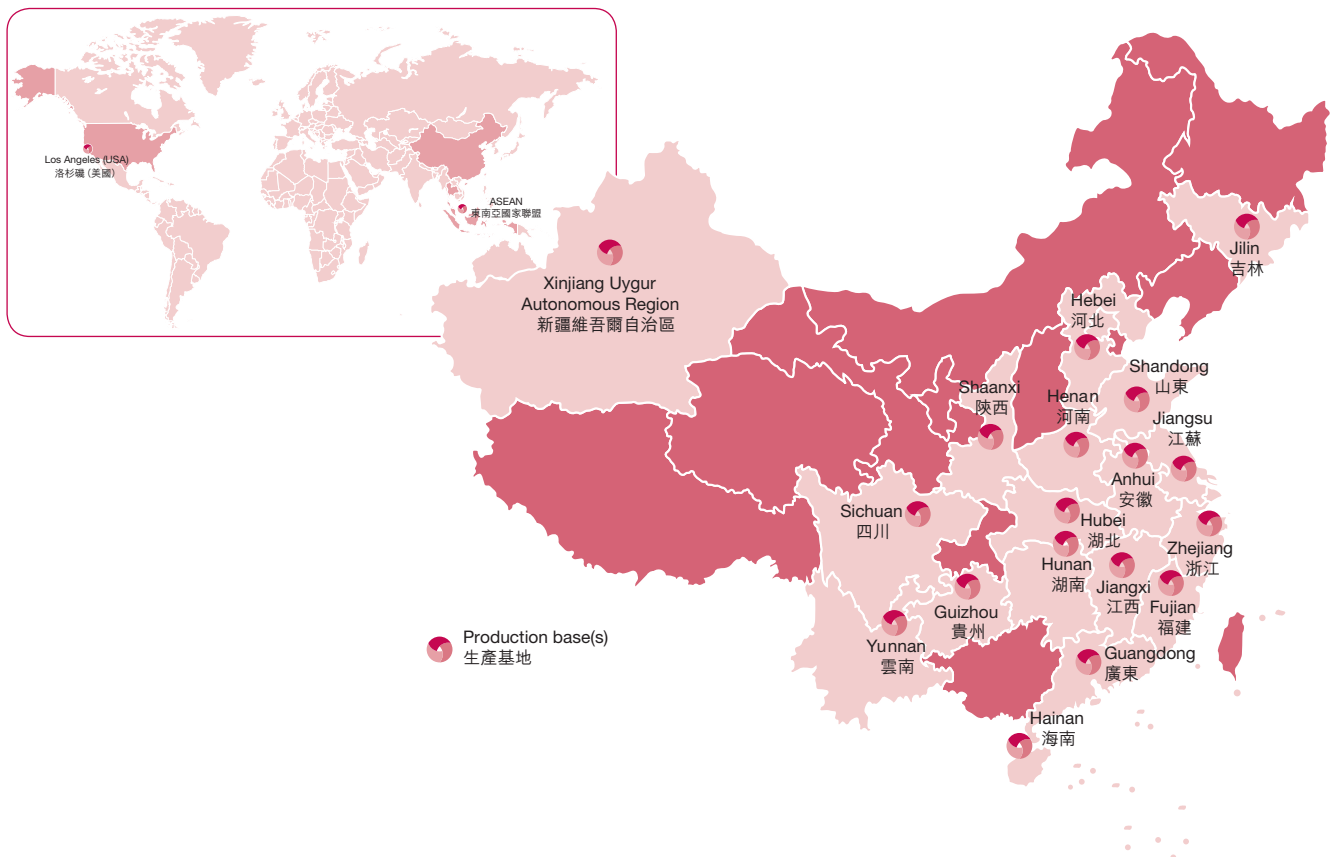
企業簡介

China Lesso Group Holdings Limited (Stock Code of Hong Kong Stock Exchange: 2128) is a leading large-scale industrial group that manufactures building materials and interior decoration products in mainland China. China Lesso is one of the constituent stocks of the Hang Seng Composite MidCap Index and is a stock eligible for trading through the Hong Kong Stock Exchange's Stock Connect. In addition, China Lesso was officially made a constituent stock of MSCI China index in November 2019. After more than 30 years of rapid development, the Group has evolved into a leader in the industry of building materials and interior decoration products. It provides high-quality products and services such as plastic piping, building materials and interior decoration, environmental protection, and operates a supply chain service platform.

Currently, the Group has established over 30 advanced production bases in 18 provinces of China and in foreign countries. The Group has established a nationwide sales network and has also developed long-term strategic partnerships with 2,397 independent and exclusive first-tier distributors that enable timely and efficient supply of comprehensive, quality products and professional services to customers. As an integrated manufacturer of a comprehensive range of building materials and interior decoration products, China Lesso provides over 10,000 types of quality products, which are widely applied to such fields as interior decoration, civil architecture, municipal water supply, drainage, electric power transmission, telecommunication, gas supply, fire services, environmental protection, agriculture and marine aquaculture.

中國聯塑集團控股有限公司(香港聯交所股份代號: 2128)是中國內地領先的大型建材家居產業集團。中國聯塑是恒生綜合指數成份股中型股之一，並被獲納入為港股通股份。此外，中國聯塑成功於2019年11月正式獲納入為MSCI中國指數成份股之一。經過30多年的長足發展，本集團從塑料管道、建材家居、環保、供應鏈服務平台等領域為人們提供優質的產品和服務，快速成長為建材家居行業的佼佼者、行業的標杆。

目前，本集團已建立了超過30個先進的生產基地，分佈於中國18個省份及海外國家。本集團擁有覆蓋全國的廣泛分銷網絡，與2,397名的獨立獨家一級經銷商建立長期戰略合作關係，能夠及時及高效地為客戶提供優質豐富的產品和專業的服務。作為中國建材家居領域產品體系最為齊全的生產商之一，中國聯塑提供過萬種優質產品，並廣泛應用於家居裝修、民用建築、市政給水、排水、電力通訊、燃氣、消防、環境保護及農業、海洋養殖等領域。



CONTENTS 目錄

Financial Highlights	2	財務摘要
Five-year Financial Summary	3	五年財務概要
Chairman's Statement	4	主席報告書
Biographical Details of Directors and Senior Management	9	董事及高級管理人員履歷
Corporate Governance Report	16	企業管治報告
Management Discussion and Analysis	43	管理層討論及分析
Directors' Report	60	董事會報告
Independent Auditor's Report	72	獨立核數師報告
Consolidated Statement of Profit or Loss and Other Comprehensive Income	82	綜合損益及其他全面收益表
Consolidated Statement of Financial Position	84	綜合財務狀況表
Consolidated Statement of Changes in Equity	86	綜合權益變動表
Consolidated Statement of Cash Flows	88	綜合現金流量表
Notes to Consolidated Financial Statements	90	綜合財務報表附註
Summary of Major Investment Properties	214	主要投資物業概要
Glossary	218	詞彙
Corporate Information	221	公司資料

FINANCIAL HIGHLIGHTS

財務摘要

		2020	2019	Change 變動
For the year ended 31 December (RMB'000)	截至12月31日止年度 (人民幣千元)			
Revenue	收入	28,073,065	26,344,523	6.6%
Gross profit	毛利	8,383,979	7,537,119	11.2%
Finance costs	融資成本	435,892	577,194	(24.5)%
EBITDA	除息稅折攤前盈利	6,195,368	5,555,866	11.5%
Profit before tax	除稅前溢利	4,753,560	3,981,921	19.4%
Profit for the year	年內溢利	3,757,389	3,028,335	24.1%
Profit attributable to owners of the Company	本公司擁有人應佔溢利	3,750,829	3,024,701	24.0%
At 31 December (RMB'000)	於12月31日 (人民幣千元)			
Total assets	資產總額	46,527,562	40,784,797	14.1%
Cash and bank deposits	現金及銀行存款	7,447,436	7,604,221	(2.1)%
Total debts ^(a)	債務總額 ^(a)	16,236,163	13,537,099	19.9%
Net debt ^(b)	債務淨額 ^(b)	8,788,727	5,932,878	48.1%
Total equity	權益總額	20,354,122	17,094,396	19.1%
Share information (RMB)	股份資料 (人民幣)			
Earnings per share ^(c)	每股盈利 ^(c)			
– Basic	– 基本	1.22	0.98	24.5%
– Diluted	– 攤薄	1.22	0.98	24.5%
Dividend per share (HK cents)	每股股息 (港仙)			
– Interim dividend	– 中期股息	12	12	–
– Proposed final dividend	– 擬派末期股息	38	28	35.7%
– Total dividend	– 總股息	50	40	25.0%
Equity attributable to owners of the Company per share ^(d)	每股本公司擁有人應佔權益 ^(d)	6.40	5.34	19.9%
Financial ratios	財務比率			
Gearing Ratio (%)	資產負債率 (%)	44.4	44.2	
Net debt to equity ^(e) (%)	債務淨額對權益比率 ^(e) (%)	43.2	34.7	
Interest cover ^(f) (times)	利息盈利比率 ^(f) (倍)	14.21	9.63	

Note:

- (a) Represented borrowings, lease liabilities and debt component of convertible loans.
- (b) Represented total debts less cash and bank deposits.
- (c) Details of the calculations of the basic and diluted earnings per share of the Company are set out in note 11 to consolidated financial statements.
- (d) Represented equity attributable to owners of the Company divided by the number of issued Shares at the end of the reporting period.
- (e) Represented net debt divided by total equity.
- (f) Represented EBITDA divided by finance costs.

附註：

- (a) 指借款、租賃負債及可換股貸款債務部份。
- (b) 指債務總額減現金及銀行存款。
- (c) 本公司每股基本及攤薄盈利之計算詳述於綜合財務報表附註11。
- (d) 指本公司擁有人應佔權益除以於報告期末已發行股份數目。
- (e) 指債務淨額除以權益總額。
- (f) 指除息稅折攤前盈利除以融資成本。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		For the year ended 31 December 截至12月31日止年度				
		2020	2019	2018	2017	2016
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS	業績	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	28,073,065	26,344,523	23,733,517	20,360,000	17,221,052
GROSS PROFIT	毛利	8,383,979	7,537,119	6,228,449	5,316,783	4,581,778
EXPENSES [#]	開支 [#]	(3,851,675)	(3,459,637)	(3,033,265)	(2,700,377)	(2,188,759)
FINANCE COSTS	融資成本	(435,892)	(577,194)	(415,403)	(229,309)	(107,061)
PROFIT BEFORE TAX	除稅前溢利	4,753,560	3,981,921	3,235,539	2,954,586	2,424,792
Income tax expense	所得稅開支	(996,171)	(953,586)	(789,315)	(688,779)	(511,088)
PROFIT FOR THE YEAR	年內溢利	3,757,389	3,028,335	2,446,224	2,265,807	1,913,704
Profit attributable to:	以下應佔溢利：					
Owners of the Company	本公司擁有人	3,750,829	3,024,701	2,491,774	2,293,055	1,922,027
Non-controlling interests	非控制權益	6,560	3,634	(45,550)	(27,248)	(8,323)
		3,757,389	3,028,335	2,446,224	2,265,807	1,913,704

		At 31 December 於12月31日				
		2020	2019	2018	2017	2016
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL POSITION	財務狀況	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
ASSETS	資產					
Non-current assets	非流動資產	26,858,971	23,053,463	19,752,950	15,825,153	12,136,602
Current assets	流動資產	19,668,591	17,731,334	14,883,327	12,148,472	10,058,684
Total assets	資產總額	46,527,562	40,784,797	34,636,277	27,973,625	22,195,286
LIABILITIES	負債					
Non-current liabilities	非流動負債	10,115,058	3,163,655	6,458,341	6,116,343	935,722
Current liabilities	流動負債	16,058,382	20,526,746	13,105,071	8,073,791	9,721,892
Total liabilities	負債總額	26,173,440	23,690,401	19,563,412	14,190,134	10,657,614
NET CURRENT ASSETS/ (LIABILITIES)	流動資產淨額/ (負債)	3,610,209	(2,795,412)	1,778,256	4,074,681	336,792
EQUITY	權益					
Equity attributable to owners of the Company	本公司擁有人 應佔權益	19,841,127	16,576,245	14,803,329	13,489,915	11,231,509
Non-controlling interests	非控制權益	512,995	518,151	269,536	293,576	306,163
Total equity	權益總額	20,354,122	17,094,396	15,072,865	13,783,491	11,537,672

Represented the sum of selling and distribution expenses, administrative expenses and other expenses.

指銷售及分銷開支、行政開支和其他開支的總和。

CHAIRMAN'S STATEMENT

主席報告書

The year 2020 was marked by extraordinary circumstances for the world. The outbreak of the novel coronavirus pneumonia ("COVID-19") at the beginning of the year severely damaged the global economy and affected society profoundly. However, China recorded a V-shaped economic recovery in the second quarter and became the only major economy in the world to have achieved growth despite the difficulties and challenges. Furthermore, the country steadfastly upheld the principle that "houses are for living in, not for speculation" in its policy on the domestic property market even though the pandemic had dampened the economy. The state continued its "City-specific Policy" on the regulation of the property market with precision as it aimed to stabilise the market. Since the second half of the year, the authorities have continuously stepped up their regulation on the financing of the real estate sector. As a result, in the case of many cities with unstable prices for properties and lands, the local authorities have successively stepped up a series of regulatory policies in an effort to restore the property market to normal. Meanwhile, the central government also tried to restore the national economy to normal quickly in the aftermath of the pandemic outbreak. It has introduced a series of economic stimulus policies, including those supporting the development of the "New Infrastructure, New Urbanisation Initiatives and Major Projects", which not only stimulate consumption and improve people's livelihood, but also form a part of the ongoing economic restructuring that can add impetus to the momentum of economic growth. The Chinese government was forging ahead with major projects such as those on new infrastructure, new urbanisation, transportation and hydraulic engineering with aim of unlocking the huge potential of the domestic demand that can boost economic growth in the long term. All these policies can contribute to continuous and steady growth in the pipeline industry and also favour the development of the industries of building materials and interior decoration products as they can generate stable demand.

As a leading large-scale industrial conglomerate that manufactures building materials and interior decoration products in mainland China, China Lesso capitalises on the Chinese government's favorable policies and the strong demand of the domestic market by fully developing all lines of its business. It had successfully entered the field of applications in agriculture in 2020. The Group also succeeded in overcoming the difficulties caused by the pandemic outbreak and global economic downturn as it made considerable progress in sales, market expansion and in terms of other key performance indicators during the year by leveraging its leading market position, excellent brand image, economies of scale, and high-quality products and professional services. The Group's revenue grew by 6.6% to RMB28,073 million in 2020 from RMB26,345 million in 2019. Gross profit rose by 11.2% to

2020年，全球經歷了極不平凡的一年。年初新型冠狀病毒肺炎（「新冠肺炎」）疫情大爆發重創全球經濟，並給社會帶來深遠影響。儘管在巨大的困難和挑戰中，中國經濟二季度實現「V」型復甦，並成為全球唯一實現經濟正增長的主要經濟體。此外，疫情未改國內樓市「房住不炒」調控總基調，國家因城施策，精準調控穩市場。尤其下半年起，房地產金融監管持續強化多個房價、地價不穩的城市先後升級調控政策，力促市場理性回歸。中央政府為盡快令疫情後的國內經濟活動回歸正常，持續推出一系列刺激經濟政策，並重點支持既促消費惠民生調結構增後勁的「兩新一重」建設，積極推進新型基礎設施、新型城鎮化及交通水利等重大工程建設，為經濟增長釋放出一個長期而龐大的內需市場。受惠多項政策支持，管道行業將會持續穩定增長。相信也利好建材家居行業發展，並帶來穩定需求。

中國聯塑作為中國內地領先的大型建材家居產業集團，一直積極把握利好的國家政策對基礎設施和管道的穩定需求，全面發展各板塊業務，並成功於年內進軍農業應用板塊。雖然受新冠肺炎疫情籠罩，本集團依然努力克服疫情帶來的負面影響，加上憑著行業上的領先地位、具經濟規模的品牌優勢，以及優質的產品和專業服務，本集團於年內取得逆市增長，在業務銷售、市場拓展及主要業績指標各方面均成功實現穩健增長。於2020年，本集團收入為人民幣280.73億元，較2019年的人民幣263.45億元增加6.6%。毛利上升

RMB8,384 million and profit attributable to owners of the Company increased by 24.0% to RMB3,751 million. To express gratitude to the Shareholders for their support and to share with them the fruits of the Group's endeavours, the Board proposed payment of a final dividend of HK38 cents per share for the year ended 31 December 2020.

During the year, plastic piping systems remained the mainstay business and the major source of income of the Group. Despite the impact of the pandemic and the suspension of production in early 2020, the Group had made an all-out effort to resume business and production since March. As a result, its production capacity quickly returned to the pre-pandemic level and further improved in the following months. The Group continued to carry out technological innovation and actively developed new products and technologies to meet demand. During the year, it successfully began to mass-produce fiberglass reinforced thermoplastic pipes, which is expected to inject fresh momentum into future sales growth. In addition, the Group was driving the sales growth of its business by extending the scope of the application of its plastic pipes and pipe fittings, to expand its market and grow its market shares. During the reporting period, the Group actively expanded its business that served the agricultural sectors. It launched a variety of products that could be applied to various types of farming and deep-water aquaculture, thus widening the scope of its business and enriching its source of income. The Group is constantly looking for prospective business partners and will try to give full play to the synergies between itself and the business partners through multi-channel cooperation. This will enable the Group's own businesses to develop consistently and steadily.

In terms of production and business operation, the Group actively raised the levels of automated production and smart manufacturing and upgraded both the technology and equipment for production; it also implemented effective procurement strategies, seeking to keep the rising costs of raw materials and production in check so as to maximise the Group's economies of scale. In order to satisfy the huge demand in China and Southeast Asian markets, the Group will scale up its production step by step.

11.2%至人民幣83.84億元，本公司擁有人應佔溢利增加24.0%至人民幣37.51億元。為回饋所有股東的支持和分享業績成果，董事會建議宣派截至2020年12月31日止年度之末期股息為每股38港仙。

年內，塑料管道系統仍然是本集團的主營業務及收入來源。儘管年初受疫情影響，產能有所停滯，但隨著本集團於3月起不斷有序推進復工復產，產能迅速恢復至疫前水準，並且獲得進一步提升。本集團持續技術創新，積極開發新產品及新技術配合市場需求，於年內更成功實現熱塑性塑料增強玻纖管的規模生產，為未來業務銷售帶來新的增長動力。此外，本集團透過擴大塑膠料管道及管件的應用層面，擴張市場以擴大市場佔有率，帶動整體業務銷售增長。報告期內，本集團致力開拓農業板塊業務，推出多種農業、深水養殖等新興市場產品，業務範圍廣泛，豐富了收入來源。本集團亦不斷尋找具潛力的合夥伴，通過多方面渠道的合作，充分發揮協同效應，驅動業務持續穩健發展。

生產運營方面，本集團一方面積極提高生產自動化和智能化水平，升級生產技術設備，另一方面推行有效的採購策略，並著力控制原材料和生產成本的上漲壓力，務求規模經濟效益達到最大化。為滿足國內及東南亞市場的龐大需求，本集團將按部就班，有序地擴張海內外的生產規模。

The COVID-19 outbreak in early 2020 almost brought economic activities to a standstill in China, thus dealing a heavy blow to the country's economy and real estate sector alike. During the reporting period, the central government adhered to the principle that "houses are for living in, not for speculation" in its policy on the property sector and forged ahead with new urbanisation and the restructuring of rural villages. As the pandemic gradually abated in the second quarter, the economy recovered gradually. This allowed the central and provincial governments to regulate the real estate sector with flexibility, which contributed to a rebound in property sales. According to the National Bureau of Statistics of China in 2020, sales of commodity properties increased by 8.7% to more than RMB17 trillion, which was a milestone, and rose by 2.6% in terms of gross floor area sold in the country in 2020, against a decline of 0.1% in 2019. These developments will foster the development of the industries of building materials and interior decoration products. The Group will strive to optimise its sales channels and product mix, further enhance its competitiveness, and satisfy customers' demand for high-quality building materials and interior decoration products. Benefiting from the state policy of expediting national development with "New Infrastructure, New Urbanisation Initiatives and Major Projects", the Group remains confident about the future development of its businesses of building materials and interior decoration products, and expects to achieve synergies between these businesses and its other businesses in the long term. This will lead to steady growth in the Group's overall business.

In recent years, the Chinese government has pursued a series of environmental policies to foster the development of the environmental protection industry. To capitalise on this trend, the Group further developed its environmental protection business and increased investment in technological innovation during the year to enhance its research and development capability. Through the creation of a value chain that covers both upstream and downstream businesses of the industry of the pipe and fittings products, the Group has endeavored to attain synergies between its environmental protection business and plastic piping system business in the long term. The Group seeks to establish itself as a provider of one-stop environmental services in China, creating a green lifestyle for residents and fulfilling its corporate social responsibility.

2020年初，新冠肺炎疫情爆發令國內經濟活動幾近完全停滯，嚴重打擊宏觀經濟，房地產行業亦不能倖免，同樣受到損害。於報告期內，中央政府堅守維持「房住不炒」的總基調，並推進新型城鎮化的發展及「農村改造」，加上疫情於二季度逐漸緩和，經濟有序恢復，而中央及地方政府對房地產的靈活調控，房地產市場迎來銷售反彈。根據國家統計局數據，2020年全國商品房銷售額突破人民幣17萬億大關，增長8.7%，全國商品房銷售面積上升2.6%，對比2019年0.1%的跌幅。由此可見，建材家居板塊的業務發展得以持續受益。本集團將致力優化銷售渠道及產品組合，進一步提升競爭力，滿足客戶對優質建材家居產品的需求。受惠「兩新一重」重點建設政策，本集團對建材家居業務分部的未來充滿信心，並預期將進一步釋放該業務與其他業務板塊的長遠協同效應，驅動業務的穩健發展。

中國政府近年來持續落實多項環境保護政策，鼓勵發展綠色產業。本集團於回顧年內深化環保領域佈局，不斷投入技術創新和發展，打造以管材管件為核心的上下游產業鏈，以達到可與塑料管道系統業務發揮協同效應。本集團以成為中國一站式環保服務供應商為目標，致力為居者打造綠色生活，積極實踐企業社會責任。

As to its supply chain service platform, the Group aims to establish a multinational platform for Chinese manufacturers of building materials, interior decoration products and consumer goods so as to help them display, distribute and retail their goods, mainly in the Southeast Asian market. At present, this business is still at an early stage of development. The Group will seize opportunities for development by building up the distribution network of its supply chain service platform in Southeast Asia as it aims to make the business a new growth driver in the long term.

All citizens and enterprises have worried about the havoc caused by COVID-19 in China. As a corporate citizen, the Group felt duty-bound to help fight the pandemic. Therefore, it aided hospitals across the country in the fight against the disease by promptly allocating and providing relevant resources and various types of pipe products in large batches required for the construction of emergency hospitals. In addition, the Group provided necessary construction materials for the existing hospitals which were being renovated or expanded. The Group gave full support to the people all over the country in their fight against the disease.

In 2021, although the pandemic has not yet been fully brought under control in the world and the global economy still faces severe challenges, the market generally expects the world's economy to rebound from the trough in 2020 and gradually improve because of the introduction of effective vaccines and the successful implementation of vaccination programmes. The prospect has boosted the global market's confidence. In fact, China's economy has recovered from the impact of the pandemic and resumed its uptrend. The outlook for China's economy in 2021 is far more optimistic than that for other economies. The momentum of China's economic growth is expected to continue. The Group will actively grasp the opportunities arising from the government policies that favor the development of the industries. We will expand our businesses of plastic piping systems, building materials and interior decoration products and environmental protection, and strive for synergies among the various business segments. These efforts can lead to sustainable growth in revenue. Looking ahead, the Group will continue to raise the levels of automated production and smart manufacturing and actively build up its production bases so that its production capacity can be increased to match its business expansion. The Group will also continue to increase investment in innovation, research and development, expand the scope of the application of its pipe systems and improve product quality with the aim of consolidating its leading position in the market.

本集團的供應鏈服務平台業務，主力為中國家居建材及消費品生產商建立跨國平台，展示產品及促進產品的分銷及零售，重點發展東南亞市場。目前，供應鏈服務平台業務仍尚處於發展初段，未來，本集團將適時把握發展機遇，進一步推進於東南亞的供應鏈服務平台業務分銷網絡，致力打造供應鏈服務平台業務成為本集團長遠發展的另一增長點。

新冠肺炎疫情牽動國內每一個人、每一家企業的心，作為企業公民，聯塑集團義不容辭，積極支援全國各地醫院抗疫建設，緊急調配資源供應各種大批量管道產品予為抗疫而興建的緊急醫院項目。本集團亦為現有進一步改造及擴建中的醫院提供所需建設物資，全力支援各地人民抗擊疫情。

展望2021年，全球疫情雖然未完全受控，環球經濟仍面臨嚴峻挑戰，但市場普遍預期有效疫苗面世及全面應用後，環球經濟可望從2020年的低谷反彈，並逐步改善，提振全球市場信心。事實上，國內經濟已迅速擺脫疫情困擾並重拾升軌，預計2021年前景遠較其他經濟體樂觀，增長的趨勢不會改變。本集團將充分把握利好行業發展的國家政策所帶來的發展機遇，拓展塑料管道系統、建材家居及環保領域業務，冀通過實現各業務板塊間的協同效應，帶動收入的可持續增長。未來，本團將致力提升現有生產基地，實現生產自動化及智能化，並積極拓展生產基地佈局，擴大產能以支持業務擴張。同時，本集團還將持續加大對創新研發的投入，擴闊管道系統的應用範疇及不斷提高產品質量，以鞏固市場領導地位。

The year 2021 is characterised by a lot of uncertainties and changes. The Group will have to rise to even bigger challenges of achieving growth in business. We will give full play to the advantages of our strong brand and extensive distributor network and proactively diversify our product lines so as to enhance our competitive strength. On the one hand, the Group will actively extend the scope of the application of its plastic pipes and pipe fittings and explore new market opportunities such as those in the agricultural sectors in order to expand its source of revenue and attain synergies between its various businesses in the long term. On the other hand, the Group will strive to develop the supply chain service platform business, open up new sources of revenue growth, and actively explore new overseas markets, laying a solid foundation for growth in revenue and profit. The Group has confidence in the prospect of its business and expects it to perform steadily in the future.

On behalf of the Board, I would like to express my heartfelt gratitude to our shareholders, management, all the staff members, business partners and customers for their support. The Group will continue to fulfil its mission to "improve the quality of urban life" by providing the market with high-quality, innovative building materials and interior decoration products. Furthermore, the Group will actively grasp the opportunities arising from the state policies and infrastructure construction to achieve rapid development and better business performance and create greater value for our customers, employees, shareholders and society at large. China Lesso is determined to scale new heights in the future!

Wong Luen Hei

Chairman of the Board

Hong Kong, 29 March 2021

2021年存在諸多不確定性變化，為本集團增長帶來更大的挑戰。本集團充分利用堅實的品牌實力及廣泛的經銷商網絡優勢，積極豐富產品系列，提升競爭優勢。本集團一方面將積極拓展塑料管道及管件的應用場景，發掘新的市場機會，如農業應用板塊，以擴大收入來源及發揮長效協同效應。另一方面，將致力發展供應鏈服務平台業務，拓寬新的收入增長點，並積極打開海外新市場，為未來集團收入及盈利的增長建立穩固基礎。本集團對整體發展前景充滿信心，希望未來能繼續帶來穩健的業務表現。

本人謹代表董事會向於過去一年一直鼎力支持本集團的股東、管理層、員工、各方合作夥伴以及客戶，致以真誠的謝意。本集團將繼續履行「為城市提高品質生活」的服務使命，向市場提供創新及優質的建材家居產品。與此同時，我們將積極把握國家政策及基礎建設帶來的機遇，以推動本集團實現跨越式發展，致力取得更佳的成績，實現客戶、員工、社會、股東的共贏成果，令中國聯塑於未來再創高峰！

董事會主席

黃聯禧

香港，2021年3月29日

EXECUTIVE DIRECTORS

Mr. Wong Luen Hei, aged 58, is the founder of the Group, the chairman of the Company and was appointed as an executive director of the Company on 5 November 2009. He is also a director of various companies within the Group. He is primarily responsible for the Group's overall strategic planning and business management. Mr. Wong has approximately 24 years of experience in plastic pipe operations and management. He served as the chairman in Shunde Liansu Industrial from December 1996 to April 1999 and was awarded "Outstanding Private Entrepreneur of Shunde" by Shunde People's Government of Foshan in 2003. Mr. Wong has been a permanent honorary president of Foshan Shunde Longjiang General Chamber of Commerce since 2018. Mr. Wong is the spouse of Ms. Zuo Xiaoping and the brother-in-law of Mr. Zuo Manlun. Mr. Wong is the founder of a trust which holds the entire issued share capital of Xi Xi Development and New Fortune, the controlling shareholders of the Company.

Mr. Zuo Manlun, aged 48, is the chief executive of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies within the Group. He is primarily responsible for the management of the daily business operations of the Group. Mr. Zuo has approximately 21 years of experience in the plastic pipe industry. Mr. Zuo joined the Group in December 1999 and has held various positions in operation management since joining the Group. Mr. Zuo is currently a non-executive director of Xingfa Aluminium Holdings Limited (stock code: 98), which is listed on the Stock Exchange. Mr. Zuo won several awards including "Outstanding Worker of the Plastic Industry in the PRC" by China Plastics Processing Industry Association in 2009 and was awarded as "Senior Plastic Product Engineer (Technical Entrepreneur)" by the Guangdong Human Resources and Social Security Department in 2019. Mr. Zuo is the brother-in-law of Mr. Wong Luen Hei and the younger brother of Ms. Zuo Xiaoping.

Ms. Zuo Xiaoping, aged 54, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. She is also a director/supervisor of various companies within the Group. She is primarily responsible for procurement control and logistics management of the Group. Ms. Zuo has approximately 24 years of experience in the plastic pipe industry. Ms. Zuo served as a director of Shunde Liansu Industrial from December 1996. In 1999, upon establishing the Group together with Mr. Wong Luen Hei, she held various positions in procurement. Ms. Zuo is the spouse of Mr. Wong Luen Hei and the elder sister of Mr. Zuo Manlun.

執行董事

黃聯禧先生，58歲，為本集團創辦人兼本公司主席，於2009年11月5日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團的整體戰略策劃及業務管理。黃先生於塑料管道經營及管理方面累積約24年經驗。彼於1996年12月至1999年4月擔任順德聯塑實業的主席，並於2003年獲佛山市順德區人民政府評為「順德優秀民營企業家」。黃先生自2018年起任佛山市順德區龍江總商會永遠名譽會長。黃先生乃左笑萍女士的配偶及左滿倫先生的姐夫。黃先生為持有本公司控股股東西溪發展及新富星全部已發行股本之信託的創辦人。

左滿倫先生，48歲，為本集團行政總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。彼主要負責本集團日常業務經營管理。左先生於塑料管道行業累積約21年經驗。左先生於1999年12月加盟本集團，自此於經營管理方面曾擔任不同職位。左先生現任在聯交所上市的興發鋁業控股有限公司(股份代號：98)非執行董事。左先生曾獲多個獎項，包括於2009年獲中國塑料加工工業協會評定為「中國塑料行業先進工作者」及2019年獲廣東省人力資源和社會保障廳評定為「塑膠製品工程正高級工程師(科技型企業家)」。左先生乃黃聯禧先生的內弟及左笑萍女士的胞弟。

左笑萍女士，54歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／監事職務。彼主要負責本集團的採購監控及物流管理。左女士於塑料管道行業累積約24年經驗。左女士自1996年12月起擔任順德聯塑實業的董事。於1999年，彼與黃聯禧先生一同成立本集團，出任不同的採購職務。左女士乃黃聯禧先生的配偶及左滿倫先生的胞姐。

EXECUTIVE DIRECTORS (Continued)

Mr. Lai Zhiqiang, aged 54, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies within the Group. He is primarily responsible for the production and technical management of the Group. Mr. Lai has approximately 24 years of experience in the plastic pipe industry and served as a workshop manager of Shunde Liansu Industrial from December 1996 to November 1999. Mr. Lai joined the Group in December 1999 and has held various positions in production management since joining the Group.

Mr. Kong Zhaocong, aged 55, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies within the Group. Mr. Kong is primarily responsible for the China's sales of the Group and has approximately 27 years of experience in the plastic pipe industry. Mr. Kong joined the Group in December 1999 and has held various positions in production management and sales since joining the Group. Prior to joining the Group, Mr. Kong served as a factory manager at Foshan City Dongjian Plastic Materials Factory from March 1993 to January 1999 and served as a manager in the production department of Shunde Liansu Industrial from January 1999 to November 1999.

Mr. Chen Guonan, aged 53, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies within the Group. He is primarily responsible for the management and production of certain companies in the Group. Mr. Chen has approximately 31 years of experience in the plastic pipe industry. Mr. Chen joined the Group in December 1999 and has held various positions in production management and engineering since joining the Group. Prior to joining the Group, Mr. Chen was a manufacturing engineer in the technology department at Guangdong Province Zhaoqing Gaojiang Plastic Products Co., Limited from July 1989 to July 1993. From July 1993 to September 1999, he was a deputy factory manager at Foshan City Dongjian Plastic Materials Factory. Mr. Chen served as a manager in the production department of Shunde Liansu Industrial from September 1999 to November 1999. Mr. Chen has been a deputy secretary general of Plastic Pipe Special Committee of China Plastics Processing Industry Association since 2005. Mr. Chen obtained a bachelor's degree in polymer chemical from South China University of Technology in July 1989.

執行董事(續)

賴志強先生，54歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團的生產及技術管理。賴先生於塑料管道行業累積約24年經驗，並於1996年12月至1999年11月擔任順德聯塑實業的車間經理。賴先生於1999年12月加盟本集團，自此曾任生產管理方面的不同職務。

孔兆聰先生，55歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。孔先生主要負責本集團的國內銷售工作，於塑料管道行業擁有約27年經驗。孔先生於1999年12月加盟本集團，自此於生產管理及銷售方面曾擔任不同職務。於加盟本集團之前，孔先生於1993年3月至1999年1月擔任佛山市東建塑料廠的廠長，並於1999年1月至1999年11月擔任順德聯塑實業的生產部經理。

陳國南先生，53歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團多間成員公司的管理及生產工作。陳先生於塑料管道行業擁有約31年經驗。陳先生於1999年12月加盟本集團，自此於生產管理及工程方面曾擔任不同職務。於加盟本集團之前，陳先生於1989年7月至1993年7月為廣東省肇慶高江塑料製品有限公司的技術部製造工程師。於1993年7月至1999年9月，彼為佛山市東建塑料廠的副廠長。陳先生於1999年9月至1999年11月擔任順德聯塑實業的生產部經理。陳先生自2005年起擔任中國塑料加工工業協會塑料管道專業委員會副秘書長。陳先生於1989年7月取得華南理工大學頒授的高分子化學學士學位。

EXECUTIVE DIRECTORS (Continued)

Dr. Lin Shaoquan, aged 45, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies within the Group. Dr. Lin is primarily responsible for the research and development and overseas sales of the Group. Dr. Lin has approximately 18 years of experience in the plastic pipe industry. Dr. Lin joined the Group in July 2002 and has held various positions in research and development and overseas sales since joining the Group. Dr. Lin is currently an executive director of WIJK Public Company Limited (stock code: WIJK), which is listed on the Stock Exchange of Thailand. Over the years, Dr. Lin has won various awards including "National May First Labour Medal" by All-China Federation of Trade Unions in 2006. Dr. Lin received a doctorate degree in polymer chemical and physics from Sun Yat-sen University in June 2002.

Mr. Huang Guirong, aged 45, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies within the Group. Mr. Huang is primarily responsible for the overall management of the factories and production facilities of the Group and has approximately 24 years of experience in the plastic pipe industry. Mr. Huang joined the Group in December 1999 and has held various positions in production management since joining the Group. Prior to joining the Group, Mr. Huang served as a deputy factory manager at Foshan City Dongjian Plastic Materials Factory from 1996 until 1999 and served as a deputy manager of the plastic production department of Shunde Liansu Industrial from June 1999 to November 1999. Mr. Huang completed a programme of marketing from Hubei University of Technology from September 2001 to July 2005.

Mr. Luo Jianfeng, aged 49, was appointed as an executive director of the Company on 2 April 2010. He is also a director/general manager/supervisor of various companies within the Group. Mr. Luo has approximately 28 years of experience in accounting and worked at Shunde City Accounting Firm from July 1993 to March 1996, Guangdong Dezheng Accounting Firm with Limited Liability from April 1996 to December 2001 and Guangdong Gongcheng Accounting Firm from January 2002 to December 2007. Mr. Luo worked for Foshan City Zhongzhengcheng Accounting Firm Co., Limited as a certified public accountant from January 2008 to April 2016. Mr. Luo is currently an executive director of Xingfa Aluminium Holdings Limited (stock code: 98), which is listed on the Stock Exchange. Mr. Luo is a member of The Chinese Institute of Certified Public Accountants. Mr. Luo obtained a bachelor's degree in economics from Guangdong University of Business Studies in June 1993.

執行董事(續)

林少全博士，45歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。林博士主要負責本集團的研發及海外銷售工作。林博士於塑料管道行業擁有約18年經驗。林博士於2002年7月加盟本集團，自此於研發及海外銷售方面曾擔任不同職務。林博士現任在泰國證券交易所上市的WIJK Public Company Limited (股份代號：WIJK) 執行董事。林博士多年來曾獲多個獎項，包括於2006年獲中華全國總工會頒授「全國五一勞動獎章」。林博士於2002年6月在中山大學取得高分子化學與物理博士學位。

黃貴榮先生，45歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。黃先生主要負責本集團工廠及生產設備的整體管理，並於塑料管道行業擁有約24年經驗。黃先生於1999年12月加盟本集團，自此於生產管理方面曾擔任不同職務。於加盟本集團之前，黃先生於1996年至1999年擔任佛山市東建塑料廠的副廠長，並於1999年6月至1999年11月擔任順德聯塑實業的塑料生產部副經理。黃先生於2001年9月至2005年7月在湖北工業大學完成市場營銷課程。

羅建峰先生，49歲，於2010年4月2日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。羅先生於會計方面擁有約28年經驗，並於1993年7月至1996年3月任職於順德市會計師事務所、於1996年4月至2001年12月任職於廣東德正有限責任會計師事務所及於2002年1月至2007年12月任職於廣東公誠會計師事務所。於2008年1月至2016年4月，羅先生在佛山市中正誠會計師事務所有限公司擔任註冊會計師。羅先生現任在聯交所上市的興發鋁業控股有限公司(股份代號：98)執行董事。羅先生為中國註冊會計師協會會員。羅先生於1993年6月取得廣東商學院的經濟學學士學位。

EXECUTIVE DIRECTORS (Continued)

Mr. Lin Dewei, aged 60, has been re-designated as an executive director of the Company on 11 July 2018. Mr. Lin was appointed as a non-executive director of the Company on 27 February 2010. He is also a director/supervisor of various companies within the Group. Mr. Lin has more than 25 years of experience in the legal field and worked as a part-time lawyer at various law firms in the PRC between 1995 and 2001. In 2001, Mr. Lin practised as a lawyer at Guangdong Everwin Law Office and became a partner at the firm in 2004. Mr. Lin practised as a lawyer at Guangdong Yogo Law Firm from 2013 to 2020. Mr. Lin is currently a non-executive director of HC Group Inc. (stock code: 2280), which is listed on the Stock Exchange. Mr. Lin obtained a bachelor's degree in physics from South China University of Technology in July 1982. Mr. Lin received a certificate of lawyer qualification in the PRC in January 1990.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kwok Ho Jonathan, aged 47, was appointed as an independent non-executive director of the Company on 27 February 2010. Since 2002, Mr. Wong has been practising as a barrister of the High Court in Hong Kong specialising in both civil and criminal litigation. Mr. Wong is a member of The Chartered Institute of Arbitrators. Mr. Wong obtained a bachelor's degree in business administration from Hawaii Pacific University in August 1997 and a bachelor's degree in law from City University of Hong Kong in November 2001. Mr. Wong received a postgraduate certificate in laws from City University of Hong Kong in July 2002.

Ms. Lan Fang, aged 45, was appointed as an independent non-executive director of the Company on 1 January 2015. Ms. Lan has been the President of Guangdong Construction and Decoration Materials Association since March 2008 and the President of Guangdong Construction and Decoration Design Association since August 2014. Ms. Lan graduated from Guangdong University of Technology with a college diploma in June 1996 and then pursued further studies in the EMBA CEO training programme of Sun Yat-sen University and the business management CEO training programme of Tsinghua University. She worked as the chairman of the materials committee of Guangzhou Architecture & Decoration Association from February 1998 to October 2006. Ms. Lan has accumulated over 23 years of experience with respect to the administration of social organisation and in the industry of construction and decoration materials.

執行董事(續)

林德緯先生，60歲，於2018年7月11日已獲調任為本公司執行董事。林先生於2010年2月27日獲委任為本公司非執行董事。彼亦於本集團內多間成員公司擔任董事／監事職務。林先生於法律行業累積逾25年經驗，並於1995年至2001年間在多間中國律師事務所任職兼職律師。於2001年，林先生在廣東法制盛邦律師事務所任職律師，並於2004年成為該律師事務所的合夥人。林先生於2013年至2020年在廣東粵高律師事務所任職律師。林先生現任在聯交所上市的慧聰集團有限公司(股份代號：2280)非執行董事。林先生於1982年7月獲得華南理工大學物理學學士學位，並於1990年1月獲頒發中國的律師資格證書。

獨立非執行董事

王國豪先生，47歲，於2010年2月27日獲委任為本公司獨立非執行董事。自2002年以來，王先生一直在香港高等法院擔任大律師，專責處理民事及刑事訴訟。王先生為英國特許仲裁員學會會員。王先生於1997年8月在夏威夷太平洋大學取得工商管理學士學位及於2001年11月在香港城市大學取得法律學士學位。王先生於2002年7月在香港城市大學取得法學專業證書。

蘭芳女士，45歲，於2015年1月1日獲委任為本公司獨立非執行董事。蘭女士從2008年3月至今為廣東省建築裝飾材料行業協會會長及從2014年8月至今為廣東省建築裝飾設計協會會長。蘭女士於1996年6月畢業於廣東工業大學，獲大專學歷，並先後就讀中山大學EMBA總裁班、清華大學企業管理總裁班。於1998年2月至2006年10月，彼在廣州市建築裝飾行業協會擔任材料專業委員會主任。蘭女士具有逾23年的社會組織管理和建築裝飾材料行業經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS**(Continued)**

Dr. Tao Zhigang, aged 55, was appointed as an independent non-executive director of the Company on 1 September 2015. Dr. Tao is Professor of Economics and Strategy in the Faculty of Business and Economics and the director of the Institute for China and Global Development, the University of Hong Kong. Prior to joining the University of Hong Kong in 1998, he taught at Hong Kong University of Science and Technology from 1992 to 1998. Dr. Tao received his B.Sc. in management science from Fudan University in 1986, and PhD in economics from Princeton University in 1992. Dr. Tao is currently an independent non-executive director of Huadian Fuxin Energy Corporation Limited (stock code: 816), which is listed on the Stock Exchange. Dr. Tao is senior fellow at Tsinghua University's National Center for Economic Research, senior fellow at Tsinghua University's Center for China in the World Economy, and special-term professor at Fudan University School of Management. He is also co-director of the Asia-Pacific Competitiveness Program of Hong Kong Institute of Economics and Business Strategy.

Mr. Cheng Dickson, aged 51, was appointed as an independent non-executive director of the Company on 11 July 2018. Mr. Cheng is currently (i) an independent director of Magnum Opus Acquisition Limited (Ticker: OPA.U), which is listed on the New York Stock Exchange; and (ii) the managing director and head of the investment banking department of Shanggu Securities Limited. He acts as its responsible officer and holds licences for types 1, 4 and 6 of regulated activities under the SFO.

Prior thereto, Mr. Cheng worked in J.P. Morgan between August 1994 and February 1996. In December 1995, he was promoted to TCRM professional in its global markets department. Between March 1996 and June 2000, Mr. Cheng worked in the securities lending department of The Bank of New York, Hong Kong Branch. From July 2000 to August 2002, Mr. Cheng worked as an assistant vice president in the equity capital markets division of BOCI Asia Limited. In August 2002, Mr. Cheng joined ICEA Capital Limited and worked in its investment banking division until October 2005 when he was a senior vice president. Mr. Cheng was an executive director at the respective capital markets department in the investment banking division of Mitsubishi UFJ Securities (HK) Capital, Limited and Mizuho Securities Asia Limited from November 2005 to October 2016. Mr. Cheng has more than 23 years of experience in investment banking industry. Mr. Cheng obtained a bachelor's degree in arts majoring in economics from University of Toronto in June 1994 and a master of applied finance degree majoring in corporate finance from Macquarie University of Australia in November 2000.

獨立非執行董事(續)

陶志剛博士，55歲，於2015年9月1日獲委任為本公司獨立非執行董事。陶博士為香港大學經濟及工商管理學院戰略管理及經濟學教授，以及中國與全球發展研究所所長。於1998年加入香港大學前，彼於1992年至1998年任教於香港科技大學。陶博士於1986年取得復旦大學管理科學理學士學位，以及於1992年取得普林斯頓大學經濟學博士學位。陶博士現任在聯交所上市的華電福新能源股份有限公司(股份代號：816)獨立非執行董事。陶博士為清華大學中國經濟研究中心高級研究員、清華大學中國與世界經濟研究中心高級研究員，以及復旦大學管理學院特聘教授。彼亦為香港經濟及商業策略研究所亞太競爭力項目共同負責人。

鄭迪舜先生，51歲，於2018年7月11日獲委任為本公司獨立非執行董事。鄭先生目前為(i) Magnum Opus Acquisition Limited(於紐約證券交易所上市，股票代碼：OPA.U)的獨立董事；及(ii) 上古證券有限公司董事總經理兼投資銀行部主管。彼擔任其負責人並持有證券及期貨條例項下第1、第4及第6類受規管活動的牌照。

在此之前，鄭先生自1994年8月至1996年2月任職於摩根大通。於1995年12月，彼獲晉升為環球市場部TCRM專家。於1996年3月至2000年6月間，鄭先生於紐約銀行香港分行證券借貸部任職。自2000年7月至2002年8月，鄭先生為中銀國際亞洲有限公司股權資本市場分部助理副總裁。於2002年8月，鄭先生加入工商東亞融資有限公司，並在投資銀行部效力，直至2005年10月止，當時為高級副總裁。自2005年11月至2016年10月，鄭先生曾先後於三菱日聯證券(香港)資本有限公司及瑞穗證券亞洲有限公司的投資銀行部轄下資本市場部擔任執行董事。鄭先生在投資銀行業擁有逾23年經驗。鄭先生於1994年6月取得多倫多大學文學士學位，主修經濟，並於2000年11月取得澳洲麥克里大學的應用財務碩士學位，主修企業融資。

INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

Ms. Lu Jiandong, aged 51, was appointed as an independent non-executive director of the Company on 1 September 2020. Ms. Lu is currently the director and chief financial officer of Rise Education Cayman Ltd (“Rise”) (Ticker: REDU), which is listed on NASDAQ. Ms. Lu has served multiple positions in Rise since October 2017, including as an independent director and the chief operating officer. Prior to Rise, Ms. Lu served as an executive director in a subsidiary of the Company from January 2018 to July 2018. With over 15 years of experience in investment banking, Ms. Lu has extensive management and capital markets experiences with deep knowledge about corporate finance, accounting and operations. Ms. Lu served as a managing director in the Global Real Asset Asia Fund of J.P. Morgan Asset Management Real Assets (Asia) Limited from May 2016 to March 2017, and as a managing director and chief operating officer in J.P. Morgan First Capital Securities Co. Ltd. from April 2012 to March 2015. Ms. Lu joined J.P. Morgan Securities (Asia Pacific) Limited in August 2001 and became a managing director in May 2011. Ms. Lu served as a senior representative at John Hancock Mutual Life Insurance Company Beijing Representative Office from July 1994 to June 1999, and she also served as a public officer and chief translator in The Chinese People’s Friendship Association with Foreign Countries from August 1991 to July 1994. Ms. Lu obtained a master degree in business administration from The Wharton School of the University of Pennsylvania in May 2001 and a Bachelor’s degree in economics from Beijing International Studies University in July 1991.

獨立非執行董事(續)

呂建東女士，51歲，於2020年9月1日獲委任為本公司獨立非執行董事。呂女士現時為Rise Education Cayman Ltd(「瑞思」(股票代碼：REDU)，於納斯達克上市)的董事兼財務總監。自2017年10月以來呂女士在瑞思擔任多個職務，包括獨立董事及首席營運官。在加入瑞思之前，呂女士於2018年1月至2018年7月於本公司一間附屬公司擔任執行董事。呂女士擁有逾15年的投資銀行業經驗，具備豐富的管理及資本市場經驗，對企業融資、會計及運營擁有深入的了解。呂女士於2016年5月至2017年3月擔任摩根實物資產管理(亞洲)有限公司環球實物資產亞洲基金的董事總經理，並於2012年4月至2015年3月擔任第一創業摩根大通證券有限責任公司董事總經理兼首席營運官。呂女士於2001年8月加入摩根大通證券(亞太)有限公司並於2011年5月成為董事總經理。呂女士於1994年7月至1999年6月於美國恒康相互人壽保險公司北京代表處擔任高級代表，並於1991年8月至1994年7月於中國人民對外友好協會擔任公職人員及首席翻譯。呂女士於2001年5月獲得賓夕法尼亞大學沃頓商學院工商管理碩士學位，並於1991年7月取得北京第二外國語學院經濟學士學位。

SENIOR MANAGEMENT

Mr. Liu Guanggen, aged 39, is the chief financial officer of the Group and is responsible for the Group's overall financial and accounting affairs. Mr. Liu joined the Group in November 2008. Prior to this, he worked as a finance manager in The Industrial and Commercial Bank of China, Shunde Branch from 2004 to 2006, and was a sub-branch manager of The Industrial and Commercial Bank of China, Foshan Shunde Haiqinwan Sub-Branch from 2007 to 2008. Mr. Liu completed a diploma in finance from Southwestern University of Finance and Economics in September 2005, a program in laws at Guangdong University of Business Studies from March 2007 to January 2010, as well as obtaining a master degree in engineering from Chongqing University upon the completion of courses for the master degree in software engineering (specialised in financial informatisation) in June 2014. He is an associate member of the Association of International Accountants.

Mr. Kwan Chi Wai Samuel, aged 43, is the company secretary of the Company. Mr. Kwan has more than 20 years of experience in accounting, auditing and finance. Mr. Kwan joined the Group in June 2010 as secretary on a full time basis. Prior to joining the Group, Mr. Kwan worked in CWCC Certified Public Accountants from March 2000 to November 2004, PricewaterhouseCoopers from November 2004 to October 2007 and Deloitte Touche Tohmatsu from November 2007 to September 2009. The latter two firms are amongst the biggest international accounting firms. Mr. Kwan graduated with a bachelor's degree in Commerce from Deakin University of Australia in September 2000 and obtained a master degree in business administration from University of South Australia in August 2012. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of the CPA Australia.

高級管理層

劉廣根先生，39歲，為本集團財務總監，負責本集團的整體財務及會計事宜。劉先生於2008年11月加盟本集團，之前曾於2004年至2006年任中國工商銀行順德支行財務經理，並於2007年至2008年任中國工商銀行佛山順德海琴灣支行的支行經理。劉先生於2005年9月獲西南財經大學金融學文憑，於2007年3月至2010年1月完成廣東商學院的法律課程，並於2014年6月完成重慶大學的軟件工程領域工程(金融信息化方向)碩士課程取得工程碩士學位。彼為國際會計師公會之會員。

關志偉先生，43歲，為本公司的公司秘書。關先生在會計、審計及財務方面擁有逾20年經驗。關先生在2010年6月加入本集團，全職出任秘書。在加入本集團前，關先生於2000年3月至2004年11月任職陳黃鍾蔡會計師事務所、於2004年11月至2007年10月任職羅兵咸永道會計師事務所，及於2007年11月至2009年9月任職德勤•關黃陳方會計師行。後兩家會計師行屬最大國際會計師行之列。關先生於2000年9月在澳洲迪肯大學畢業，取得商業學士學位及於2012年8月在南澳大學取得工商管理碩士學位。彼為香港會計師公會資深會員及澳洲會計師公會會員。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

China Lesso is always committed to maintaining high standards of corporate governance practices and business ethics of the Group. The Board believes in good corporate governance practices and business ethics which are essential for achieving sustainable development, establishing investors' confidence in the Company and safeguarding and enhancing the interests of the Shareholders.

In pursuit of good and high standards of corporate governance practices, the Board reviews the corporate governance practices of the Company from time to time so as to meet the expectations of the Shareholders for continual improvement, and fulfill its commitment of pursuing excellent corporate governance. In the opinion of the directors, the Company complied with all the applicable code provisions of the Code during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code governing securities transactions by directors of the Company. Having made specific enquiry to the directors, all of them confirmed that they have complied with the required standards as set out in the Model Code throughout the year. The Model Code is also applicable to other specific senior management of the Company. The directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any of its associated corporations are disclosed in the Directors' Report on page 64.

BOARD

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Dr. Lin Shaoquan was appointed as an executive director of WIJK Public Company Limited (stock code: WIJK), which is listed on the Stock Exchange of Thailand with effect from 27 November 2020.

Mr. Cheng Dickson was appointed as an independent director of Magnum Opus Acquisition Limited (Ticker: OPA.U), which is listed on the New York Stock Exchange with effect from 23 March 2021.

Save as disclosed above, there is no other change in the Directors' biographical details which is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the date of the 2020 interim report of the Company.

企業管治常規

中國聯塑一直致力保持本集團高水平的企業管治常規及商業道德。董事會相信，良好的企業管治常規及商業道德，是達致可持續發展、建立投資者對本公司的信心以及保障和提升股東權益的關鍵。

為追求良好而高水平的企業管治常規，董事會不時檢討本公司的企業管治常規，以達到股東對更臻完善的期望，並且履行其對追求卓越企業管治的承諾。董事認為，年內本公司已遵守守則中的所有適用守則條文。

董事進行證券交易之標準守則

本公司已採納標準守則作為本公司董事進行證券交易之守則。經向董事特定查詢後，所有董事確認彼等於年內一直遵守標準守則所載之規定標準。標準守則亦適用於本公司其他特定之高級管理人員。董事及行政總裁於本公司或其任何相聯法團的股份、相關股份及債權證的權益及淡倉於第64頁的董事會報告中披露。

董事會

根據上市規則第13.51B(1)條更改董事的履歷詳情

林少全博士已獲委任為WIJK Public Company Limited(於泰國證券交易所上市，股份代號：WIJK)的執行董事，自2020年11月27日起生效。

鄭迪舜先生已獲委任為Magnum Opus Acquisition Limited(於紐約證券交易所上市，股票代碼：OPA.U)的獨立董事，自2021年3月23日起生效。

除上文所披露者外，自本公司2020年中期報告日期以來，董事的履歷詳情概無其他變動須根據上市規則第13.51B(1)條披露。

BOARD (Continued)**THE COMPOSITION OF THE BOARD**

The Board currently comprises 15 directors, including 10 executive directors and 5 independent non-executive directors.

Pursuant to the articles of association of the Company (the “Articles”), any director appointed to fill a casual vacancy or as an addition to the existing directors shall hold office only until the next annual general meeting (“AGM”) of the Company and shall then be eligible for re-election at that meeting. In addition, at every AGM of the Company, not less than one-third of the directors for the time being shall retire from office by rotation provided that every director shall be subject to retirement by rotation at least once every three years. Apart from retirement by rotation pursuant to the Articles, each non-executive director has a term of within three years. Therefore, no director will remain in office for a term of more than three years. For details relating to any relationship among the members of the Board, including financial, business, family or other material/relevant relationship, please refer to the sections headed “Biographical Details of Directors and Senior Management” and “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures” of the Directors’ Report.

CHANGE IN COMPOSITION OF BOARD AND BOARD COMMITTEES

Mr. Cheung Man Yu has resigned as an independent non-executive director and a member of each of audit committee and remuneration committee of the Company with effect from 1 September 2020. Subsequent to Mr. Cheung’s resignation, Mr. Cheung has joined the Group as an executive director of our subsidiary and is responsible for daily operations of the subsidiary and other relevant matters as assigned by the Company from time to time.

Ms. Lu Jiandong has been appointed as an independent non-executive director and a member of each of audit committee and remuneration committee of the Company with effect from 1 September 2020.

董事會(續)**董事會組成**

董事會現時由15名董事組成，包括10名執行董事及5名獨立非執行董事。

根據本公司的組織章程細則(「章程細則」)，如任何董事獲委任以填補臨時空缺，或獲委任加入現任董事會為新董事，則任期僅至本公司下屆股東週年大會(「股東週年大會」)為止，其時，彼等即合資格於有關大會上重選。此外，於本公司每屆股東週年大會上，應有不少於當時董事人數三分之一的董事輪席告退，惟每名董事須每三年至少輪席告退一次。除根據章程細則輪席告退外，每名非執行董事的任期為三年內。因此，董事的任期一概不會超過三年。有關董事會成員之間的任何關係，包括財務、業務、家屬或其他重大／相關的關係的詳情，請參閱「董事及高級管理人員履歷」及董事會報告的「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」各節內。

董事會及董事委員會組成變更

張文宇先生已辭任本公司獨立非執行董事以及審核委員會及薪酬委員會成員，由2020年9月1日起生效。張先生辭任後，彼已以附屬公司執行董事身份加入本集團，並負責附屬公司的日常營運及本公司不時指派的其他相關事務。

呂建東女士已獲委任為本公司獨立非執行董事兼審核委員會及薪酬委員會成員，由2020年9月1日起生效。

BOARD (Continued)

CHAIRMAN AND CHIEF EXECUTIVE

To segregate the management of the Board from the daily management and business operations of the Group effectively, the post of chairman and the chief executive are held by Mr. Wong Luen Hei and Mr. Zuo Manlun, respectively. One of the important duties of the chairman is to lead the Board to ensure the Board always acts in the best interests of the Group. The chairman shall ensure the effective operation of the Board and fully perform his/her duties and ensure all important issues are discussed at Board meetings in a timely manner. All directors will be consulted for any proposed items in the agenda. The chairman has delegated the drafting of the agenda of each Board meeting to the chief executive and the company secretary. With the assistance of the chief executive and the company secretary, the chairman aims to ensure all directors are adequately briefed on any issues being put forward at a Board meeting and receive sufficient and reliable information in a timely manner.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive directors provide various expertise and experiences, and maintain balance of interest to safeguard the interests of the Group and the Shareholders. They participate in Board meetings and committee meetings and make independent judgements on issues related to the Group's strategies, performance, interest conflicts and management process so as to ensure the interests of all Shareholders are properly considered.

The Company has received annual confirmation made by each of the independent non-executive directors under Rule 3.13 of the Listing Rules regarding their independence. The Company regarded all independent non-executive directors are independent in accordance with Rule 3.13 of the Listing Rules.

DUTIES OF THE BOARD

The Board shoulders the responsibility of providing effective, responsible and reliable leadership to the Group. The Board exercises its rights in management decision on the aspects of the Company's development strategy, management structure, investment and financing, planning, financial control and personnel in accordance with the requirements of the Code.

董事會(續)

主席及行政總裁

為有效區分董事會管理與本集團之日常管理及業務營運，主席由黃聯禧先生擔任及行政總裁由左滿倫先生擔任。主席之其中一項重要職能乃領導董事會，以確保董事會一直以本集團之最佳利益行事。主席須確保董事會有效運作，完全履行其職責，並確保所有重大問題能及時於董事會會議討論。就任何載於議程之建議事項，全體董事均獲得諮詢。主席已將每次董事會會議議程起草之責任委託予行政總裁及公司秘書。在行政總裁及公司秘書之協助下，主席旨在確保全體董事已適當了解任何董事會會議上提呈之問題，並已及時收到充分及可靠之信息。

獨立非執行董事

獨立非執行董事提供各項專業知識和經驗，並維持利益平衡，以維護本集團及股東之利益。彼等參與董事會會議及各委員會會議，對涉及本集團之策略、表現、利益衝突及管理過程之問題作出獨立判斷，以確保全體股東之利益獲得適當考慮。

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性而作出的年度確認函。本公司根據上市規則第3.13條視全體獨立非執行董事為獨立人士。

董事會職責

董事會肩負向本集團提供有效及負責可靠的領導責任。董事會在本公司發展戰略、管理架構、投資及融資、計劃、財務監控、人事等方面依照守則的規定行使管理決策權。

BOARD (Continued)**DUTIES OF THE BOARD (Continued)**

The Company appointed Ernst & Young as the Company's independent auditor to review the interim results for the six months ended 30 June 2020 and to audit the annual results for the year ended 31 December 2020. The directors of the Company acknowledge their responsibility for preparing the consolidated financial statements included in the annual report and the interim report. In preparing the consolidated financial statements for the year ended 31 December 2020, the directors have selected and applied appropriate accounting policies and have made prudent and reasonable judgements and estimates in accordance with Hong Kong Financial Reporting Standards.

The declaration of reporting responsibility issued by the external auditor of the Company on the Company's consolidated financial statements is set out in the Independent Auditor's Report on pages 72 to 81.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to review of the effectiveness of the Company's risk management and internal control system;
- (e) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (f) to review the Company's compliance with Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report).

The Board has performed the above activities during 2020.

董事會(續)**董事會職責(續)**

本公司已經聘請安永會計師事務所為本公司獨立核數師，就截至2020年6月30日止六個月的中期業績進行審閱，及就截至2020年12月31日止年度的全年業績進行審核。本公司董事承認彼等有編製年報及中期報告所載綜合財務報表的責任。在編製截至2020年12月31日止年度綜合財務報表時，董事已根據香港財務報告準則揀選及運用合適的會計政策及作出審慎合理的判斷和估計。

本公司外聘核數師就本公司綜合財務報表作出的匯報責任聲明刊載於第72至81頁的獨立核數師報告內。

企業管治職能

董事會負責履行的企業管治職責包括：

- (a) 發展及檢討本公司企業管治政策及常規；
- (b) 檢視及監督董事及高級管理人員的培訓及持續專業發展；
- (c) 檢視及監督本公司在遵守法律及監管規定方面的政策及常規；
- (d) 檢視本公司風險管理及內部控制系統的成效；
- (e) 發展、檢討及監督適用於僱員及董事的操守準則及合規手冊(如有)；及
- (f) 檢視本公司遵守上市規則附錄14(企業管治守則及企業管治報告)之情況。

董事會於2020年期間已執行上述活動。

BOARD (Continued)**BOARD AND GENERAL MEETINGS**

For the year ended 31 December 2020, the Board convened seven meetings to review operating performance, funding requirement and recent market conditions. The Board also considered and approved the Group's overall strategy, audited annual results for the year ended 31 December 2019 and reviewed interim results for the six months ended 30 June 2020.

The chairman of the Board and the chairman of the audit committee, the nomination committee and the remuneration committee, attended the AGM of the Company held on 22 May 2020.

The table below sets out the attendance of all members of the Board at the meetings held in 2020:

Directors	董事	AGM ^(b) 股東週年大會 ^(b)	Meetings attended/eligible to attend ^(a) 出席次數/合資格出席的次數 ^(a)			
			Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
Executive directors						
Wong Luen Hei	黃聯禧	1/1	7/7	-	1/1	1/1
Zuo Manlun	左滿倫	1/1	7/7	-	1/1	1/1
Zuo Xiaoping	左笑萍	1/1	5/7	-	-	-
Lai Zhiqiang	賴志強	1/1	7/7	-	-	-
Kong Zhaocong	孔兆聰	1/1	7/7	-	-	-
Chen Guonan	陳國南	1/1	7/7	-	-	-
Lin Shaoquan	林少全	1/1	7/7	-	-	-
Huang Guirong	黃貴榮	1/1	7/7	-	-	-
Luo Jianfeng	羅建峰	1/1	7/7	-	-	-
Lin Dewei	林德緯	1/1	6/7	-	-	-
Independent non-executive directors						
Wong Kwok Ho Jonathan	王國豪	1/1	6/7	2/2	1/1	1/1
Lan Fang	蘭芳	1/1	5/7	-	1/1	-
Tao Zhigang	陶志剛	1/1	5/7	2/2	1/1	1/1
Cheng Dickson	鄭迪舜	1/1	6/7	2/2	-	-
Lu Jiandong ^(c)	呂建東 ^(c)	-	2/2	-	-	-
Cheung Man Yu ^(c)	張文宇 ^(c)	1/1	5/5	2/2	-	1/1

Note:

- (a) Directors may attend meetings in person, by phone or through other means of video conference in accordance with the Articles.
- (b) There was no other general meeting held in 2020.
- (c) The changes of the Board and Board Committees are set out under the section headed "Change in Composition of Board and Board Committees" on page 17.

董事會(續)**董事會會議及股東大會**

截至2020年12月31日止年度，董事會召開七次會議，以審閱營運表現、資金需求及最近市況。董事會亦已考慮和批准本集團之整體策略、截至2019年12月31日止年度的經審核全年業績及截至2020年6月30日止六個月的經審核中期業績。

董事會主席及審核委員會、提名委員會及薪酬委員會的主席均有出席本公司於2020年5月22日舉行的股東週年大會。

下表載列2020年董事會各成員的出席會議情況：

附註：

- (a) 根據章程細則規定，董事均可親身、透過電話或其他視像會議途徑出席大會。
- (b) 於2020年內，概無其他股東大會舉行。
- (c) 董事會及董事委員會的成員變更載於第17頁「董事會及董事委員會組成變更」一節。

BOARD (Continued)

BOARD AND GENERAL MEETINGS (Continued)

The Company gives proper notices of Board meetings to the directors and the procedure of Board meetings is in compliance with the Articles and the relevant rules and regulations. The agenda and the relevant documents will be provided to all directors in a timely manner. The chairman will give a proper briefing to all directors on items to be put forward at a Board meeting. To ensure compliance with the procedure of Board meetings and all applicable rules and regulations, all directors may gain a full understanding of all relevant data in a timely manner and may receive advice and services from the company secretary. The minutes of Board meetings are kept by the company secretary and are available for inspection by the directors and the auditor of the Company.

TRAINING AND SUPPORT FOR DIRECTORS

The directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive induction package covering the summary of the responsibilities and obligations of a director of a Hong Kong listed company, the Company's constitutional documents and the Guides on Directors' Duties issued by the Hong Kong Companies Registry to each newly appointed director to ensure he/she to have sufficient awareness of good corporate governance practices.

The company secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the directors with written materials, as well as organises seminars on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities.

In 2020, the Company provided a seminar on the topic of "ESG: Development and Practice" to Board members.

董事會(續)

董事會會議及股東大會(續)

本公司向董事發出恰當的董事會會議通告，而董事會會議程序均遵守章程細則及相關規則及規例。議程及相關文件會按時向全體董事發出。主席會就董事會會議上提出的事項向全體董事作適當簡報。為確保符合董事會會議程序及所有適用規則及規例，所有董事均可及時全面地瞭解所有相關數據，並可獲公司秘書提供意見及服務。董事會會議記錄由公司秘書保存，可供本公司董事及核數師查閱。

董事培訓及支援

本公司鼓勵董事參與持續專業發展，發展並更新彼等之知識及技能。本公司向每名新委任的董事提供全面的就任資料文件，涵蓋香港上市公司董事之職責及義務概要、本公司之組織章程文件以及香港公司註冊處發出的董事責任指引，確保有關董事充分知悉最佳企業管治常規。

公司秘書不時向董事匯報上市規則、企業管治常規以及其他監管制度之最新變動及發展並提供相關書面資料，亦安排講座講解有關董事職務及職責之專業知識及監管規定的最新發展。

於2020年，本公司為董事會成員舉辦了一場研討會，主題為「環境、社會及管治：發展與實踐」。

BOARD (Continued)**TRAINING AND SUPPORT FOR DIRECTORS (Continued)**

Apart from the above training offered by the Company, based on the training records provided to the Company by the directors, the directors also participated in the following trainings during 2020:

董事會 (續)**董事培訓及支援 (續)**

除了上述由本公司提供的培訓外，根據董事向本公司提供的培訓記錄，於2020年，董事亦有參與以下培訓：

Directors	董事	Type of trainings 培訓類型
Executive directors	執行董事	
Wong Luen Hei	黃聯禧	A,C
Zuo Manlun	左滿倫	A,C
Zuo Xiaoping	左笑萍	A,C
Lai Zhiqiang	賴志強	A,C
Kong Zhaocong	孔兆聰	A,C
Chen Guonan	陳國南	A,C
Lin Shaoquan	林少全	A,C
Huang Guirong	黃貴榮	A,C
Luo Jianfeng	羅建峰	A,C
Lin Dewei	林德緯	A,C
Independent non-executive directors	獨立非執行董事	
Wong Kwok Ho Jonathan	王國豪	A,C
Lan Fang	蘭芳	A,B,C
Tao Zhigang	陶志剛	A,B,C
Cheng Dickson	鄭迪舜	A,C
Lu Jiandong ^(a)	呂建東 ^(a)	A,C
Cheung Man Yu ^(b)	張文宇 ^(b)	A,C

Note:

- A: attending seminars and/or conferences and/or forums
- B: delivering talks at seminars and/or conferences and/or forums
- C: reading information, newspapers, journals and materials relating to the responsibilities of directors, economy, fiscal, financial, investments and business of the Company
- (a) Director who was appointed with effect from 1 September 2020.
- (b) Director who resigned with effect from 1 September 2020.

附註：

- A: 出席研討會及／或會議及／或論壇
- B: 於研討會及／或會議及／或論壇發言
- C: 閱讀有關董事職責、經濟、金融、財經、投資及與本公司業務的資訊、報章、刊物及資料
- (a) 自2020年9月1日起獲委任為董事。
- (b) 自2020年9月1日起辭任董事。

BOARD (Continued)

COMPANY SECRETARY

The company secretary reports to the Board so as to ensure compliance with the procedures of the Board meeting and ensure the Board is fully briefed on all legislations, regulations and corporate governance development and has considered their opinions when making a decision. The company secretary is also directly responsible for the Group's compliance with its continuing obligations under the Listing Rules, Hong Kong Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, SFO and other applicable laws, rules and regulations.

During the reporting period, the company secretary has received no less than 15 hours of relevant professional training to refresh his knowledge and skills.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in the discharge of their duties while holding office as the directors and officers of the Company. The directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

In accordance with the Articles, subject to the Cayman Island Companies Law (2013 Revision, as amended from time to time), every director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

董事會(續)

公司秘書

公司秘書乃向董事會匯報，以確保已遵從董事會會議程序，並確保董事會已就全部法例、規例和企業管治發展獲得全面簡報，且董事會作出決定時已考慮彼等之意見。公司秘書亦直接負責本集團遵守上市規則、香港公司收購、合併及股份回購守則、公司條例、證券及期貨條例以及其他適用法律、規則及規例下之持續責任。

於報告期內，公司秘書已接受不少於15小時的相關專業培訓，以更新其知識及技能。

董事及行政人員的彌償

根據一項董事及行政人員責任保險，董事及行政人員就其擔任本公司董事及行政人員履行職責時招致的任何法律責任，均可獲彌償。如證明董事及行政人員有任何欺詐、違反責任或違反信託的行為，彼等則不獲彌償。

根據章程細則，在開曼群島公司法(2013年修訂本，經不時之修訂)條文規限下，本公司每位董事、核數師或其他行政人員有權從本公司資產獲得彌償，以補償在任何法律程序抗辯中作為本公司董事、核數師或其他行政人員所招致或蒙受的一切損失或債項，不管是民事還是刑事法律程序，惟其須獲判勝訴或無罪。

BOARD COMMITTEES

The Board has delegated various responsibilities to certain committees under its supervision, including the Company's audit committee ("Audit Committee"), remuneration committee ("Remuneration Committee") and nomination committee ("Nomination Committee") (collectively known as "Board Committees"). Board Committees can engage intermediaries to provide professional opinions and the reasonable expenses incurred as a result are borne by the Company.

AUDIT COMMITTEE

The Audit Committee comprises four members, namely Dr. Tao Zhigang (chairman of the Audit Committee), Mr. Wong Kwok Ho Jonathan, Mr. Cheng Dickson and Ms. Lu Jiandong (all are independent non-executive directors). The major responsibility of the Audit Committee is to conduct independent and objective audit of the truth and accuracy of the Group's economic operation and financial activities, financial policies, financial procedures, risk management, internal control, external audit, internal audit, financial information reporting and financial data and assist the Board in discharging its relevant duties.

The Audit Committee shall convene at least two meetings each year. In 2020, the Audit Committee convened two meetings. The attendance record of the meetings is set out on a named basis on page 20.

The following is a summary of work performed by the Audit Committee during 2020:

- review of the annual report and the annual results announcement for the year ended 31 December 2019, with a recommendation to the Board for approval;
- review of Ernst & Young's confirmation of independence and its report for the Audit Committee for the year ended 31 December 2019, with a recommendation to the Board for the re-appointment of Ernst & Young at the 2020 AGM;
- review of continuing connected transactions;
- review of the Group's internal audit reports;

董事委員會

董事會已將各種職責分派予董事會屬下若干委員會，包括本公司之審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）以及提名委員會（「提名委員會」）（統稱為「董事委員會」）。董事委員會可以聘請中介機構提供專業意見，所產生的合理費用由本公司承擔。

審核委員會

審核委員會由四名成員組成，即獨立非執行董事陶志剛博士（審核委員會主席）、王國豪先生、鄭迪舜先生及呂建東女士。審核委員會的主要職責是就本集團的經濟運行和財務活動、財務政策、財務程序、風險管理、內部控制、外部審計、內部審計、財務信息報告和財務數據的真實準確性進行獨立及客觀的審核，協助董事會履行其相關職責。

審核委員會須每年至少召開會議兩次。於2020年，審核委員會召開了兩次會議。該等會議之出席記錄（以列名形式）載列於第20頁。

以下為審核委員會於2020年內的工作概要：

- 審閱截至2019年12月31日止年度的年報及年度業績公告，並建議董事會通過；
- 審閱安永會計師事務所的獨立性確認文件及其致審核委員會截至2019年12月31日止年度的報告，並向董事會建議於2020年股東週年大會上重新委任安永會計師事務所；
- 審閱持續關連交易；
- 審閱本集團內部審計報告；

BOARD COMMITTEES (Continued)**AUDIT COMMITTEE (Continued)**

- review of the interim report and the interim results announcement for the six months ended 30 June 2020, with a recommendation to the Board for approval;
- review and approval of Ernst & Young's report for the Audit Committee for the six months ended 30 June 2020;
- consideration and approval of audit and non-audit services;
- review of the corporate governance report for the year ended 31 December 2019 and the corporate governance disclosures for the six months ended 30 June 2020, with recommendations to the Board for approval;
- review of the corporate social responsibility report for the year ended 31 December 2019 with a recommendation to the Board for approval; and
- review of the annual report on effectiveness of risk management, internal control system and internal audit function under the Code, with a recommendation to the Board for approval.

Subsequent to the year end, the Audit Committee reviewed the annual report and annual results announcement for the year ended 31 December 2020 with a recommendation to the Board for approval.

EXTERNAL AUDITORS

For the year ended 31 December 2020, the service fees paid or payable by the Group to the external auditors are set out as follows:

		RMB million 人民幣百萬元
Annual audit services	年度審計服務	8.77
Non-audit services	非審計服務	
– Interim results review	– 中期業績審閱	1.65
– Others [#]	– 其他 [#]	1.98
Total	總計	12.40

[#] "Others" were mainly for providing advice on matters in relation to taxation. The provision of these services by external auditors were cost effective and efficient due to their professional knowledge.

董事委員會(續)**審核委員會(續)**

- 審閱截至2020年6月30日止六個月的中期報告及中期業績公告，並建議董事會通過；
- 審閱及通過安永會計師事務所致審核委員會截至2020年6月30日止六個月的報告；
- 考慮並通過審計及非審計服務；
- 審閱截至2019年12月31日止年度的企業管治報告及截至2020年6月30日止六個月的企業管治披露，並建議董事會通過；
- 審閱截至2019年12月31日止年度的企業社會責任報告，並建議董事會通過；及
- 根據守則審閱年度風險管理、內部控制系統及內部審核功能成效報告，並建議董事會通過。

於年度結束後，審核委員會審閱截至2020年12月31日止年度的年報及年度業績公告，並建議董事會通過。

外聘核數師

截至2020年12月31日止年度，本集團向外聘核數師已支付或應付之服務費用載列如下：

[#] 「其他」主要就有關稅務的事宜提供意見。基於外聘核數師的專業知識，由其提供該等服務具成本效益及效率。

BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE

The Remuneration Committee comprises five members, namely Dr. Tao Zhigang (chairman of the Remuneration Committee and independent non-executive director), Mr. Wong Luen Hei (executive director), Mr. Zuo Manlun (executive director), Mr. Wong Kwok Ho Jonathan and Ms. Lu Jiandong (both of them are independent non-executive directors).

The Remuneration Committee is mainly responsible for studying and formulating the Company's remuneration policy and incentive mechanism and is responsible for formulating the standards for the appraisal of the Company's directors and senior management and conducting appraisals.

The Remuneration Committee has the delegated responsibility to determine the specific remuneration packages of all directors and senior management. In order to determine the level of remuneration and fees paid to members of the Board, market rates and factors such as each director's workload, responsibility and job complexity are taken into account. The following factors are considered when determining the remuneration packages of directors and senior management:

- business requirements;
- individual performance and contribution to results;
- company performance and profitability;
- retention considerations and the potential of individuals;
- changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and
- general economic situation.

During the review process, no individual director is involved in decisions relating to his/her own remuneration.

董事委員會(續)

薪酬委員會

薪酬委員會由五名成員組成，即獨立非執行董事陶志剛博士(薪酬委員會主席)、執行董事黃聯禧先生、執行董事左滿倫先生、獨立非執行董事王國豪先生及呂建東女士。

薪酬委員會主要負責研究與制訂本公司的薪酬政策和激勵機制，以及負責制訂本公司董事與高級管理人員的考核標準並進行考核。

薪酬委員會的受委派職責為釐定全體董事及高級管理人員的具體薪酬待遇。釐定董事會成員的薪酬及袍金水平時，本公司會將市場水平及每位董事的工作量、職責及工作複雜程度等因素一併考慮。釐定董事及高級管理人員薪酬時乃考慮下列因素：

- 業務需要；
- 個人表現及對業績的貢獻；
- 公司業績與盈利；
- 留任因素與個人潛能；
- 有關市場上供求波動及競爭環境轉變等變動；及
- 整體經濟環境。

董事概不會在檢討過程中參與釐定其本身的酬金。

BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE (Continued)

The Remuneration Committee shall convene at least one meeting each year. In 2020, the Remuneration Committee convened one meeting, assessed the performance of the Company's directors and senior management, reviewed terms of their service contracts, and made recommendation of the remuneration packages for directors and senior management to the Board. The attendance record of the meeting is set out on a named basis on page 20.

Details of directors' remuneration and five highest paid employees are set out in note 8 to the consolidated financial statements. In addition, the remuneration of the two senior management fell within the band of less than RMB1 million.

NOMINATION COMMITTEE

The Nomination Committee comprises five members, namely Mr. Wong Luen Hei (chairman of the Nomination Committee and executive director), Mr. Zuo Manlun (executive director), Mr. Wong Kwok Ho Jonathan, Ms. Lan Fang and Dr. Tao Zhigang (all of them are independent non-executive directors). The major duty of the Nomination Committee is to study and make recommendations on the candidates, selection criteria and procedure in respect of the Company's directors and senior management.

The Company follows a formal, fair and transparent procedure for the appointment of new directors to the Board. The Nomination Committee reviews the structure, size and composition of the Board, identifies suitable candidates if necessary and makes recommendations to the Board. The director nomination policy sets out the approach and procedures the Board adopts for the nomination and selection of directors of the Company including the appointment of additional directors, replacement of directors, and re-election of directors. Below are details of the selection criteria and nomination process and procedures as set out in the director nomination policy.

董事委員會(續)

薪酬委員會(續)

薪酬委員會須每年至少召開會議一次。於2020年，薪酬委員會召開了一次會議，評估本公司董事及高級管理人員的表現、審閱彼等服務合約年期，並向董事會就董事及高級管理人員的薪酬方案提出推薦建議。該等會議之出席記錄(以列名形式)載列於第20頁。

有關董事薪酬及五名最高薪酬僱員的詳情載於綜合財務報表附註8。此外，兩名高級管理人員之酬金範圍為少於人民幣100萬元。

提名委員會

提名委員會由五名成員組成，即執行董事黃聯禧先生(提名委員會主席)、執行董事左滿倫先生、獨立非執行董事王國豪先生、蘭芳女士及陶志剛博士。提名委員會的主要職責是就本公司董事及高級管理人員的建議人選、選擇標準及程序進行研究並提出推薦建議。

本公司遵循一套正式、公平及透明的程序委任新董事加入董事會。提名委員會審閱董事會的架構、規模及組成，物色適合的人選(如有需要)，並向董事會提出推薦建議。董事提名政策列載董事會所採納以提名及甄選本公司董事(包括委任額外董事、替補董事及重選董事)的方法及程序。以下為董事提名政策所載甄選準則以及提名過程及程序的詳情。

BOARD COMMITTEES (Continued)**NOMINATION COMMITTEE (Continued)**

In the determination of the suitability of a candidate, the Nomination Committee shall consider the potential contribution such candidate can bring to the Board in terms of his or her qualifications, skills, experience, independence, age, culture, ethnicity and gender diversity etc. The Nomination Committee shall consider the following selection criteria and such other factors that it may consider appropriate for a position on the Board, including but not limited to: (a) attributes complementary to the Board, (b) business experience, board expertise and skills, (c) availability, (d) motivation, (e) integrity, (f) independence and (g) diversity (in all aspects).

For the appointment of new and replacement directors, if the Board determines that an additional or replacement director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from directors, shareholders, management, advisors of the Company and executive search firms. Upon compilation and interview of the list of potential candidates, the Nomination Committee will make recommendation to the Board based on the selection criteria and such other factors that it considers appropriate. The Board has the final authority on determining suitable director candidate for appointment.

For the re-election of directors, where a retiring director, being eligible, offers himself for re-election, the Board shall consider and, if consider appropriate, recommend such retiring director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.

For directors nominated by shareholders, such nominating shareholder must follow the "Procedures for shareholder(s) of the Company proposing a person for election as a director" which is available on the Company's website.

In any event, the Board shall ensure that the nomination, re-election and/or appointment of the directors shall be conducted in compliance with the Listing Rules, the memorandum and articles of association of the Company and all other applicable laws, rules and regulations.

For further details, please refer to the nomination policy that is available on the Company's website.

董事委員會(續)**提名委員會(續)**

在決定候選人是否適合時，提名委員會須考慮候選人在資歷、技能、經驗、獨立性、年齡、文化、種族及性別多元化等方面可為董事會帶來的潛在貢獻。提名委員會須考慮下述甄選準則及其可能認為適合董事會職位的其他因素，包括(但不限於)：(a)能配合董事會的特點、(b)業務經驗、董事會專業知識及技能、(c)時間、(d)主動性、(e)誠信、(f)獨立性及(g)多元化(全方位)。

就委任新任及替補董事而言，如董事會決定需要委任額外或替補董事，其將循多個渠道物色適合的董事候選人，包括本公司董事、股東、管理層、顧問及獵頭公司的推薦。在編撰準候選人名單及進行面談後，提名委員會將根據甄選準則及其認為適合的其他因素向董事會提出推薦建議。董事會擁有決定適合董事候選人以作出委任的最終權力。

就重選董事而言，如退任董事符合資格並願膺選連任，董事會應考慮並(如認為適當)建議該名退任董事在股東大會上重選連任。載有該名退任董事必需資料的通函將根據上市規則於股東大會舉行前寄發予股東。

就獲股東提名的董事而言，該獲提名董事必須遵照已於本公司網站刊載的「本公司股東提名人選參選董事的程序」。

在任何情況下，董事會應確保提名、重選及／或委任董事乃遵照上市規則、本公司組織章程大綱及章程細則以及所有其他適用法例、規則及規例進行。

更多詳情請參閱本公司網站所刊載的提名政策。

BOARD COMMITTEES (Continued)**NOMINATION COMMITTEE (Continued)**

The Nomination Committee shall convene at least one meeting each year. In 2020, the Nomination Committee convened one meeting. The Nomination Committee reviewed the structure, size and composition of the Board, recommended the Board on the list of retiring directors for re-election at the AGM on 22 May 2020 in accordance with the director nomination policy and Board diversity policy of the Company, and reviewed the independence of all independent non-executive directors. The Nomination Committee recommended the Board on appointing Ms. Lu Jiandong as an independent non-executive director in accordance with the director nomination policy and Board diversity policy of the Company. The attendance record of the meeting is set out on a named basis on page 20.

BOARD DIVERSITY POLICY

The Board has adopted a Board diversity policy which sets out the approach to achieve diversity on the Board. The Board diversity policy is available on the website of the Company.

The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other qualities. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimal composition of the Board. The Nomination Committee will review the Board diversity policy, as appropriate, to ensure its continued effectiveness from time to time.

As at the date of this report, the Board comprises 15 directors. Three of them are females. One third of the Board members are independent non-executive directors, thereby promoting critical review and control of the management process. The composition of the Board reflects the necessary balance of skills, professional experience and knowledge for effective leadership of the Company.

董事委員會(續)**提名委員會(續)**

提名委員會須每年至少召開會議一次。於2020年，提名委員會召開了一次會議。提名委員會根據本公司董事提名政策及董事會成員多元化政策檢討董事會的架構、規模及組成，就2020年5月22日之股東週年大會上膺選連任的退任董事名單向董事會提出推薦建議，並審閱全體獨立非執行董事的獨立性。根據本公司董事提名政策及董事會成員多元化政策，提名委員會建議董事會委任呂建東女士為獨立非執行董事。該等會議之出席記錄(以列名形式)載列於第20頁。

董事會成員多元化政策

董事會採納董事會成員多元化政策，該政策載列達致董事會成員多元化的方法。董事會成員多元化政策可於本公司網站查閱。

本公司知悉董事會層面日益多元化將為達成本公司策略目標及可持續發展提供支持。本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及其他資格，務求達致董事會成員多元化。本公司決定董事會最佳成員組合時，亦將不時考慮其本身業務模式及具體需要。提名委員會將(視適用情況而定)審閱董事會成員多元化政策，確保其不時持續有效。

於本報告日期，董事會包括15名董事。其中三名為女性。董事會成員其中三分之一為獨立非執行董事，藉以作出批判檢討及監控管理過程。董事會的組成反映本公司在達致有效領導所需的技能、專業經驗及知識方面取得必要平衡。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is solely responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring the Group has established and maintained appropriate and effective risk management and internal control system. The Board is also responsible for monitoring the design, implementation and review on the risk management and internal control system as carried out by management, while management has the responsibility to provide confirmation on the effectiveness of such system. To this end, management continues to allocate resources for a risk management and internal control system compatible with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standards to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure in the operating system of the Group and in achieving business objectives of the Group.

The Board, through the Audit Committee, has continuously monitored and annually reviewed the effectiveness of the Group's risk management and internal control system, and the Board is of the view that the existing risk management and internal control system is sufficient, effective and adequate. The review covered all material aspects with regard to control, including financial control, operational control and compliance control. The internal audit reports submitted to the Audit Committee by the Group also cover aspects of risk management and internal control. The Board is not aware of any significant areas of concern which may affect the Shareholders, and believes that the Group has fully complied with the code provisions on internal controls, including compliance with legal and regulatory requirements, as set forth in the Code. The Board, through the appraisal performed by the Audit Committee, reviewed, ensured and confirmed the adequacy of resources, staff qualifications and experience, training programs received by the staff and budget of the Group's accounting, internal audit and financial reporting function at the Board meeting. In light of the Group's nature of business and the recommendations on the Board's role in risk management, the Group has developed risk management system and policies, and established a risk management project team, which is responsible for the Group's risk management, to communicate and assess the Group's risk profile and material risks, and track the progress of mitigation plans and activities of material risks and report on detailed examinations of specific risks as required.

風險管理及內部控制

董事會全權負責評估及釐定本集團為達成戰略目標所願承擔的風險性質及程度，並確保本集團設立及維持合適及有效的風險管理及內部控制系統。董事會亦有責任監督管理層對風險管理及內部控制系統的設計、實施及監察，而管理層有責任向董事會提供有關系統是否有效的確認。為達到這個目的，管理層參照COSO (Committee of Sponsoring Organizations of the Treadway Commission)標準，持續分配資源予風險管理及內部控制系統，合理(但並非絕對)地保證不會出現嚴重的誤報或損失，並管理(但並非完全消除)本集團運營系統失誤及未能達到業務目標的風險。

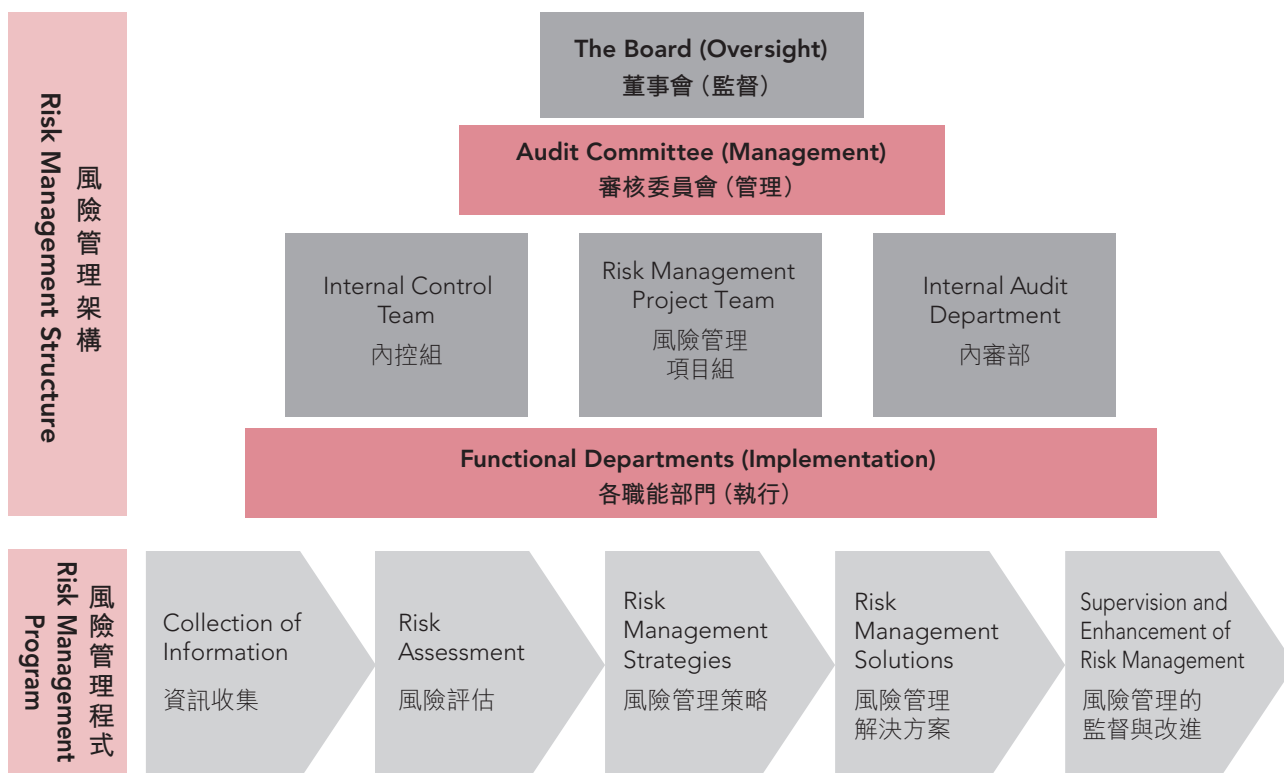
董事會已透過審核委員會就本集團的風險管理及內部控制系統是否充分、有效及足夠進行持續監督及年度檢討，且董事會認為現有的風險管理及內部控制系統足夠而有效。有關檢討涵蓋所有重要的控制方面，包括財務控制、運作控制及合規控制。本集團向審核委員會提交審閱的內部審計報告中亦涵蓋風險管理及內部控制部分。董事會並未察覺任何可能影響股東而須予關注的重要事項，並相信本集團的內部控制完全符合守則中各項有關內部控制的守則條文，包括符合法律和規例上的要求。董事會籍著審核委員會所作之評估，已於董事會會議上檢討、確保及確認本集團在會計、內部審計及財務彙報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠。基於本集團的業務性質及董事會在風險管理上扮演的角色所提出的建議，本集團制訂了風險管理制度和政策，並已建立風險管理項目組，專責本集團的風險管理事務，就本集團的風險狀況和重大風險進行溝通及評估，跟蹤推行重大風險紓緩計劃及措施的進度，並按需要彙報特定風險的詳細檢查結果。

RISK MANAGEMENT ORGANISATION SYSTEM

風險管理組織體系

The Group has established a comprehensive organisation structure to manage the risks encountered by the Group. The risk management structure of China Lesso comprised of two key factors: risk management structure and risk management program.

本集團已建立一套完善的組織架構，對本集團所面對的風險進行管理。中國聯塑的風險管理架構包括兩個關鍵因素：風險管理架構和風險管理程式。



RISK MANAGEMENT ORGANISATION SYSTEM

(Continued)

(A) RISK MANAGEMENT STRUCTURE**Regulatory Organisation**

The Board is responsible for the effectiveness of the overall risk management

- determine the overall objective, risk appetites and risk tolerance for corporate risk management, and approve risk management strategies, major risk mitigation solutions and risk management measures;
- comprehend and manage each major risk faced by the enterprise and its existing management situations, and make effective risks management decisions; approve the decision-making standards and mechanisms regarding major operating decisions, major risks, major events and major business processes;
- approve risk management report related to major decisions; and
- approve the annual comprehensive risk management report.

Risk Management Organisation

The Audit Committee, the highest risk management organisation in the Company which is accountable to the Board

- review the establishment and planning of the comprehensive risk management system;
- review the proposal on the structure of the risk management organisations and their responsibilities;
- review the annual comprehensive risk management report and submit to the Board;
- review risk management strategies, major risk management solutions and risk management measures; and
- review the annual risk management work plan.

風險管理組織體系(續)**(A) 風險管理架構****監督機構**

董事會就全面風險管理工作的有效性負責

- 確定企業風險管理總體目標、風險偏好、風險容忍度，批准風險管理策略和重大風險紓緩方案以及風險管理措施；
- 瞭解和掌握企業面臨的各項重大風險及其風險管理現狀，做出有效控制風險的決策；批准重大經營決策、重大風險、重大事件和重要業務流程的判斷標準或判斷機制；
- 批准重大決策事項的風險管理報告；及
- 批准年度全面風險管理報告。

風險管理機構

審核委員會，為本公司最高層級的風險管理機構，對董事會負責

- 審議全面風險管理體系的建設規劃；
- 審議風險管理組織機構設置及其職責方案；
- 審議並向董事會提交年度全面風險管理報告；
- 審議風險管理策略和重大風險管理解決方案以及風險管理措施；及
- 審議年度風險管理工作計劃。

RISK MANAGEMENT ORGANISATION SYSTEM (Continued)

(A) RISK MANAGEMENT STRUCTURE (Continued)

Leading Risk Management Organisation

Risk management project team, the leading risk management organisation

- responsible for the establishment and amendment of the Company's risk management policies and mechanisms;
- formulate and submit annual risk management work plan to the Board and the Audit Committee for their review;
- regularly collect first-hand information regarding risk management, carry out risk assessment and discuss major risks as faced by the Company; and
- assess the soundness, reasonability and the effectiveness in implementing the risk management system, and review the annual comprehensive risk management report, risk management strategies and day-to-day risk management solutions.

Risk Implementation Organisation

Each functional department of the Company shall accept the coordination and monitoring carried out by the risk management project team

- implement the basic process in risk management;
- consider and propose decision-making standards or mechanisms regarding major operating decisions, major risks, major events and major business processes of the functional department;
- analyse and propose risk assessment report of the functional department;
- properly carry out risk management work of the functional department; and
- establish a comprehensive risk management process of the functional department.

風險管理組織體系(續)

(A) 風險管理架構(續)

風險管理主導機構

風險管理項目組，風險管理主導機構

- 負責建立和修訂本公司風險管理政策及機制；
- 擬定年度風險管理工作計劃，提交董事會及審核委員會審議；
- 定期收集風險管理第一手資訊，進行風險評估及討論本公司面臨的重大風險；及
- 評估風險管理系統的健全性、合理性和執行的有效性，審議年度全面風險管理報告、風險管理方案和日常風險管理解決方案。

風險執行機構

本公司各個職能部門應接受風險管理項目組的協調及監督

- 執行風險管理基本流程；
- 研究提出本職能部門重大經營決策、重大風險、重大事件和重要業務流程的判斷標準或判斷機制；
- 研究提出本職能部門的風險評估報告；
- 做好職能部門的風險管理工作；及
- 建立職能部門的健全風險管理流程。

RISK MANAGEMENT ORGANISATION SYSTEM (Continued)

(A) RISK MANAGEMENT STRUCTURE (Continued)

Risk Supporting Organisation

Internal control team

- assist the Group's risk management work, and formulate internal control plan in accordance with the result of risk assessment;
- centrally organise or, together with related functional departments, design, amend or improve internal control documents in accordance with risk management solutions;
- assist the risk management project team to inspect, examine, evaluate and improve the implementation of risk management in each functional departments and operating units; and
- assist the timely rectification and improvements to existing deficiencies of each functional department based on the findings in the internal audit report.

Internal audit department

- assist the Group's risk management work, and formulate internal audit plan in accordance with the result of risk assessment;
- carry out measures including walk-through test and analytical review to evaluate the effectiveness in risk management; and
- after carrying out internal audit, deliver the auditing results to internal control team and risk management project team timely.

風險管理組織體系(續)

(A) 風險管理架構(續)

風險支持機構

內控組

- 協助本集團開展風險管理工作，根據風險評估結果擬定內控工作計劃；
- 統一組織或會同有關職能部門根據風險管理解決方案設計、修改或完善內控文檔；
- 協助風險管理項目組對各職能部門和業務單位風險管理工作實施情況進行檢查、檢驗、評價和改進；及
- 根據內部審計報告發現，協助各職能部門對存在的缺陷及時糾正和改進。

內審部

- 協助本集團開展風險管理工作，根據風險評估結果擬定內審工作計劃；
- 進行穿行測試、分析性覆核等方法評估風險管理的有效性；及
- 實施內部審計後，將審計結果及時傳遞至內控組和風險管理項目組。

RISK MANAGEMENT ORGANISATION SYSTEM

(Continued)

(B) RISK MANAGEMENT PROGRAM

The Group has established a comprehensive risk management program which is led by the risk management project team and implemented with the assistance of the internal audit department and internal control team. The risk management program is as follows:

- to collect first-hand information for risk management;
- to analyse and assess risks;
- to propose risk management strategies and form risk management solutions; and
- to supervise the implementation of risk management works performed by each business units and verify the overall score.

Key Corporate Risk Management Program



風險管理組織體系(續)

(B) 風險管理程式

本集團已建立一套完善的風險管理程式，該程式由風險管理項目組牽頭，內審部和內控組協助執行。風險管理程式如下：

- 風險管理第一手資訊收集；
- 風險分析和評估；
- 提出風險應對策略，並形成風險管理解決方案；及
- 對各業務單位風險管理工作實施情況進行監督及核對總和評價。

主要企業風險管理程式

SUPERVISION AND ENHANCEMENT OF RISK MANAGEMENT

The Group has set up basic procedures that cover the whole process of risk management, connecting the channels of communication of risk management information along the reporting lines and among various departments and business units to ensure the timely, accurate and complete communication of information and this has laid the foundation for the supervision and enhancement of risk management.

The senior management of the Group, focusing on material risks, material matters and material decisions, important management matters and the business flow, supervises the work relating to the first-hand information collection for risk management, risk assessment, risk management strategies, critical control activities and the implementation of risk management solutions. The risk management project team carries out an annual review and examination on the implementation of the works on risk management by different departments and business units and its effectiveness for the year, assesses risk management strategies and evaluates inter-departmental risk management solutions and business units' risk management solutions, proposes suggestions for adjustments and improvements and issues evaluation and recommendation reports which will be sent to the relevant senior management in a timely manner.

MATERIAL RISKS THE GROUP MAY FACE

The material risks that the Group may face which include macro-economic risks, risks of inappropriate strategies for market competition, risks of the fluctuation of raw materials price, risks of adjustments of policies in relation to the environmental protection, economy and industry, cybersecurity risks, risks of the coronavirus disease ("COVID-19"), and climate change risks.

The potential risks of macro-economic risks arise from the effects of macro-economy's volatility and the pressure of inflation. The Group's corresponding measures on risk management include reviewing the management strategies and mechanism for macro-economic risks; reviewing the relevant mechanism on the collection of intelligence about the changes in the external macro-economic environment; clearly defining the macro-economic risk analysis session; analysing, reviewing, adjusting and improving the strategies for managing macro-economic risks in future.

風險管理的監督與改進

本集團已建立貫穿於整個風險管理基本流程，連接各上下級、各部門和業務單位的風險管理資訊溝通管道，確保資訊溝通的及時、準確和完整，為風險管理監督與改進奠定基礎。

本集團的高級管理層以重大風險、重大事件和重大決策、重要管理及業務流程為重點，對風險管理第一手資訊收集、風險評估、風險管理策略、關鍵控制活動及風險管理解決方案的實施情況進行監督。風險管理項目組每年組織對各部門和業務單位風險管理工作實施情況和有效性進行一次年度檢查和檢驗，對風險管理策略進行評估，對跨部門和業務單位的風險管理解決方案進行評價，提出調整或改進建議，出具評價和建議報告，及時報送相關高級管理層。

本集團可能面臨的重大風險

本集團可能面臨的重大風險包括宏觀經濟風險、市場競爭策略不當風險、原材料價格波動風險、環保政策、經濟政策與行業政策調整風險、網路安全風險、2019冠狀病毒病（「COVID-19」）風險以及氣候變化風險。

宏觀經濟風險的潛在風險產生自宏觀經濟波動的影響及通貨膨脹的壓力。本集團風險應對措施包括檢討宏觀經濟風險的管理策略和管理機制；檢討收集外部宏觀經濟環境變化資訊相關機制；明確定義宏觀經濟風險分析環節；分析、檢討、調整和改善未來的宏觀經濟風險應對策略。

MATERIAL RISKS THE GROUP MAY FACE

(Continued)

The potential risks of inappropriate strategies for market competition arise from the risks involved in the formulation of competition strategies and risks involved in the collection of clients' information. The Group's risk management measures include reviewing the management mechanism for market competition strategies; analysing the Company's position in market competition, reviewing the corresponding market competition strategies; and timely devising and reviewing the management strategies in response to the changes in the market competition environment and submitting report thereon to management; collecting the market competition information of new products and offering suggestions on competition strategies.

The potential risks of the fluctuation of raw materials price arise because the price of key raw materials purchased by the Company is easily affected by the shortfall of refining capabilities, changes in manufacturers' power and labour cost structure, changes in the price of resins made from coal and petrochemicals. The Group's risk management measures include clearly stating the risk management strategies and mechanism for the fluctuation of raw materials price in the relevant systems; collecting information in relation to the fluctuation of raw materials price and releasing such information internally through an established channel; regularly reporting and analysing the fluctuation of raw materials price; clearly defining the analysis session for the increased risks of fluctuation of raw materials price; analysing, reviewing, adjusting and improving the management strategies for the risks of fluctuation of raw materials price.

The potential risks of adjustments of policies in relation to the environmental protection, economy and industry arise from the risks of adjustments of environmental policies; risks of adjustments of urbanisation policies; risks of adjustments of construction projects of significant water works including water saving and water supplies; risks of adjustments of real estate policies. The Group's risk management measures include reviewing the management strategies and mechanism for risks involved in the adjustments of policies in relation to the environmental protection, economy and industry; collecting information in relation to changes in environmental protection, economy and industry policies and releasing such information internally through an established channel; reviewing the mechanism for monitoring and collecting the information on laws and regulations that affect the industry.

本集團可能面臨的重大風險(續)

市場競爭策略不當風險的潛在風險產生自競爭策略制定風險及客戶資訊收集風險。本集團風險應對措施包括檢討市場競爭策略管理機制；分析本公司的市場競爭地位，檢討相應的市場競爭策略；及時制定及檢討市場競爭環境變化的應對策略，彙報至管理層；收集新產品市場競爭資訊，提供競爭策略的建議。

原材料價格波動風險的潛在風險的產生原因為本公司採購的主要原材料價格易受提煉能力短缺、製造商的電力及勞工成本變動、煤炭及石油化工製造的樹脂的價格變動影響。本集團風險應對措施包括在相關制度中明確原材料價格波動風險管理策略和機制；收集原材料價格波動資訊，以固定渠道進行內部發佈；例行通報和分析原材料價格波動情況；明確定義增加原材料價格波動風險分析環節；分析、檢討、調整和改善原材料價格波動風險應對策略。

環保政策、經濟政策與行業政策調整風險的潛在風險的產生原因為環境政策調整風險；城鎮化政策調整風險；節水供水重大水利工程建設項目調整風險；房地產政策調整風險。本集團風險應對措施包括檢討環保政策、經濟政策與行業政策調整風險的管理策略和管理機制；收集環保政策、經濟政策與行業政策變化資訊，以固定渠道進行內部發佈；檢討監管機制和收集影響行業的法律法規的資訊。

MATERIAL RISKS THE GROUP MAY FACE**(Continued)**

The potential risks of cybersecurity risks arise from two aspects: on the one hand, the vulnerability of networks to different kinds of cyber attacks because of its own security defects; on the other hand, external and internal risks of the Group. External risks mainly represent intentional or unintentional damage and threats from outsiders, such as malicious attacks by “hackers”, illegal interception of network data and transmission of computer viruses. Internal risks mainly include misuse or abuse of critical and sensitive information, theft, intentional or unintentional disclosure of confidential information by employees. The Group’s corresponding measures on risk management include establishing online permissions; developing and using software for communication within the Group; establishing two sites and three centers and implementing dual-active and duplication of intra-city and inter-city data centre; and strengthening development in four areas: environment, data, terminals and cybersecurity.

The potential risks of COVID-19 arise from the impact of macroeconomic fluctuations and the uncertainties in resumption of work and production of upstream and downstream enterprises. Due to the outbreak of the COVID-19, various industries suspended work and production and many enterprises are facing the risk of interruption of capital flow and suffering hardship. It has also brought a negative impact on foreign trade, thus dragging down the economy of the PRC. The Group’s corresponding measures include providing guidelines for epidemic prevention and control and resumption of work, strengthening employees’ awareness of prevention and control, and enabling resumption of work and production in an active and orderly manner; continually promoting full automation of production bases; paying close attention to the needs of various areas in epidemic prevention, and assuming corporate social responsibility, supporting the construction of epidemic prevention hospitals in all provinces and regions across the country and making in-kind donations.

Climate change risks are a kind of compound risk in the global risk society. This risk can be classified into economic risk, political risk, social risk, and ecological risk, etc. The Group’s corresponding measures on risk management include improving environmental management, practicing green operations, improving the efficiency of use of energy resources, exercising strict management on waste discharge in the production and operation process, actively transmitting the concept of green development to the public, and building a green operation roadmap to the harmonious coexistence of enterprises and the environment.

本集團可能面臨的重大風險(續)

網路安全風險的潛在風險產生自兩方面：一方面由於網路自身存在的安全缺陷導致受到各種各樣的攻擊；另一方面的風險既有來自於本集團外部及內部的。外部風險主要是受到外來人為的有意或無意的損害與威脅，如「駭客」的惡意攻擊、網路資料的非法截取及電腦病毒的傳播等。來自企業內部的威脅主要包括誤用或濫用關鍵、敏感性資料，員工竊取、有意或無意洩露機密資料等。本集團風險應對措施包括設置相關網上許可權；研發並使用本集團內部溝通軟體；建立兩地三中心，實現同城和異地資料中心雙活與複製。同時加強在環境、資料、終端和網路安全四方面的建設。

COVID-19疫情的潛在風險產生自宏觀經濟波動的影響及上下游企業復工復產的不確定性影響。COVID-19肆虐期間，導致各行各業停工停產，許多企業面臨著資金流斷裂的風險，陷入困境，也給中國的對外貿易帶來負面影響，從而拖累中國經濟。本集團應對措施包括部署疫情防控工作與復工指引，加強員工的防控意識，積極有序推進復工復產；持續推動生產基地全面自動化；密切關注各區抗疫需求，擔起企業社會責任，馳援全國各省各區防疫醫院建設和物資捐贈。

氣候變化風險是全球風險社會背景下的一種複合風險，可分為經濟風險、政治風險、社會風險、生態風險等。本集團風險應對措施包括完善環境管理，踐行綠色運營，提升提升能源資源使用效益，嚴格管理生產經營過程中的廢物排放，積極將綠色發展理念傳遞給公眾，構建企業與環境和諧共生的綠色運營之路。

MANAGEMENT OF INSIDE INFORMATION

The Group has formulated a set of program of continuing obligations on information management and disclosure to formally regulate the monitoring of inside information that arises during the course of its current business development and has established the practice of delivering such information to shareholders, the media and analysts. When the Group handles the relevant matters, it will comply with "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission and the related provisions issued by regulatory organisations and the Group has clearly stated that the unauthorised use of confidential or inside information is prohibited. The Group has a system of answering enquiries about the Group's matters by external parties, and has appointed and authorised the senior executives of the Group to act as the Company's spokesperson in response to enquiries on a particular area.

WHISTLEBLOWING POLICY

The Group has formulated a "whistleblowing policy" whereby employees can report any matters to the chairman of the Board or the Audit Committee secretly by sending anonymous electronic mails to the designated address or by phone without fear of being accused. Such matters may include misconduct, irregular conduct or fraud regarding financial matters and accounting practices. Any Shareholder or stakeholder can also report similar concerns in writing or verbally in confidence to the Audit Committee.

DIVIDENDS POLICY

The declaration, payment and amount of dividends will be subject to the Company's discretion. Dividends may be paid only out of its distributable reserves as permitted under the relevant laws. The Company has adopted a general dividend policy of declaring and paying dividends on a semi-annual basis of around 30% of its profit attributable to the owners of the Company. The Board would review the Company's dividend policy from time to time considering factors including but not limited to debt covenants, capital investment and business plan.

內幕消息管理

本集團制訂了一套持續消息管理和披露責任程式，正式規範現行在業務發展時出現內幕消息的監察，及將有關資料向股東、傳媒及分析員傳達的實務。本集團於處理有關事務時恪守證券及期貨事務監察委員會頒佈的「內幕消息披露指引」，及監管機構頒佈的相關條文，且本集團明確訂明嚴禁未經授權使用機密或內幕資料。本集團就外界對本集團事務作出的查詢設立回應程式，並指定及授權本集團內高級行政人員擔任本公司發言人，回應特定範疇的查詢。

舉報政策

本集團制訂「舉報政策」，據此，僱員可發送不記名電子郵件至指定電郵地址或以電話方式秘密向董事會主席或審核委員會舉報任何事項，而無需擔心被指責。該等事項包括財務事宜及會計實務方面之行為失當、不正當行為或欺詐。任何股東或權益持有人亦可秘密以書面或口頭方式向審核委員會舉報類似事宜。

股息政策

股息之宣派、派付及款額將由本公司酌情決定。股息僅可自有關法例許可下，其可供分派儲備派付。本公司已採納一般股息政策，以半年基準宣派及派付本公司擁有人應佔溢利約30%之股息。董事會將不時審閱本公司的股息政策，當中考慮的因素包括但不限於債務契諾、資本投資及業務計劃。

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2020, there was no change to the memorandum of association of the Company and Articles. The latest memorandum of association of the Company and Articles are available on the websites of the Company and the Stock Exchange.

THE SHAREHOLDERS' RIGHTS

CONVENING OF EXTRAORDINARY GENERAL MEETINGS AND PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2013 Revision, as amended from time to time). However, pursuant to the Articles, the Shareholder(s) may request for the convening of extraordinary general meetings following the procedures below:

- Any two or more Shareholder(s) or any one Shareholder which is a recognised clearing house (or its nominee(s)) may request for the convening of extraordinary general meetings by written requisition deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office. The requisition shall specify the object of the meeting and be signed by the requisitioner(s), and such requisitioner(s) must hold as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at the general meeting of the Company.
- The Board shall proceed to convene the extraordinary general meeting within 21 days from the date of deposit of the requisition.

組織章程文件

於截至2020年12月31日止年度，本公司組織章程大綱及章程細則概無任何變動。本公司最新組織章程大綱及章程細則可於本公司及聯交所網站查閱。

股東之權利

召開股東特別大會及於股東大會上提出議案

根據開曼群島公司法(2013年修訂本，經不時之修訂)條文，股東不得在股東大會上提呈新決議案。然而，根據章程細則，股東可通過下列程序請求召開股東特別大會：

- 任何兩名或以上的股東，或任何一名身為認可結算所(或其代名人)的股東可提交書面請求書要求召開股東特別大會，請求書須遞交至本公司的香港主要辦事處，或倘本公司不再設立該主要辦事處，則遞交至註冊辦事處。請求書須註明會議目的，並由請求人簽署，而該一名或多名請求人於遞交請求書當日，須持有有權於本公司股東大會上投票之本公司足繳股本不少於十分之一。
- 請求書遞交日期起21天內，董事會應召開股東特別大會。

THE SHAREHOLDERS' RIGHTS (Continued)

CONVENING OF EXTRAORDINARY GENERAL MEETINGS AND PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING (Continued)

- If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which the meeting may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition. All reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.
- An extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice of the meeting shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered and in the case of special business, the general nature of that business.
- Detailed procedures for Shareholders to propose a person for election as a director are available on the Company's website.

PROCEDURES FOR DIRECTING THE SHAREHOLDERS' ENQUIRIES TO THE BOARD

The Shareholders may put forward their enquiries about the Company to the Board at the Company's principal place of business in Hong Kong or by email or through the Company's investor relations whose contact details are provided in the "Corporate Information" section of this report. In addition, the Shareholders can contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar, if they have any enquiries about their shareholdings and entitlements to dividend.

股東之權利(續)

召開股東特別大會及於股東大會上提出議案(續)

- 倘董事會於遞交請求書日期起21天內並無正式召開須於隨後21天內召開之會議，則該一名或多名請求人或當中任何代表其總投票權半數以上之人士可自行召開股東特別大會，會議須以最接近董事會召開該會議的相同方式舉行，惟因此而召開之任何會議不得於遞交請求書日期起計三個月屆滿後舉行。請求人因董事會未能召開會議而招致的所有合理開支將由本公司償付。
- 為通過特別決議案而召開之股東特別大會應發出不少於21天之書面通知，而召開任何其他股東特別大會應發出不少於14天之書面通知。會議通知須註明開會的時間、地點、議程和在會上審議的決議案的詳情，如將討論特別事項，則須註明該等事項的一般性質。
- 股東提名候選董事的程序詳情已於本公司網站刊載。

向董事會轉達股東查詢的程序

股東可向本公司的香港主要營業地點或透過電子郵件或透過本公司的投資者關係向董事會發出有關本公司的查詢，聯絡詳情載於本報告「公司資料」章節內。此外，股東如有任何有關其股份及股息之查詢，可以聯絡本公司的股份過戶登記分處——香港中央證券登記有限公司。

RELATIONSHIP WITH INVESTORS AND THE SHAREHOLDERS

The Company endeavours to maintain a high level of transparency in communication with the Shareholders and investors in general. Communication between the Company and the Shareholders is conducted through various channels, including interim and annual reports, information published on the websites of the Stock Exchange and the Company and general meetings. The Company encourages the Shareholders to attend the Company's general meetings. The Group's financial and other information is also published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.lesso.com).

The Company's senior management endeavours to maintain an open dialogue channel with the investment sector to ensure they have a thorough understanding of the Company and its operations and strategies. The Company has emphasised the importance of the function of investor relations, engaged a dedicated independent third party to maintain investor relations and conduct investor/analyst meetings from time to time and led investors and analysts to visit its plants.

As regards to investor relations, the Group will actively conduct activities related to investor relations in the future to strengthen its corporate responsibility so that global investors can have an adequate knowledge and understanding of the Company's operating strategy, financial performance and development prospects. The Company will actively develop and maintain close relationship with investors, analysts and media to achieve sound investor relations management.

The Company applies the principle of a quiet period in its investor relations communications. During a quiet period, the Company does not comment on market prospects or factors affecting business and performance, or engage in discussion on events or trends related to the reporting period. The Company will not initiate any meeting or conference call with public in which these matters are discussed. A quiet period starts at 60 days or 30 days prior to the disclosure of annual results or interim results respectively, and lasts until the announcement of the annual results or the interim results.

與投資者及股東的關係

本公司與股東及一般投資者溝通時致力維持高水平的透明度。本公司與股東溝通通過各種渠道展開，包括中期及年度報告、載於聯交所及本公司網站的資料，以及股東大會。本公司鼓勵股東出席本公司股東大會。有關本集團的財務及其他資料亦於聯交所網站(www.hkexnews.hk)及本公司網站(www.lesso.com)內刊載。

本公司高級管理層竭力與投資界保持公開的對話渠道，以確保他們對本公司及其業務與戰略有透徹的瞭解。本公司一直強調投資者關係的重要性，聘請專門的獨立第三方維護投資者關係，並且不定時舉行投資者／分析師見面會，帶領投資者和分析師參觀廠房。

未來在投資者關係上，本集團將積極舉辦投資者關係的相關活動，強化企業責任，務求使全球投資者對本公司的經營戰略、財務表現及發展前景具備充分的認識及瞭解。本公司將積極發展及維護與投資者、分析師及媒體之間的緊密關係，做好投資者關係管理。

本公司於其投資者關係溝通上採取緘默期原則。緘默期期間，本公司不會就市場前景或影響業務及表現的因素發表意見，亦不會就與報告期相關的事項或趨勢進行討論。本公司將不會與公眾開展任何討論該等事宜的大會或電話會議。緘默期分別於年度業績或中期業績披露前60天或30天開始，至年度業績或中期業績公告為止。

MARKET OVERVIEW

In 2020, the Chinese and global economies were hammered by the novel coronavirus pneumonia (“COVID-19”) pandemic, resulting in a buildup and exposure of various risks, and the severe imbalance of global development. Despite the raging pandemic and the unstable trade relations between China and the United States, China has demonstrated its resilience and underlying security, underpinning its strong economic recovery. According to data released by the National Bureau of Statistics of China, China’s Gross Domestic Product (GDP) exceeded RMB100 trillion for the first time in 2020 and hit RMB101.6 trillion, up 2.3% year-on-year. Although the growth rate reached the lowest level in 40 years, China was the only major economy in the world that has achieved positive economic growth in 2020.

As the pandemic gradually came under control in the second quarter, the whole country of China actively promoted the resumption of work and production activities, and the government launched a series of economic stimulus policies to ensure that domestic economic activities could gradually return to the normal level. In addition, in order to further boost macroeconomic growth after the COVID-19 outbreak in 2020, the Chinese government proposed the unprecedented development initiative of “New Infrastructure, New Urbanisation Initiatives and Major Projects”, which was regarded as one of the important domestic economic policies, focusing on the promotion of important engineering construction including new infrastructure, new urbanisation, transportation and water conservancy, seeking to boost the declining economy through infrastructure construction. With the overall acceleration of investment in the “New Infrastructure, New Urbanisation Initiatives and Major Projects”, large-scale key infrastructure projects have started intensively across the country, keeping related industries in a high boom and creating favourable conditions for urban infrastructure development. It is expected that the pipeline industry will continue to grow steadily.

In addition, the Chinese government adopted the “CPC Central Committee’s Proposals for Formulating the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035” in 2020. Many local governments began to tighten up regulation on the property market, and the introduction of new regulatory regulations such as “Three Red Lines” prompted major real estate companies to proactively reduce financial leverage. In order to ease the financial pressure, real estate developers ramped up efforts to make promotional activities in sales of properties, which led to strong sales growth in “Golden September and Silver October”.

市場概況

2020年，新型冠狀病毒肺炎（「新冠肺炎」）疫情席捲全球，中國以及環球經濟均遭遇重創，各種風險不斷累積和暴露，全球發展失衡嚴重。儘管疫情肆虐，加上中美貿易關係反覆，中國仍展現出自身的韌性和底層安全性，經濟復蘇強勁。據國家統計局公佈的資料顯示，2020年國內生產總值首度突破百萬億元，達至人民幣101.6萬億元，同比增長2.3%，增幅雖然是40年來最低，卻為全球唯一實現經濟正增長的主要經濟體。

隨著疫情於第二季度逐漸受控，全國上下積極推進復工復產，政府推出一系列刺激經濟的政策，務求國內經濟活動得以逐步回歸正常。此外，為進一步幫助疫情後的宏觀經濟增長，中國政府於2020年首次提出被視為國內經濟重要政策之一的「兩新一重」建設，重點推進新型基礎設施、新型城鎮化及交通水利等重大工程建設，力圖透過基建推動下滑中的經濟。在「兩新一重」的投資全面提速下，全國各地大型重點基建項目密集式開工，令相關產業處於高景氣，為城市基礎建設發展創造有利條件，預期將會帶動管道行業持續穩定增長。

另外，中國政府年內亦通過《中共中央關於制定國民經濟和社會發展第十四個五年規劃和2035年遠景目標的建議》。多地開始收緊樓市規模，「三道紅線」等監管新規出台促成龍頭房企主動降槓桿；為緩解資金壓力，房地產開發企業紛紛加大推盤銷售力度，「金九銀十」銷售業績保持高增長。

MARKET OVERVIEW (Continued)

As the COVID-19 pandemic was gradually brought under control in China in the first half of the year, various real estate activities were resumed, the pent-up demand was released, the commercial housing sales market recovered rapidly, and the real estate market recovered faster than expected. Going forward, the Government will uphold the positioning of “Houses are for living in, not for speculation” and the principle of adopting “City-specific Policies” for the real estate market. Under the guidance of policies such as “promoting the balanced development of finance, real estate and the real economy” and “promoting the healthy development of housing consumption” in the “14th Five-Year Plan”, the property market will undergo a shift toward the true purpose of properties — that is, places built for people to live in — at an accelerating pace. The real estate industry is expected to grow at a faster pace, which will certainly bring a stable demand to the building materials and interior decoration products industry.

BUSINESS OVERVIEW

The year 2020 marked the 10th anniversary of China Lesso’s listing on the Hong Kong Stock Exchange, an important milestone in our development history. Along the way, the Group has always adhered to the strategy of creating a relaxing life for dwellers, without changing its original intention on its road of development. With clear corporate development plans and goals, we have been constantly seeking innovations and changes in the ever-changing market environment and achieving rapid growth, thereby establishing China Lesso as a market leader. In the past year, China Lesso strived to improving its brand image and reputation as well. In terms of creative marketing, research and development (“R&D”) and innovation, and industry demonstrations, the Group has won the praise and recognition from peer companies and outsiders alike. It was listed again as a “Hurun China 500 Most Valuable Private Enterprise”, included in the “China’s Top 500 Companies in Terms of Brand Value” for seven consecutive years, and won the “Science and Technology Innovation Advanced Enterprise of 2019 in Shunde District” and “Preferred Brand of Pipes and Fittings for Top 500 Development Enterprises” awards, the “First Prize of Science and Technology Progress Award of 2019 in Guangdong Province”, the title of “Guangdong Province’s Outstanding Private Enterprise with Contribution to the Fighting of COVID-19 Pandemic” and many other industry accolades, demonstrating its brand strength and leading market position.

市場概況(續)

隨著國內疫情於上半年已得到有效控制，房地產各環節活動得以恢復，擠壓已久的購房需求得以釋放，商品房銷售市場快速回暖，房地產市場恢復情況勝於預期，今後市場將繼續堅持「房住不炒」的定位和「因城施策」的原則。在「十四五」規劃建議當中首次提出「推動金融，房地產同實體經濟均衡發展」、「促進住房消費健康發展」等政策指導下，樓市將加快回歸居住屬性，房地產行業增速將有所改善，相信也為建材家居行業帶來穩定需求。

業務概況

2020年是中國聯塑在香港聯交所上市十週年，也是我們發展歷程中重要的里程碑。一直以來，本集團在發展的道路中，始終秉持為居者構築輕鬆生活的理念初心不變，在變化的市場環境中不斷創新求變，明確企業發展規劃，目標清晰，一路前行，快速成長為行業引領者。於過去一年，中國聯塑砥礪深耕，奮楫爭先，實現品牌與口碑雙贏。在創意行銷、研發創新、行業示範等多維度，本集團收穫行業內外的稱讚與肯定，包括再度入圍「胡潤中國民營企業500強」、連續7年上榜「中國品牌價值500強」、被授予為「2019年度順德區科技創新先進企業」、榮獲「開發企業500強管材管件類首選品牌」、「2019年度廣東省科技進步獎一等獎」、「廣東省抗擊新冠肺炎疫情突出貢獻民營企業」等業內的多項殊榮，足証其品牌實力及行業領先地位。

BUSINESS OVERVIEW (Continued)

In response to the state's call for tackling climate change, China Lesso has formulated effective countermeasures, improved environmental management, practiced environment-friendly operations, enhanced corporate energy management, strictly controlled waste emissions, and developed environmental protection industries, thus contributing to the alleviation of effects caused by climate change and promoting the creation of a healthier lifestyle.

During production and business operations, the Group always adheres to the philosophy of green development, strictly implements all-round and full-process environmental management, and reduces resource consumption through effective energy management, thermal management and the development of renewable energy. Furthermore, it strictly controls the pollution generated in the production process, develops a comprehensive environmental management system, implements environmental monitoring on a comprehensive scale, ensures that the discharge of pollutants meets the requirements of relevant laws and regulations through clean production, reducing the impact of business production and operations on the environment, and promoting the development of green economy. The Group also uses new technologies to reduce exhaust pollution.

The Group dedicated to promote green offices, incorporates environmental protection into routine office work, actively promotes paperless offices, and advocates best practices to reduce the use of office supplies, effectively improving the efficiency of resource utilisation, and creating the harmonious and symbiotic environment for the enterprise development through green operation.

業務概況(續)

中國聯塑響應國家號召，制定應對氣候變化有效的措施，完善環境管理，踐行綠色運營，提升企業能源管理，嚴控廢棄物排放，發展環保產業，助力緩解氣候變化帶來的影響，推動構建更健康的生活體系。

本集團在生產運營過程中，始終秉持綠色發展理念，嚴格執行全方位、全流程的環境管理，通過能耗管理、熱能管理及開發可再生能源，以降低資源消耗。再者，本集團嚴格管控生產過程中產生的污染，制定全方位環境管理制度，全力推動落實環保監測，通過清潔生產，確保污染物排放符合相關法律法規要求，降低企業生產運營對環境的影響，推動綠色經濟發展。本集團亦運用新技術降低廢氣污染。

本集團切實推動綠色辦公，將環保理念充分融入日常辦公，積極推動無紙化辦公，並倡導各種節約辦公耗材行為，有效提升資源利用效率，以綠色運營助力企業與環境和諧共生發展。

BUSINESS OVERVIEW (Continued)

業務概況(續)

The table below sets out the breakdown of revenue by region for 2020 and 2019:

下表載列截至2020年及2019年收入按地區劃分的詳情：

Region [#]	地區 [#]	Revenue 收入			% of total revenue 佔總收入%	
		2020 RMB million 人民幣百萬元	2019 RMB million 人民幣百萬元	Change 變動	2020	2019
Southern China	華南	15,215	14,180	7.3%	54.2%	53.8%
Southwestern China	西南	2,860	2,627	8.9%	10.2%	10.0%
Central China	華中	3,009	3,090	(2.6%)	10.7%	11.7%
Eastern China	華東	1,885	1,558	21.0%	6.7%	5.9%
Northern China	華北	2,133	1,972	8.2%	7.6%	7.5%
Northwestern China	西北	1,425	1,263	12.8%	5.1%	4.8%
Northeastern China	東北	757	700	8.2%	2.7%	2.7%
Outside China	中國境外	789	955	(17.3%)	2.8%	3.6%
Total	總計	28,073	26,345	6.6%	100.0%	100.0%

[#] Details of the scope of coverage of each region are set out in note 4 to consolidated financial statements.

[#] 各地區的覆蓋範圍詳情載於綜合財務報表附註4。

For the year ended 31 December 2020, the number of the Group's independent and exclusive first-tier distributors across the country increased to 2,397 (2019: 2,276). Southern China remained the Group's major revenue-contributing market, whose revenue accounted for 54.2% of the Group's total revenue (2019: 53.8%), while the revenue from other regions accounted for 45.8% (2019: 46.2%).

截至2020年12月31日止年度，本集團於全國各地的獨立獨家一級經銷商數目增至2,397名(2019年：2,276名)。本集團的主要市場繼續為華南市場，來自華南市場佔本集團總收入為54.2%(2019年：53.8%)，其他地區的收入佔比為45.8%(2019年：46.2%)。

The table below sets out the breakdown of revenue by business unit for 2020 and 2019:

下表載列截至2020年及2019年收入按業務劃分的詳情：

		Revenue 收入			% of total revenue 佔總收入%	
		2020 RMB million 人民幣百萬元	2019 RMB million 人民幣百萬元	Change 變動	2020	2019
Plastic piping systems	塑料管道系統	24,512	23,709	3.4%	87.3%	90.0%
Building materials and interior decoration products	建材家居產品	1,997	1,519	31.5%	7.1%	5.8%
Others [#]	其他 [#]	1,564	1,117	40.1%	5.6%	4.2%
Total	總計	28,073	26,345	6.6%	100.0%	100.0%

[#] "Others" include businesses of environmental engineering and other related services, financial services and others.

[#] 「其他」包括環境工程及其他相關服務、金融服務及其他業務等。

BUSINESS OVERVIEW (Continued)

Despite the outbreak of COVID-19 pandemic, the Group has always been actively overcoming the negative impact brought by the pandemic. Under the premise of taking preventive measures, it has continuously and steadily promoted the resumption of work and production activities since March, so as to capture market opportunities after the pandemic. While steadily upgrading the core business of plastic piping systems, it also actively expands business in other sectors, including building materials and interior decoration products, environmental protection, agriculture and supply chain service platform businesses, in order to achieve diversified development and simultaneous advancement, therefore broadening the Group's revenue base.

The revenue of the Group increased by 6.6% to RMB28,073 million (2019: RMB26,345 million). Benefited from the Group's economies of scale, actively advancing production automation and implementing an effective procurement strategy, its gross profit increased by 11.2% to RMB8,384 million (2019: RMB7,537 million), and gross profit margin further improved to 29.9% (2019: 28.6%), and the net profit margin rose to 13.4% (2019: 11.5%).

With a view to maximising the benefits of economies of scale, the Group formulated and implemented effective procurement strategies and it actively promoted automated production, thereby effectively reducing the pressure caused by the rising costs of raw materials and production. In addition, the Group promoted sustainable business development and maintained its profitability at a healthy level by enhancing its operating efficiency, optimising its product mix and increasing its market share.

During the reporting period, the Group's EBITDA increased by 11.5% to RMB6,195 million (2019: RMB5,556 million), and the EBITDA margin was 22.1% (2019: 21.1%). Profit before tax increased by 19.4% to RMB4,754 million (2019: RMB3,982 million). Profit attributable to owners of the Company increased by 24.0% to RMB3,751 million (2019: RMB3,025 million). Basic earnings per share increased by 24.5% to RMB1.22 (2019: RMB0.98). The effective tax rate was reduced to 21.0% (2019: 23.9%).

業務概況(續)

儘管在新冠肺炎疫情籠罩下，本集團依然積極克服疫情帶來的負面影響，並在做好防疫措施的前提下，早於3月份已不斷有序推進復工復產，捉緊疫情後的市場機遇，穩步提升核心塑料管道系統業務的同時，亦積極拓展其他板塊，包括建材家居產品、環保、農業以及供應鏈服務平台業務，做到多點開花，齊頭並進，實現拓寬本集團的收入基礎。

本集團收入按年增加6.6%至人民幣280.73億元(2019年：人民幣263.45億元)。受惠於集團規模經濟效益、積極推動生產自動化及有效的採購策略，毛利按年增加11.2%至人民幣83.84億元(2019年：人民幣75.37億元)，毛利率進一步提升至29.9%(2019年：28.6%)，淨利率亦上升至13.4%(2019年：11.5%)。

為令規模經濟效益達到最大化，本集團一方面制定及實施有效的採購策略，另一方面積極推動自動化生產，務求有效減低原材料和生產成本上漲帶來的壓力。此外，本集團通過提升營運效益、不斷優化產品組合及擴大市場份額，從而促進業務持續發展及維持健康的盈利水準。

於報告期內，本集團之除息稅折攤前盈利按年增加11.5%至人民幣61.95億元(2019年：人民幣55.56億元)，而除息稅折攤前盈利率則為22.1%(2019年：21.1%)。除稅前溢利按年增加19.4%至人民幣47.54億元(2019年：人民幣39.82億元)。本公司擁有人應佔溢利按年增加24.0%至人民幣37.51億元(2019年：人民幣30.25億元)。每股基本盈利按年增加24.5%至人民幣1.22元(2019年：人民幣0.98元)。實際稅率則降至21.0%(2019年：23.9%)。

BUSINESS REVIEW AND OUTLOOK

PLASTIC PIPING SYSTEMS

COVID-19 broke out and spread rapidly across China in early 2020. In response to the outbreak, the state carried out a number of emergency hospital construction projects, and assisted hospitals across the country to build anti-pandemic facilities in the fight against the pandemic. While prompt responding to the challenges posed by the pandemic, the Group has allocated resources promptly to fully support the national emergency plan to cope with the situation and provided a variety of suitable pipe products for the construction of emergency hospitals as well as construction materials for further renovation and expansion of existing hospitals.

The table below sets out the breakdown of revenue from plastic piping systems by region for 2020 and 2019:

Region	地區	Revenue			% of revenue	
		2020	2019	Change	2020	2019
		RMB million	RMB million		佔收入%	
		人民幣百萬元	人民幣百萬元	變動		
Southern China	華南	12,994	12,658	2.7%	53.0%	53.4%
Other than Southern China	華南以外地區	11,084	10,563	4.9%	45.2%	44.5%
Outside China	中國境外	434	488	(11.1%)	1.8%	2.1%
Total	總計	24,512	23,709	3.4%	100.0%	100.0%

The table below sets out the breakdown of revenue from plastic piping systems business by the application of the products for 2020 and 2019:

		Revenue			% of revenue	
		2020	2019	Change	2020	2019
		RMB million	RMB million		佔收入%	
		人民幣百萬元	人民幣百萬元	變動		
Water supply	供水	9,458	9,228	2.5%	38.6%	38.9%
Drainage	排水	9,322	8,966	4.0%	38.0%	37.8%
Power supply and telecommunications	電力供應及通訊	4,207	4,126	2.0%	17.2%	17.4%
Gas transmission	燃氣輸送	418	383	9.2%	1.7%	1.6%
Others [#]	其他 [#]	1,107	1,006	10.1%	4.5%	4.3%
Total	總計	24,512	23,709	3.4%	100.0%	100.0%

[#] "Others" include agricultural applications, floor heating and fire services.

業務回顧與展望

塑料管道系統

年初，新冠肺炎爆發，擴散迅速，肆虐全國。國家為應對疫情，即時開展多個緊急的醫院興建項目，並協助全國各地醫院建設抗疫設施。本集團快速應對疫情所帶來的挑戰之同時，亦適時調配資源，以全力支持國家緊急應變計劃，為興建緊急醫院項目提供各種合適的大批量管道產品，亦為現有醫院提供所需的建設物資作進一步改造及擴建。

下表載列截至2020年及2019年塑料管道系統業務收入按地區劃分的詳情：

下表載列截至2020年及2019年塑料管道系統業務收入按產品應用劃分的詳情：

[#] 「其他」包括農用、地暖及消防。

BUSINESS REVIEW AND OUTLOOK (Continued)**PLASTIC PIPING SYSTEMS (Continued)**

The production capacity of the Group was adversely affected by the pandemic in the first quarter. Fortunately, the pandemic was gradually brought under control in the second quarter. By actively capturing the development opportunities created by China's "New Infrastructure" strategy and striving to catch up with the production plans, the Group's production bases across the country have successively resumed work and production, and started production at full speed. During the reporting period, the Group not only successfully restored its production capacity to the pre-pandemic level, but also achieved a further increase in its production capacity. The Group's annual designed capacity for manufacturing plastic piping systems expanded from 2.78 million tonnes in 2019 to 3.03 million tonnes, and the capacity utilisation rate during the period reached 87.9%.

For the year ended 31 December 2020, the plastic piping system business has achieved stable growth, with revenue increased by 3.4% to RMB24,512 million (2019: RMB23,709 million), accounting for 87.3% of the total revenue of the Group (2019: 90.0%).

The table below sets out the breakdown of average selling price, sales volume and revenue from plastic piping systems business by product material for 2020 and 2019:

		Average selling price 平均售價			Sales volume 銷量			Revenue 收入		
		2020	2019	Change	2020	2019	Change	2020	2019	Change
		RMB	RMB		Tonne	Tonne		RMB million	RMB million	
		人民幣	人民幣	變動	噸	噸	變動	人民幣百萬元	人民幣百萬元	變動
PVC products	PVC產品	7,781	8,116	(4.1%)	1,957,868	1,817,179	7.7%	15,234	14,748	3.3%
Non-PVC products [#]	非PVC產品 [#]	14,250	15,431	(7.7%)	651,090	580,685	12.1%	9,278	8,961	3.5%
Total	總計	9,395	9,887	(5.0%)	2,608,958	2,397,864	8.8%	24,512	23,709	3.4%

[#] "Non-PVC" plastic pipes and pipe fittings mainly refer to those made of PE or PP-R.

During the reporting period, sales volume of plastic piping systems increased by 8.8%. In terms of product materials, sales volume of PVC products increased by 7.7% to 1,957,868 tonnes (2019: 1,817,179 tonnes), while that of non-PVC products increased by 12.1% to 651,090 tonnes (2019: 580,685 tonnes). Revenue from sales of PVC products and non-PVC products increased by 3.3% to RMB15,234 million (2019: RMB14,748 million) and 3.5% to RMB9,278 million (2019: RMB8,961 million) respectively.

業務回顧與展望(續)**塑料管道系統(續)**

由於受疫情拖累，本集團產能曾於第一季度內受壓，幸而疫情於第二季度逐漸受控，本集團在全國各地的生產基地相繼復工復產，並開足馬力加大生產，積極緊抓國家「新基建」的發展機遇奮力追趕。於報告期內，本集團不但成功將產能恢復至疫前水準，並進一步提升整體產能。本集團塑料管道系統生產的年度設計產能由2019年的278萬噸擴至303萬噸，期內產能使用率達87.9%。

截至2020年12月31日止年度，塑料管道系統業務實現穩定增長。收入按年增加3.4%至人民幣245.12億元(2019年：人民幣237.09億元)，佔本集團總收入的87.3%(2019年：90.0%)。

下表載列截至2020年及2019年塑料管道系統業務按產品物料劃分的平均售價、銷量及收入分項詳情：

[#] 「非PVC」塑料管道及管件主要是PE或PP-R製。

於報告期內，塑料管道系統銷量按年增加8.8%。產品物料方面，PVC產品的銷量按年增加7.7%至1,957,868噸(2019年：1,817,179噸)，非PVC產品的銷量則按年增加12.1%至651,090噸(2019年：580,685噸)。銷售PVC產品及非PVC產品所得的收入分別按年增加3.3%至人民幣152.34億元(2019年：人民幣147.48億元)及3.5%至人民幣92.78億元(2019年：人民幣89.61億元)。

BUSINESS REVIEW AND OUTLOOK (Continued)**PLASTIC PIPING SYSTEMS (Continued)**

During the reporting period, the flexible pricing policy adopted by the Group was fully executed. The bulk purchases policy enables the Group to secure raw materials at lower prices and better quality, allowing the Group to effectively control the costs of raw materials and production, so that the gross profit margin maintained at a reasonable and stable level. The Group reduced the average selling price of its plastic piping system by 5.0% during the year to RMB9,395 per tonne (2019: RMB9,887 per tonne). The gross profit margin of its plastic piping system business reached 30.2% (2019: 28.9%).

In 2020, the Group focused on accelerating the construction of production bases, improving the national strategic planning, and actively increasing production capacity through in-depth intelligent manufacturing transformation, so as to gain a foothold in the “New Infrastructure” market. In December, the Group’s production bases in Fujian and Jiangxi officially commenced operation, contributing to the Group’s acceleration of the output of production capacity. The Group will make full use of the new production bases in Jiangxi and Fujian, rapidly grow its share of the local markets, and bring more items to the Group’s entire product range. In addition, the construction of second-phase projects of production bases in Hunan, Henan, and Yunnan has also been accelerated. In the future, the Group will continue to expand its production base layout and plans by building new production bases in Guangxi and Gansu provinces; for overseas operations, the Group will focus on Southeast Asian countries such as Thailand and Cambodia to speed up the construction of manufacturing and R&D bases, so as to realise its international strategic layout. The Group will also identify targets for any potential acquisitions in the market to support capacity expansion.

The Group firmly believes that through management and technological innovation, it can continuously inject momentum into business development. In 2021, the Group will continue to implement automation transformation, introduce high-precision equipment, enhance production automation, intelligent operation and product optimisation, so as to improve production and operation efficiency and ensure that the production capacity fulfill sales targets. In addition, the Group has always attached great importance to scientific and technological R&D. In the future, it will continue to increase its investment in R&D and improve its technological innovation capabilities. This will not only enhance the Group’s core competitiveness, but also consolidate its leading position in the market. At the same time, the Group put great emphasis to the cultivation of talents, performs well in the succession plan of talents, and builds a platform for the development of employees to boost the Group’s management level.

業務回顧與展望 (續)**塑料管道系統 (續)**

於報告期內，本集團採用的靈活價格制定政策得到充分發揮，加上向供應商進行大量採購，取得價格更低、品質更好的原材料，本集團成功有效控制原材料和生產成本，使毛利率得以維持於合理和穩健水準。本集團塑料管道系統的平均售價按年下調5.0%至每噸人民幣9,395元(2019年：每噸人民幣9,887元)，塑料管道系統業務的毛利率達30.2%(2019年：28.9%)。

2020年，本集團著力加速基地建設，完善全國戰略佈局，透過深化智能製造升級轉型，積極提高產能，搶灘「新基建」市場。今年12月，本集團於福建及江西之生產基地正式順利投產，有助加速產能輸出。本集團將會充分利用江西及福建生產基地投產帶來的便利，快速擴大當地市場佔有率，為集團全品類產品帶來更多項目。另外，湖南、河南、雲南等生產基地之二期項目也正在加緊建設。未來，本集團將繼續拓展生產基地佈局，計劃在廣西、甘肅等省份興建新生產基地；海外則以東南亞地區為重點，如泰國、柬埔寨等加快建設製造和研發基地，以實現國際化戰略佈局。本集團亦會留意市場上任何的潛在收購項目，為產能拓展提供支援。

本集團深信通過管理創新、技術創新，能為業務發展源源不斷注入動力。2021年，本集團將繼續通過自動化改造，不斷引進高精度設備，提升生產自動化、智能化及優化產品，提高生產運營效率，以確保產能滿足銷售目標。此外，本集團一直高度重視科技研發，未來將持續加大研發投入，提高技術創新能力，不但提升自身核心競爭力，亦鞏固本集團於業內的領先地位。同時，本集團重視人才的培養，做好人才的繼任計劃，並為人才的发展搭建平台，助推公司的管理水準。

BUSINESS REVIEW AND OUTLOOK (Continued)**PLASTIC PIPING SYSTEMS (Continued)**

In order to keep abreast of market trends, the Group continues to develop new products and new technologies to meet market needs. As early as 2017, China Lesso started research on manufacturing and industrialisation of fiberglass reinforced thermoplastic pipes (“RTP fiberglass pipes”). After several years of R&D, the Group has successfully achieved mass production of RTP fiberglass pipes in 2020, and the products were officially released in October. The new RTP fiberglass pipes are suitable for oil and gas gathering and transportation, high-pressure alcohol injection, oil field water injection, sewage treatment and other systems in the oil and gas industry. The successful launch of RTP fiberglass pipes production will diversify the product categories of existing plastic pipes and open up a new business line for the Group. In addition, the Group also launched fresh air duct and stainless steel pipe products, which contributed to the integrity and balance of the Group’s development in the pipeline industry, creating a complementarity to the Group’s leading position in the domestic pipeline industry. In 2021, the Group will speed up the new products development and cooperate with marketing departments to carry out promotion work.

As a market leader, the Group is committed to broadening the scope of applications of plastic piping systems in all aspects. In view of the huge market demand in the agricultural sector, the Group actively expanded business in this sector and further extended the scope of the main business and application areas of plastic pipes to releases its market potential. After more than a year of development, the Group’s agricultural business currently covers a broad range of segments, including facility agriculture, marine aquaculture, and flower planting. Through in-depth R&D work, the Group successfully launched products for emerging market such as agriculture and deep-water aquaculture, further enriching its income sources. In January 2020, China Lesso and Guangdong Academy of Agricultural Sciences signed a strategic cooperation agreement to jointly establish Lesso Modern Agriculture Research Institute to carry out technological innovation and full-process technical services, and to provide comprehensive policies and plans for the Group’s development of modern agriculture. In the future, the Group will vigorously diversify the agricultural business, ramp up investment in agricultural facilities, and strive to create an integrated industrial value chain of modern agriculture in China that encompasses modern agricultural facility engineering, water-saving irrigation systems, cage farming, family leisure agriculture and the planting of flower and fruits. Backed up by science and technology to serve agricultural reforms, the Group will contribute to the promotion of rural revitalisation, and turn into the fast lane of agricultural development.

業務回顧與展望(續)**塑料管道系統(續)**

為緊貼市場趨勢，本集團不斷開發適應市場需求的新產品及新技術。早於2017年，中國聯塑開始著手進行熱塑性塑料增強玻纖管（「RTP玻纖管」）製造和產業化研究。經過數年的研發過程，本集團於年內已成功實現RTP玻纖管的規模生產，並於今年10月正式對外發佈。RTP玻纖管新品適用於油氣田的油氣集輸、高壓注醇、油田注水、污水處理等系統。是次RTP玻纖管順利投產將會豐富現有塑料管道的產品種類，創建新賽道。此外，本集團亦同時推出新風管道和不銹鋼管道產品，有助於集團管道產業佈局的完整性和均衡性，對集團在國內管道行業的龍頭地位形成了有力補充。2021年，本集團將加快新產品的開發力度，配合市場部門開展推廣工作。

作為市場的領導者，本集團致力全方位擴大塑料管道系統的應用層面。有見農業板塊市場需求龐大，本集團積極拓展農業領域，進一步延伸塑料管道主業範圍及應用領域，並釋放市場潛能。經過一年多的發展，本集團農業板塊業務覆蓋廣泛，包括設施農業、海洋養殖、花卉種植等。通過深耕研發，本集團成功推出農業、深水養殖等新興市場產品，進一步豐富收入來源。今年1月，中國聯塑與廣東省農業科學院簽訂戰略合作協定，共建聯塑現代農業研究院進行技術創新和全程技術服務，為本集團發展現代農業提供全方位政策及規劃。未來，本集團將大力拓展農業領域，加大在農業設施的強勢投入，著力打造集「現代農業設施工程、節水灌溉系統、網箱養殖、家庭休閒農業，花卉蔬果種植產品」產供銷為一體的現代農業全產業鏈，以科技服務農業變革，助力鄉村振興，帶領本集團步入農業發展快車道。

BUSINESS REVIEW AND OUTLOOK (Continued)

PLASTIC PIPING SYSTEMS (Continued)

Under the implementation of the “New Infrastructure, New Urbanisation Initiatives and Major Projects” in China, the Group has been actively seizing the development opportunities in the market of plastic pipes and pipe fittings. Leveraging its strong competitiveness, extensive market coverage, quality products and service capabilities, after its success in winning a tender of the construction of Xiongan Civic Center project, the Group once again won the tender for the Pipe Gallery project in Xiongan New Area, aiming to provide green and efficient urban smart pipe gallery solutions and products with “Xiongan Quality”, and establish a national exemplary project called “Xiongan Model”. The Group also participated in the municipal road project in the Sanyuan High-tech Zone in Shaanxi, providing strong support for the construction of the underground pipeline network in the area. As for the project in Washixia Town, Ruoqiang County, Xinjiang, the Group’s first large-scale heating project in the northwest region, the Group provided pipeline products to effectively support the smooth progress of the construction of the project, and escort the construction and transformation of the secondary pipe network for central heating.

The Group signed strategic cooperation framework agreements with various branches of national bureaus during the year to unite efforts for national construction and jointly make greater contributions to the promotion of urban development. In addition, the Group is seeking prospective partners in a bid to further consolidate its market leadership. During the year, it has established strategic partnerships with a number of private enterprises to promote diversified cooperation, give full play to brand synergies, and create mutual benefits and a win-win situation.

The Group will actively expand overseas markets with a focus on the Southeast Asian markets, so as to tap the huge local demand of the region’s market and capitalise on the local infrastructure development. In order to further enhance the competitiveness and influence of China Lesso in overseas markets, the Group is committed to scaling up overseas production. The Group’s existing production base in Indonesia has been in operation, and the construction of another production base is currently underway. The production base in Cambodia is also under planning. In conclusion, the Group will speed up the development of production bases in overseas markets such as Thailand and the Philippines to seize the opportunities of the Belt and Road Initiative. Overall, the management is fully confident about the future development of the plastic piping system business and believes that it will continue to perform well.

業務回顧與展望 (續)

塑料管道系統 (續)

在「兩新一重」的推進下，本集團積極把握塑料管道及管件市場的發展機遇。本集團繼中標參與雄安市民中心項目建設後，憑藉強大的集團實力，市場覆蓋力、優質產品及服務能力，再次一舉中標雄安區管廊項目，為「雄安品質」提供綠色高效的智慧城市管廊解決方案和產品供應，實力打造國家工程「雄安樣板」。本集團亦參與陝西三原高新區市政道路項目，為該地區地下管網建設提供強而有力的支撐。而新疆若羌縣瓦石峽鎮項目是本集團在西北區域第一個大型供暖工程，本集團提供的管道產品有效保障工程建設的平穩進行，更為集中供熱二次管網建設和改造保駕護航。

本集團年內分別與多個國家分局簽訂戰略合作框架協議，為國家建設凝心聚力，共同為推動城市發展做出更大的貢獻。再者，為進一步鞏固集團的市場領導地位，本集團積極尋找具潛力的合作對象，於年內先後與多間民營企業組成戰略合作夥伴，促進多元化合作，充分發揮品牌協同效應，開創互利共贏新局面。

本集團將積極開拓國外市場，重點拓展東南亞市場，以把握當地龐大的內需市場和基建發展。為進一步提升中國聯塑在海外市場的競爭力和影響力，本集團致力擴張海外生產規模，於印度尼西亞的現有生產基地已投入運營，現正興建另一個生產基地。於柬埔寨的生產基地亦在規劃中。總括而言，本集團將會加快海外市場如泰國、菲律賓等生產基地的佈局，以把握一帶一路發展計劃的機遇。總體而言，管理層對塑料管道系統業務分部的未來發展抱有信心，並相信能繼續為本集團帶來理想的業務表現。

BUSINESS REVIEW AND OUTLOOK (Continued)

BUILDING MATERIALS AND INTERIOR DECORATION PRODUCTS

Due to the COVID-19 pandemic in the first half of 2020, property sales in China market were severely affected. With the gradual easing of the domestic pandemic and the more flexible implementation of “City-specific Policies” by local governments, the pent-up demand for housing properties has been effectively unlocked, and the real estate market has gradually recovered, which has brought stable demand for the industry of building materials and interior decoration products. Furthermore, the Group is committed to optimising sales channels and actively capturing the business opportunities arising from the real estate sector’s shift towards the bulk purchasing model. After more than a year of practice, satisfactory results have been achieved. In an effort to boost the growth of its businesses of building materials and interior decoration products, the Group also launched prefabricated building products and construction equipment during the year, which not only conform to the general trend toward building assembly, but also embody the concept of environmental protection and reduction of construction waste. These efforts reflected the Group’s pursue of green development and fulfillment of its social responsibilities. In August 2020, the Group launched a smart home production project in Shandong, marking an acceleration in the application of the new-generation of information technology in the home furnishing industry, and injecting new impetus into China Lesso’s in-depth development in the smart home market. The project will introduce the world’s leading automated production line and an intelligent system of supporting software management to build an industry-leading high-end home furnishing and wood industry factory. Upon the completion of the factory, it will be capable of producing 600,000 sets of high-end smart home furnishing products annually, which will help the Group to gain more market share in the smart home segment. During the reporting period, the Group’s building materials and interior decoration products business recorded revenue of RMB1,997 million, accounting for 7.1% of the Group’s total revenue. In 2021, with the primary goal of seizing the market, the Group will timely adjust the price of building materials and interior decoration products to keep pace with the market. The Group will continue to strengthen its partnerships with large real estate developers while actively consolidating its relation with existing customers. It will provide a diverse range of products and high-quality services to boost sales revenue. Benefiting from the key construction policies for the initiative of “New Infrastructure, New Urbanisation Initiatives and Major Projects” and the on-going progress of China’s new model of urbanisation, the Group is expected to further enhance synergies between its businesses of building materials and interior decoration products and other business segments, and drive the steady development of this business sector.

業務回顧與展望(續)

建材家居產品

中國房地產市場於2020年上半年受新冠肺炎疫情影響，嚴重打擊樓市銷情。隨著國內疫情日漸緩和，加上各地方政府因城施策更加靈活，市場積壓已久的購房需求積極釋放，房地產市場逐漸復甦，為建材家居產品行業帶來穩定需求。此外，本集團致力優化銷售渠道，積極把握房地產大宗採購轉變所帶來的商機，經過一年多的實踐，已經取得不錯的成效。為努力促進建材家居產品業務增長，本集團於年內還推出了裝配式建築產品及建築設備，既適應建築裝配發展潮流，又兼具環保概念，減少建築垃圾等作用，體現了公司的綠色發展，踐行社會責任。今年8月，本集團於山東啟動智能家居生產項目，標誌著新一代資訊技術與家居產業加速融合，為中國聯塑深入發展智能家居領域注入新動力。項目將引入目前世界領先的自動化生產線，配套智能軟體管理體系，打造行業領先的高端家居產業及木業產業工廠，項目建成後，可年產60萬套高端智能家居產品，將助力本集團深入搶佔智能化家居市場。於報告期內，本集團建材家居產品業務錄得收入為人民幣19.97億元，佔本集團總收入的7.1%。2021年，本集團將適時調整建材家居產品價格與市場接軌，以搶佔市場作為首要目標；並將持續強化與全國大型房地產商的合作關係，積極鞏固現有客戶關係，透過提供多元化產品及優質服務帶動銷售收入上升。受惠「兩新一重」重點建設政策，中國新型城鎮化建設正不斷推進，有望將進一步釋放建材家居產品業務與其他業務板塊的協同效應，驅動該業務的穩健發展。

BUSINESS REVIEW AND OUTLOOK (Continued)**OTHERS****Environmental Protection Business**

The Chinese government has issued a series of environmental protection policies in recent years to support the development of the environmental protection industry. In view of this, the Group actively responded to the government's call for environmental protection, and vigorously develops the environmental protection business segment, which covers consulting, design, operation and maintenance, engineering management, environmental protection testing, and hazardous solid waste treatment. The Group has achieved long-term synergies between the environmental protection business and plastic pipe system business, benefitting from the growing demand for plastic pipes and pipe fittings from municipal projects in different fields. During the reporting period, this environmental protection business delivered a revenue of RMB354 million. The Group made preparations to establish hazardous solid waste treatment centers in Heshan and Yunfu, Guangdong, to further consolidate and expand its market share. The Group will strive to be innovative, pragmatic and enterprising, and continue to invest in R&D. While maintaining the steady development of its existing environmental protection business, the Group is committed to expanding the hazardous solid waste treatment business. Furthermore, the Group will explore opportunities for mergers and acquisitions to provide new impetus for future growth drivers.

Supply Chain Service Platform Business

In line with the Chinese government's "Belt and Road Initiative", the Group has extended its footprint of the supply chain service platform business for "One-Stop Specialty Market for Home Furnishing and Consumer Products" to overseas markets, with its focus on the Southeast Asian market. The Group has established a multinational platform for manufacturers of home furnishings, building materials and consumer goods in China to showcase their products and promote product distribution and retail, and provide ancillary services such as marketing, branding, e-commerce needs, consulting, and formulating development plans. As the supply chain service platform business is still at early stage of development, during the reporting period, the revenue from this business was RMB689 million. In the future, the Group will further boost the distribution network for its supply chain service platform business in Southeast Asia and seize development opportunities. The Group strives to make the supply chain service platform business become a new growth driver for the long-term development of the Group.

業務回顧與展望 (續)**其他****環保業務**

中國政府近年來不斷出台一系列環境保護政策，以支持環保產業發展。有見及此，本集團積極響應國家的環保號召，大力發展環保業務板塊，業務涵蓋諮詢、設計、運維、工程管理、環保檢測以及固危廢處理等。通過把握不同範疇的市政項目所帶來對塑料管道及管件的需求，使本集團的環保業務與塑料管道系統業務產生長遠的業務協同效應。於報告期內，該業務實現收入人民幣3.54億元。本集團於廣東鶴山及雲浮也在籌建固危廢處理中心，以進一步鞏固及擴大市場佔有率。本集團將努力創新，務實進取，持續研發投入，在保持原有環保業務穩健發展的同時，致力拓展危廢處理業務，亦會探索市場上有利的收併購機會，為未來的業績增長提供新動力。

供應鏈服務平台業務

為配合國家「一帶一路」政策的倡議，本集團將一站式專業家居展廳及消費品商城的供應鏈服務平台業務推廣至海外，重點發展東南亞市場。本集團為中國家居建材及消費品生產商建立跨國平台，以展示其產品及促進產品的分銷及零售，並提供營銷、品牌推廣、電子商務需求和制定發展計劃等諮詢配套服務。由於供應鏈服務平台業務仍處於發展初段，於報告期內，該業務收入為人民幣6.89億元。未來，本集團將適時進一步推進於東南亞的供應鏈服務平台業務分銷網絡，以把握發展機遇，務求使供應鏈服務平台業務成為本集團長遠發展的另一增長點。

CAPITAL EXPENDITURE

During the reporting period, the Group's capital expenditure was approximately RMB2,740 million, which was primarily used for improvement of automated facilities in production bases, expansion of the existing production bases, acquisition of industrial land in Jiangxi, construction of certain investment properties and the facilities acquired in business combination.

FINANCIAL POSITION

The Group continued to adopt prudent financial policies. Finance, fund utilisation and fund raising activities of the Group are subject to effective centralised management and supervision. The Group keeps reasonable gearing level and adequate liquidity.

At the end of the reporting period, the Group had total debts (i.e. borrowings, lease liabilities and debt component of convertible loans) of RMB16,236 million, of which 47.0% was denominated in US dollar, 25.1% was denominated in HK dollar, 22.2% was denominated in RMB, 4.7% was denominated in Australian dollar, 0.8% was denominated in Canadian dollar and 0.2% was denominated in other currencies. Other than the outstanding convertible loans of approximately US\$96 million at effective interest rates of 4.50% and 5.53% per annum and due in 2022, the Group's borrowings are subject to effective interest rates ranging from 1.08% to 7.60% per annum with maturity periods ranging from within one year to more than five years. The Group's Gearing Ratio stood at a healthy level of 44.4%.

At the end of the reporting period, the Group's total equity increased to RMB20,354 million. The Group's current assets and current liabilities were RMB19,669 million and RMB16,058 million respectively. The Group's Current Ratio and Quick Ratio increased to 1.22 and 0.91 from 0.86 and 0.67 as at 31 December 2019, respectively.

The Board believes the Group will be able to continue to generate positive cash flows from its operations. With cash and bank deposits, including restricted cash, of RMB7,447 million as well as unutilised banking facilities, the Board considers that the Group has sufficient working capital for its operation and future development.

The Group had no material exposure to foreign exchange fluctuation and no hedging had been arranged during the period.

資本開支

於報告期內，本集團資本開支為約人民幣27.40億元，主要用於改進生產基地的自動化設備、現有生產基地的擴建工程、購置江西工業用地、若干投資物業的建設及業務合併中獲得的設施。

財務狀況

本集團持續採取審慎的財務政策，其財務、資金運用和融資活動實行有效的中央管理及監察模式。本集團維持合理的資產負債水平及充足的流動資金。

於報告期末，本集團的債務總額（即借款、租賃負債及可換股貸款債務部份）為人民幣162.36億元，其中47.0%以美元計值、25.1%以港元計值、22.2%以人民幣計值、4.7%以澳元計值、0.8%以加元計值，而餘下0.2%則以其他貨幣計值。除了實際年利率為4.50%及5.53%並於2022年到期的約9,600萬美元未償還可轉換貸款外，本集團的借款之實際年利率介乎1.08%至7.60%，到期期間由一年內至多於五年不等。本集團的資產負債率仍處於44.4%的健康水平。

於報告期末，本集團的權益總額增至人民幣203.54億元。本集團的流動資產及流動負債分別為人民幣196.69億元及人民幣160.58億元。本集團的流動比率及速動比率從2019年12月31日的0.86及0.67分別上升至1.22及0.91。

董事會相信本集團可繼續從業務營運產生正向現金流。現金及銀行存款（包括受限制現金）為人民幣74.47億元，再加上尚未使用之銀行融資額度，董事會認為本集團擁有足夠的營運資金用於經營及未來發展。

期內，本集團並無任何重大外匯波動風險，亦無作任何對沖安排。

CHARGE ON ASSETS

At the end of the reporting period, the secured bank loans are secured by leasehold lands and buildings of subsidiaries, machineries and equipment of a subsidiary, investment property of a subsidiary, loan receivables of a subsidiary, concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary.

CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities.

HUMAN RESOURCES

At the end of the reporting period, the Group employed a total of approximately 16,300 employees including directors. Total staff costs were RMB1,373 million during the reporting period. The Group ensures that the remuneration packages for employees are determined based on their work performance, professional experience and the prevailing industry practice. Discretionary year-end bonus and shares award may be distributed to employees based on individual performance. Other benefits to employees include medical insurance, retirement scheme and training programmes.

SIGNIFICANT INVESTMENTS

INVESTMENT IN ASSOCIATES

Given the increasing trend in using aluminium profiles as major construction materials in the PRC, the Group acquired a 26.28% equity interest in Xingfa Aluminium Holdings Limited ("Xingfa Aluminium"), the issued shares of which is listed on the Stock Exchange, in 2018 at a consideration of HK\$974 million. Xingfa Aluminium is one of the leading aluminium profile manufacturers in China. The Group considers Xingfa Aluminium not only serves as a valuable investment with sustainable returns, but also as a good strategic investment. With extensive experience in the business of construction materials and industrial materials, Xingfa Aluminium has established various kinds of sales channels and a diverse customer base. The acquisition may create long-term commercial synergies with the Group's businesses to broaden its sales channels and expand its customer base, and enrich the Group's already comprehensive portfolio of products and services. This can facilitate the Group's business diversification and reinforce its market leadership. During the reporting period, Xingfa Aluminium recorded a revenue of RMB11,887 million, and profit attributable to the shareholders of Xingfa Aluminium was RMB765 million.

資產抵押

於報告期末，有抵押銀行貸款乃以附屬公司的租賃業權土地及樓宇、一間附屬公司的機器及設備、一間附屬公司的投資物業、一間附屬公司的應收借款、一間附屬公司的特許經營權及其一名股東的個人擔保。

或然負債

於報告期末，本集團概無任何重大或然負債。

人力資源

於報告期末，本集團共聘用約16,300名僱員，包括董事在內。報告期內的員工成本總額為人民幣13.73億元。本集團確保僱員薪酬乃根據其工作表現、專業經驗及現行行業慣例釐定，並可按照個人表現年底酌情向僱員發放花紅及股份獎勵。其他僱員福利包括醫療保險、退休計劃及培訓課程。

重大投資

投資聯營公司

有見中國使用鋁型材作為主要建築材料之趨勢日盛，本集團於2018年以9.74億港元代價入股興發鋁業控股有限公司（「興發鋁業」，其已發行股份於聯交所上市）26.28%權益。興發鋁業為中國領先鋁型材製造商之一，本集團認為興發鋁業不單是一項可創造持續回報的有價值投資，亦是本集團進行戰略投資的良機。由於興發鋁業在建築及工業材料業務擁有豐富經驗，因此已建立了不同的銷售管道及客戶群，可為本集團業務創造長期的商業協同效應，一方面擴闊本集團的銷售管道及增加客戶群，另一方面帶來更全面的產品及服務組合，推動多元化業務發展及有助鞏固本集團之市場領導地位。於報告期內，興發鋁業錄得收入為人民幣118.87億元，實現歸屬於興發鋁業股東之溢利為人民幣7.65億元。

SIGNIFICANT INVESTMENTS (Continued)**INVESTMENT PROPERTIES**

At the end of the reporting period, the Group's investment properties were approximately RMB6,974 million. Increase in investment properties was mainly attributable to the capitalisation of construction costs on certain investment properties under development and the translation difference during the reporting period.

Among these investment properties, the properties in Toronto, Canada, Long Island, US and Auburn district of Sydney are existing properties; the construction of first-phase projects in Thailand, Myanmar and Indonesia have completed; and other properties are under rezoning or at the planning stage of development.

FINANCIAL INVESTMENTS

As at 31 December 2020, the Group held long-term and short-term financial investments of approximately RMB2,681 million (2019: RMB1,771 million) and RMB25 million (2019: RMB8 million), respectively. The investment portfolio comprised of 77.4% in listed equity securities (issued by PRC-based companies of: home improvement and furnishings shopping malls operating, battery technology, chemical and property management), 2.0% in listed debt securities, 0.7% in stock funds and 19.9% in unlisted securities. Each of these investments has a carrying amount accounting to less than 5% of the Group's total assets as at 31 December 2020.

During the reporting period, the Group recognised a realised disposal gain of approximately RMB9 million, unrealised mark-to-market valuation gain of approximately RMB344 million due to volatility of the global capital market and recognised approximately RMB45 million of exchange loss on translation. Income from the portfolio amounted to approximately RMB65 million in the reporting period, representing dividend and interest incomes.

The Group will study the market and information of the prospective investees cautiously before it makes its investment decisions. The Group will also monitor the performance of its investees closely and regularly after purchases and will adjust the investment strategy in a cautious manner to minimise the impact of market volatility on the Group as and when necessary.

Save as disclosed above, the Group did not have any significant investments at the end of the reporting period.

重大投資(續)**投資物業**

於報告期末，本集團的投資物業為約人民幣69.74億元。報告期內的投資物業增加，主要歸因於報告期內若干發展中投資物業的建設成本資本化及匯兌影響所致。

投資物業裡，加拿大多倫多物業、美國長島物業及澳洲悉尼奧本物業是現有物業；泰國、緬甸及印度尼西亞的第一期工程建設已竣工；及其他物業正進行重新改劃或尚處於規劃發展階段。

金融投資

於2020年12月31日，本集團分別持有長期及短期金融投資約人民幣26.81億元(2019年：人民幣17.71億元)及人民幣2,500萬元(2019年：人民幣800萬元)。投資組合包括77.4%的上市股本證券(由位於中國的：家居裝飾及傢俱商場運營、電池科技、化工及物業管理公司發行)、2.0%的上市債務證券、0.7%的股票型基金及19.9%的非上市證券。該等各項投資的賬面值均低於本集團於2020年12月31日總資產的5%。

於報告期內，本集團確認約人民幣900萬元的已實現出售利益、因全球資本市場波動而產生約人民幣3.44億元的按市值估值的未實現利益及確認約人民幣4,500萬元的匯兌虧損。報告期內投資組合的收益為約人民幣6,500萬元，為股息及利息收益。

於作出投資決策前，本集團會審慎研究市場及潛在被投資方的資料。本集團會於購入後密切及定期監管被投資方的表現，並會審慎地調整投資策略，以期在必要時盡量減低市場波動對本集團的影響。

除上文所披露者外，於報告期末，本集團並無任何重大投資。

CORPORATE SOCIAL RESPONSIBILITY

ENVIRONMENT

Environmental protection is always a top priority of China Lesso, and the concepts of low carbon and environmental protection are integrated into its whole operational process. The Group has applied the ideas of going green and environmental protection throughout its product design, research and development, production and practical operations, and has adopted a variety of eco-friendly measures to minimise impact on the environment. On top of that, the Group supports the development of environmental protection industry and is committed to water treatment and modern agriculture construction, and has created a sustainable and eco-friendly industrial chain from environmental protection consultation, environmental assessment, design, construction and operation of environmental protection plans to financing support. In addition, the Group establishes a complete environmental management system, continues to improve criteria and measures concerning management of environmental protection, adopts a more simplified operating process and energy-efficient hardware to reduce consumption of energy and water resources, increases benefits from resource consumption, reduces wastes emissions and enhances recycling.

The Group complies with laws and regulations governing air pollution, noise emission, solid waste discharge, and other environmental protection issues in China. The environmental management and compliance department work together with the legal department to ensure the Group will keep abreast of the latest development on environment-related laws and regulations.

COMMUNITY ENGAGEMENT

China Lesso takes an active part in community investment and public welfare and provides care for underprivileged groups in the society, aiming to apply its influence, bring positive changes to the communities where it operates, and maintain sound relations with the communities where it operates. Further, the Group actively supports the development of education in poverty-stricken areas and encourages its employees to serve the community as volunteers.

企業社會責任

環境

中國聯塑一直以來注重環境保護工作，將低碳環保的理念融入運營實踐全過程。本集團將綠色環保理念貫穿於產品的設計、研發以及生產中，並採取多項環保措施以降低對環境的影響。本集團亦支持發展環保產業，致力於水體整治與現代農業建設，打造一條從項目諮詢、環境監測、環保方案設計、施工營運服務到融資支援的可持續發展生態環保產業鏈。此外，本集團建立完善的環境管理體系，不斷改進環保管理規範及措施，推廣精簡的運作流程和節能硬件，以減少能源及水資源使用量、提升資源使用效益、降低廢棄物排放並提升循環利用率。

本集團遵循國家制定的包括在空氣污染、噪聲污染與固體廢棄物排放方面的環保法律法規。本集團的環境管理與合規部門和法律部門合作，確保本集團符合最新的環保方面法律法規的要求。

社區投入

中國聯塑積極參與社區投資和社會公益，關愛社會弱勢群體，注重在集團所在的社區發揮影響力，為社區帶來積極正面的影響，並與所在社區建立良好關係。此外，本集團亦積極支持貧困地區的教育事業發展，鼓勵員工加入到社區服務和志願者工作。

CORPORATE SOCIAL RESPONSIBILITY (Continued)

EMPLOYEE

China Lesso recognises employees as one of its most important assets. In strict compliance with the applicable laws and regulations, the Group protects the legitimate rights and interests of its employees and fixes on its pay system based on the principles of legality, equity, fairness and encouragement so as to ensure an equal access to fair treatment and career opportunities. In addition, the Group has formulated its own health and safety policies, intensified safety training for employees, carried out routine safety patrols and actively pushed forward with relevant management system building for the purpose of creating a safe working environment for its employees, achieving a work-life balance for its employees through diverse activities.

With great emphasis on career development of its employees, the Group is committed to creating diversified and comprehensive development channels for its employees by offering a series of training programs and regular lectures on safety and health through its own Lesso College.

CUSTOMER AND SUPPLIER

China Lesso has strived to maintain uninterrupted communications with its suppliers for win-win results based on the procurement principles of fairness, openness and impartiality. The Group has put in place a "Supplier Management System" and conducts regular performance evaluation of its suppliers. The Group has formulated a management system, a reporting process and set up a management team against malpractices in an effort to oversee behaviour of all its employees and protect the interests and rights of the Company and its shareholders. With respect to customer services and management, the Group upholds the "market-oriented, customer-centred" principle and adopts strict control over product quality. The Group is committed to providing its customers with safe, reliable and quality products.

企業社會責任(續)

員工

中國聯塑視員工為重要的資產。本集團嚴格遵守相關法律法規，依法保護員工權益，並以合法、合理、公平、激勵的原則制定薪酬管理制度，確保員工擁有公平的待遇和均等的工作機會。本集團亦為員工制定健康與安全政策，致力加強員工安全培訓，並對生產工作進行日常安全巡查，積極推進管理體系建設，為員工提供安全的工作環境，以及通過多元化的活動達到員工工作與生活的平衡。

此外，本集團重視員工發展，並設立聯塑學院為各類員工提供一系列的培訓課程和定期舉辦安全健康講座，致力於為員工提供多元化及全面的發展通道。

客戶與供應商

中國聯塑重視與供應商保持持續溝通，建立協作共贏的關係，堅持公平公開公正的採購原則。本集團設有《供應商管理制度》，並定期與供應商進行績效評估。本集團制定反舞弊管理制度、設立舞弊舉報管理流程及成立反舞弊管理小組，負責規範所有員工的行為，致力維護本公司和股東權益。在客戶服務和管理方面，本集團始終堅持「以市場為導向、以客戶為中心」的服務宗旨，嚴格把控產品質量，致力於為客戶提供安全可靠的優質產品。

DIRECTORS' REPORT

董事會報告

Set out below is the report presented by the Board together with the Group's audited consolidated financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The activities of the principal subsidiaries, associates and joint ventures are set out in notes 44, 17 and 18 respectively to consolidated financial statements. Further discussion and analysis of these activities, including a discussion of the principal risks and uncertainties facing by the Group and an indication of likely future developments in the Group's business, the Group's environmental policies can be found in the "Chairman's Statement", "Corporate Governance Report" and "Management Discussion and Analysis". This discussion forms part of the Directors' Report.

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2020 and the Group's financial position at that date are set out in the consolidated financial statements on pages 82 to 213.

The Board recommended the payment of a final dividend of HK38 cents per share for the year ended 31 December 2020 (the "Proposed Final Dividend") to the Shareholders whose names appear on the register of members of the Company on Friday, 25 June 2021, subject to the Shareholders' approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 15 June 2021 (the "2021 AGM"). It is expected that the Proposed Final Dividend will be paid on Monday, 19 July 2021.

Including the interim dividend of HK12 cents per share (2019: HK12 cents per share) for the six months ended 30 June 2020 which was paid to the Shareholders on 28 September 2020, the total dividend for 2020 amounts to a total of HK50 cents per share (2019: HK40 cents per share), which represents a payout ratio of 34.8% (2019: 36.8%) of the profit attributable to the Shareholders for the year ended 31 December 2020.

以下為董事會提呈的報告連同本集團截至2020年12月31日止年度的經審核綜合財務報表。

主要業務及業務回顧

本公司的主要業務為投資控股。其主要附屬公司、聯營公司及合營企業的業務詳情分別載於綜合財務報表附註44、17及18。有關此等業務之進一步討論及分析(包括有關本集團所面臨主要風險及不明朗因素之討論、本集團業務未來可能發展之指引以及本集團環境政策)可於「主席報告書」、「企業管治報告」及「管理層討論及分析」中查閱。此討論構成董事會報告之一部分。

業績及分配

本集團截至2020年12月31日止年度的溢利及本集團於該日的財務狀況載於第82至213頁的綜合財務報表內。

董事會建議向2021年6月25日(星期五)名列本公司股東名冊的股東派付截至2020年12月31日止年度的末期股息每股38港仙(「擬派末期股息」)，惟須待股東於本公司2021年6月15日(星期二)即將舉行的股東週年大會(「2021年股東週年大會」)批准方可作實。預期擬派末期股息將於2021年7月19日(星期一)支付。

經計及於2020年9月28日向股東派付截至2020年6月30日止六個月的中期股息每股12港仙(2019年：每股12港仙)後，2020年的總股息合共為每股50港仙(2019年：每股40港仙)，派息比率為截至2020年12月31日止年度股東應佔溢利的34.8%(2019年：36.8%)。

CLOSURE OF REGISTER OF MEMBERS

(A) FOR DETERMINING THE ENTITLEMENT TO ATTEND AND VOTE AT THE 2021 AGM

The register of members of the Company will be closed from Thursday, 10 June 2021 to Tuesday, 15 June 2021, both dates inclusive, during this period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2021 AGM, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 9 June 2021.

(B) FOR DETERMINING THE ENTITLEMENT TO THE PROPOSED FINAL DIVIDEND

The register of members of the Company will be closed from Wednesday, 23 June 2021 to Friday, 25 June 2021, both dates inclusive, during this period no transfer of shares of the Company will be registered. In order to be eligible to receive the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 22 June 2021.

CORPORATE GOVERNANCE AND PERMITTED INDEMNITY PROVISION

Principal corporate governance practices and permitted indemnity provision adopted by the Company are set out in the Corporate Governance Report on pages 16 to 42.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the past five financial years, as extracted from audited consolidated financial statements and restated/reclassified as appropriate, is set out on page 3. The summary does not form part of the audited consolidated financial statements.

暫停辦理股份過戶登記手續

(A) 確定出席2021年股東週年大會並於會上投票的資格

本公司股東名冊將於2021年6月10日(星期四)至2021年6月15日(星期二)(包括首尾兩天)暫停登記, 這期間不會辦理本公司股份過戶登記手續。為取得出席2021年股東週年大會並於會上投票的資格, 本公司股份的未登記持有人須確保不遲於2021年6月9日(星期三)下午4時30分向本公司股份過戶登記分處 — 香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室) — 遞交所有股份過戶表格連同相關股票辦理登記。

(B) 確定收取擬派末期股息的資格

本公司股東名冊將於2021年6月23日(星期三)至2021年6月25日(星期五)(包括首尾兩天)暫停登記, 這期間不會辦理本公司股份過戶登記手續。為取得收取擬派末期股息的資格, 本公司股份的未登記持有人須確保不遲於2021年6月22日(星期二)下午4時30分向本公司股份過戶登記分處 — 香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室) — 遞交所有股份過戶表格連同相關股票辦理登記。

企業管治及獲准許彌償條文

本公司採納的主要企業管治常規及獲准許彌償條文刊載於第16至42頁的企業管治報告內。

財務概要

本集團過去五個財政年度的業績、資產及負債的概要載於第3頁, 乃摘錄自經審核綜合財務報表, 並於適當情況下重列/重新分類。該概要並不構成經審核財務報表其中部分。

PROPERTIES

Particulars of the Group's major properties are set out on pages 214 to 217.

SHARE CAPITAL

The details of the changes in the Company's share capital during the year are set out in note 34 to consolidated financial statements.

ACQUISITION OF SUBSIDIARIES

The details of acquisition of subsidiaries are set out in note 37 to consolidated financial statements.

DISTRIBUTABLE RESERVE

As at 31 December 2020, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB3,233 million (2019: RMB2,935 million). The amount of RMB1,906 million (2019: RMB1,906 million) represented the Company's share premium which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2020, the total turnover attributable to the Group's five largest customers was less than 3.1% of the Group's total turnover. The total purchase attributable to the Group's five largest suppliers was 39.5% of the Group's total purchases and the purchases from the largest supplier included therein amounted to 27.7%.

At no time during the year did the directors, their close associates or any Shareholder (which to the knowledge of the directors own more than 5% of the Company's issued share capital) had any beneficial interests in these suppliers or customers referred to above.

CHARITABLE DONATIONS

During the year, the Group's charitable donations were approximately RMB11.08 million (2019: RMB7.48 million).

物業

本集團主要物業的詳情載於第214至217頁。

股本

本公司於年內的股本變動詳情載於綜合財務報表附註34。

收購附屬公司

收購附屬公司詳情載於綜合財務報表附註37。

可供分派儲備

於2020年12月31日，根據開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)計算的本公司可供分派儲備為人民幣32.33億元(2019年：人民幣29.35億元)。為數人民幣19.06億元(2019年：人民幣19.06億元)的款項指本公司可予分派的股份溢價，惟於緊隨建議派發股息之日，本公司將能夠償還日常業務範圍內的到期債務。

主要客戶及供應商

截至2020年12月31日止年度，本集團五大客戶應佔的總營業額少於本集團總營業額的3.1%。本集團五大供應商應佔的總購貨額是本集團總購貨額的39.5%，其中，最大供應商的購貨額佔27.7%。

於本年度內任何時間，董事、其緊密聯繫人或據董事所知任何擁有本公司已發行股本逾5%的股東概無於上述供應商或客戶中擁有任何實益權益。

慈善捐款

年內，本集團的慈善捐款約為人民幣1,108萬元(2019年：人民幣748萬元)。

TAX RELIEF AND EXEMPTION

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

PRE-EMPTIVE RIGHTS

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

DIRECTORS

Directors in office during the year and up to the date of this report are as follows:

EXECUTIVE DIRECTORS

Mr. Wong Luen Hei (*Chairman*)
 Mr. Zuo Manlun (*Chief executive*)
 Ms. Zuo Xiaoping
 Mr. Lai Zhiqiang
 Mr. Kong Zhaocong
 Mr. Chen Guonan
 Dr. Lin Shaoquan
 Mr. Huang Guirong
 Mr. Luo Jianfeng
 Mr. Lin Dewei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kwok Ho Jonathan
 Ms. Lan Fang
 Dr. Tao Zhigang
 Mr. Cheng Dickson
 Ms. Lu Jiandong (appointed on 1 September 2020)
 Mr. Cheung Man Yu (resigned on 1 September 2020)

Pursuant to Article 16.2 of the articles of association of the Company, Ms. Lu Jiandong shall retire from office at the 2021 AGM and, being eligible, offer herself for re-election.

Pursuant to Article 16.18 of the articles of association of the Company, Mr. Luo Jianfeng, Mr. Lin Dewei, Ms. Lan Fang and Dr. Tao Zhigang are subject to retirement by rotation at the 2020 AGM and, being eligible, offer themselves for re-election.

Biographical details of directors are set out on pages 9 to 14.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the 2021 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

稅務減免及豁免

董事並不知悉任何股東因持有本公司的證券而可享有任何稅務減免及豁免。

優先購買權

本公司的組織章程細則或開曼群島的法例並無有關本公司須按比例向現有股東發售新股份的優先購買權規定。

董事

於年內並截至本報告日期止在任的董事如下：

執行董事

黃聯禧先生 (*主席*)
 左滿倫先生 (*行政總裁*)
 左笑萍女士
 賴志強先生
 孔兆聰先生
 陳國南先生
 林少全博士
 黃貴榮先生
 羅建峰先生
 林德緯先生

獨立非執行董事

王國豪先生
 蘭芳女士
 陶志剛博士
 鄭迪舜先生
 呂建東女士 (於2020年9月1日獲委任)
 張文宇先生 (於2020年9月1日辭任)

根據本公司的組織章程細則第16.2條，呂建東女士須於2021年股東週年大會上告退，惟她合資格並願膺選連任。

根據本公司的組織章程細則第16.18條，羅建峰先生、林德緯先生、蘭芳女士和陶志剛博士須於2020年股東週年大會上輪席告退，惟合資格並願膺選連任。

董事履歷刊載於第9至14頁。

董事服務合約

擬於2021年股東週年大會膺選連任的董事概無與本集團訂立不可於一年內由本集團終止而毋須支付賠償(法定賠償除外)的服務合約。

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

董事及行政總裁於股份、相關股份及債權證的權益及淡倉

As at 31 December 2020, the interests and short positions of the directors and the chief executive 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 SFO) as recorded in the register to be 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 were as follows:

於2020年12月31日，本公司董事及行政總裁於本公司或其任何相聯法團（證券及期貨條例第XV部內的定義）的股份、相關股份及債權證中擁有根據證券及期貨條例第352條須於本公司存置的登記冊中記錄，或根據標準守則須通知本公司及聯交所的權益及淡倉如下：

Number and capacity of shares of the Company interested ^(a) 本公司權益股份數目及性質 ^(a)					
Name	Beneficial owner	Interests of spouse	Other interests	Total	Percentage of the issued share capital of the Company 佔本公司已發行股本的百分比
姓名	實益擁有人	配偶權益	其他權益	總數	
Wong Luen Hei 黃聯禧	–	2,308,000 (L) ^(c)	2,122,485,000 (L) ^{(b) (d)}	2,124,793,000 (L)	68.49%
Zuo Xiaoping 左笑萍	2,308,000 (L) ^(c)	–	2,122,485,000 (L) ^{(b) (d)}	2,124,793,000 (L)	68.49%
Zuo Manlun 左滿倫	4,642,000 (L)	–	–	4,642,000 (L)	0.15%
Luo Jianfeng 羅建峰	1,927,000 (L)	–	–	1,927,000 (L)	0.06%

Note:

附註：

(a) The letter "L" denotes the person's long position in such securities.

(a) 字母「L」指該人士於該等證券的好倉。

(b) These shares of the Company are held by New Fortune, which was wholly-owned by Xi Xi Development and ultimately owned by UBS Trustees (B.V.I.) Limited, as trustee of a discretionary trust (the "Trust"), the settlor of which is Mr. Wong Luen Hei ("Mr. Wong"). The discretionary beneficiaries of the Trust included Mr. Wong and his family members. Both Mr. Wong and Ms. Zuo Xiaoping are taken to be interested in the said shares of the Company held by the Trust under the SFO.

(b) 該等本公司股份由新福星所持有。該公司由西溪發展全資擁有，並最終由UBS Trustees (B.V.I.) Limited作為一項全權信託（「該信託」，黃聯禧先生（「黃先生」）為其財產授予人）的信託人所擁有。該信託的全權信託受益人包括黃先生及其家族成員。根據證券及期貨條例，黃先生及左笑萍女士被視為於該信託所持有的上述本公司股份中擁有權益。

(c) Ms. Zuo Xiaoping is directly holding 2,308,000 shares of the Company. Mr. Wong is the spouse of Ms. Zuo Xiaoping, and therefore Mr. Wong is deemed to be interested in such shares of the Company in which Ms. Zuo Xiaoping is interested by virtue of the SFO.

(c) 左笑萍女士直接持有本公司的2,308,000股股份。黃先生為左笑萍女士的配偶，因此根據證券及期貨條例，黃先生被視為於左笑萍女士於其中擁有權益的該等本公司股份中擁有權益。

(d) These shares related to the same block of shares in the Company as set out in note (b) above.

(d) 該等股份實指上文附註(b)所述的同一本公司股份權益。

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

(Continued)

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

INTERESTS AND SHORT POSITIONS OF OTHER SHAREHOLDERS PURSUANT TO SFO

As at 31 December 2020, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholders	Capacity	Number of issued ordinary shares held ^(a)	Percentage of the issued share capital of the Company
股東名稱	身份	持有的已發行普通股數目 ^(a)	佔本公司已發行股本的百分比
UBS Trustees (B.V.I.) Limited	Trustee	2,122,485,000 (L) ^(b)	68.41%
UBS Trustees (B.V.I.) Limited	信託人		
Xi Xi Development	Interests of controlled corporation	2,122,485,000 (L) ^(b)	68.41%
西溪發展	受控法團權益		
New Fortune	Beneficial owner	2,122,485,000 (L) ^(b)	68.41%
新富星	實益擁有人		

Note:

- (a) The letter "L" denotes the person's long position in such securities.
- (b) These shares relate to the same block of shares in the Company as those set out in note (b) in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above.

Save as disclosed above, as at 31 December 2020, the directors of the Company were not aware of any person or corporation (other than the directors and chief executive of the Company) who had any interests or short positions in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

董事及行政總裁於股份、相關股份及債權證的權益及淡倉(續)

除上文所披露者外，於2020年12月31日，本公司董事或行政總裁概無於本公司或其任何相聯法團的任何股份、相關股份及債權證中擁有任何根據證券及期貨條例第352條須於登記冊中記錄，或根據標準守則須通知本公司及聯交所的權益或淡倉。

根據證券及期貨條例其他股東的權益及淡倉

於2020年12月31日，於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊中記錄的權益或淡倉的人士(本公司董事及行政總裁除外)如下：

附註：

- (a) 字母「L」指該人士於該等證券的好倉。
- (b) 該等股份實指上文「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」一節附註(b)所述的同一本公司股份權益。

除上文所披露者外，於2020年12月31日，本公司董事概不知悉任何人士或法團(本公司董事及行政總裁除外)於本公司任何股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊記錄的任何權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the reporting period.

SHARE AWARD SCHEME

On 28 August 2018, the Company adopted a share award scheme (the "Scheme") to recognise the contributions by certain eligible persons to the Group and to offer suitable incentives to attract and retain targeted talent and personnel for the continual operation and future development of the Group. On 29 November 2018, a trust deed (the "Trust Deed") was entered into between the Company as settlor and Computershare Hong Kong Trustees Limited as trustee (the "Trustee") in relation to the establishment of a trust (the "Trust"). Pursuant to the rules of the Scheme, Shares will be purchased by the Trustee from the open market out of cash contributed by the Company, and shall not exceed HK\$750 million and be held on trust for the selected participants until such Shares are vested with the relevant selected participants in accordance with the rules of the Scheme. The Scheme is a discretionary scheme of the Company and shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules. The Scheme will remain in force for a period of 10 years since the date of adoption of the Scheme. Early termination of the Scheme may be elected by the Board, provided that such termination shall not affect any subsisting rights of any selected participants. For details, please refer to the announcement made by the Company on 28 August 2018. Since the date of adoption of the Scheme and up to the date of this report, no shares have been awarded under the Scheme. As at 31 December 2020, there were 22,991,000 shares held in the Trust under the Scheme.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was conditionally approved by resolutions of the Shareholders on 14 May 2010 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations and the summary of terms of such Share Option Scheme are disclosed in the Company's prospectus dated 9 June 2010. No share options have been granted under the Share Option Scheme since its adoption. The share option scheme was expired during the reporting period.

購買、出售或贖回上市證券

本公司或其任何附屬公司於報告期內概無購買、出售或贖回任何本公司的上市證券。

股份獎勵計劃

於2018年8月28日，本公司採納股份獎勵計劃（「該計劃」），以肯定若干合資格人士對本集團所作出的貢獻及給予適當激勵，藉此吸引及挽留目標人才及人員促進本集團的持續經營及未來發展。於2018年11月29日，本公司（作為財產授予人）與香港中央證券信託有限公司（作為信託人，「信託人」）就設立信託（「信託」）訂立信託契據（「信託契據」）。根據該計劃的規則，信託人將以本公司出資的現金自公開市場購入不超過7.50億港元的股份，並以信託形式代選定參與人持有，直至有關股份根據該計劃的規則歸屬於相關選定參與人為止。該計劃屬本公司的酌情計劃，並由董事會及信託人根據該計劃的規則及信託契據進行管理。該計劃並不構成上市規則第17章所界定的購股權計劃。該計劃將自採納該計劃當日起10年期間維持有效。董事會可選擇提早終止該計劃，惟有關終止不得影響任何選定參與人的任何存續權利。有關詳情請參閱本公司於2018年8月28日作出的公告。自採納該計劃當日起及截至本報告日期止，並無根據該計劃授出股份。於2020年12月31日，根據該計劃以信託形式持有22,991,000股股份。

購股權計劃

股東於2010年5月14日決議有條件批准一項購股權計劃（「購股權計劃」），旨在激勵及獎勵為本集團成功營運作出貢獻的合資格參與者，而該項購股權計劃的條款摘要於本公司日期為2010年6月9日的招股章程內披露。本公司自採納購股權計劃以來並無根據該計劃授出購股權。購股權計劃於報告期內結束。

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under paragraph headed "Connected Transactions", no transaction, arrangement or contract of significance to which the Company, its holding company and any of its subsidiaries was a party and in which a director of the Company or an entity connected with him had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETE UNDERTAKINGS FROM CONTROLLING SHAREHOLDER

None of the directors or substantial shareholder of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group. New Fortune (the "Controlling Shareholder", being a company holding approximately 68.41% of the issued share capital of the Company, and is ultimately held by the trust the founder of which is Mr. Wong Luen Hei, and the beneficiaries of which include Mr. Wong Luen Hei and his family) has entered into a deed of non-competition in favour of the Group with Mr. Wong Luen Hei dated 14 May 2010 (the "Deed of Non-Competition").

The directors are of the view that the Group's measures adopted by the Company in respect of the enforceability of the Deed of Non-Competition are adequate to safeguard the effectiveness of the non-competition undertakings. The independent non-executive directors have reviewed the compliance of the Deed of Non-Competition. Based on the confirmation from the Controlling Shareholder, the independent non-executive directors are of the view that the Deed of Non-Competition has been complied with and has been effectively enforced.

董事購買股份或債權證的安排

於年內任何時間，概無向任何本公司董事或彼等各自的配偶或未成年子女授出透過收購本公司股份或債權證而獲益的權利，亦無該等權利獲彼等行使，本公司、其控股公司或其任何附屬公司並無參與訂立任何安排讓本公司董事可透過收購本公司或任何其他法團的股份或債務證券(包括債權證)而獲利。

董事於重大合約的權益

除「關連交易」一段所披露者外，本公司、其控股公司或其任何附屬公司概無參與訂立任何由本公司董事或由其有關聯的實體直接或間接擁有重大權益且於年終或於年內任何時間仍然有效的交易、安排或重大合約。

遵守及執行控股股東的不競爭承諾

概無本公司董事或主要股東或任何彼等各自的聯繫人從事任何與本集團業務競爭或可能競爭的業務。新福星(「控股股東」，為持有本公司已發行股本約68.41%的公司，其由信託最終持有，而該信託的創辦人為黃聯禧先生，受益人包括黃聯禧先生及其家族)及黃聯禧先生已於2010年5月14日訂立以本集團為受益人的不競爭契據(「不競爭契據」)。

董事認為本公司所採納本集團有關執行不競爭契據的措施已足夠保障不競爭承諾的效力。獨立非執行董事已審閱不競爭契據的遵守情況。根據控股股東的確認函，獨立非執行董事認為不競爭契據已獲遵守及有效執行。

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

(A) On 6 May 2019, the Company as guarantor and its wholly-owned subsidiary as borrower entered into a facility agreement (the "Convertible Loan Facilities Agreement") in relation to convertible loan facilities in the aggregate amount of US\$100 million at an interest rate of 3% per annum with the lender. The final maturity date in respect of each facility is the date which is 36 months after the date of the utilisation of that facility.

Pursuant to the Convertible Loan Facilities Agreement, it is required that as at the date of the Convertible Loan Facilities Agreement, the date of each utilisation request and the first day of each interest period with respect to the relevant facility, (i) the Wong Family must beneficially own (whether directly or indirectly) in aggregate at least 51% of the issued share capital of the Company and such share capital cannot be subject to any security or quasi-security, and (ii) the Company must beneficially own, directly or indirectly, at least 51% of the total number of issued shares of the borrower. Otherwise, a failure to do so will be deemed an event of default under the Convertible Loan Facilities Agreement.

(B) On 30 July 2019, the Company as guarantor and its wholly-owned subsidiary as borrower entered into a facility agreement (the "Facility Agreement") in relation to dual currency syndicated term loan and revolving credit facilities in the equivalent amount of US\$900 million at an interest rate of LIBOR/HIBOR plus 1.60% per annum with syndicate lenders. The final maturity date under the Facility Agreement is the date falling 48 months after the first utilisation date.

On 23 October 2019, a syndication and amendment agreement (the "Syndication and Amendment Agreement") in relation to the Facility Agreement was entered into by, among others, the guarantor and the borrower. Subject to the terms and conditions of the Syndication and Amendment Agreement, the number of syndicate lenders will be increased and the total commitment under the facilities will be increased to the equivalent amount of US\$1,100 million. Save for the aforesaid amendment and supplement, all other major terms of the Facility Agreement remain in full force and effect.

Pursuant to the Facility Agreement (as amended by the Syndication and Amendment Agreement), the Wong Family shall collectively maintain, directly or indirectly, at least 51% of beneficial shareholding interest in the issued share capital of the Company, carrying at least 51% of the voting rights, free from any security. Otherwise, a failure to do so will be deemed an event of default under the Facility Agreement.

根據上市規則第13.18條及第13.21條作出的披露

(A) 於2019年5月6日，本公司(作為擔保人)及其全資附屬公司(作為借款人)訂立一項1億美元，年利率為3%的可換股貸款融資協議(「可換股貸款融資協議」)。就各項融資的最後到期日而言，為該融資提取日期後36個月的日期。

根據可換股貸款融資協議規定，於可換股貸款融資協議日期、就相關融資的各提款要求日期及各利息期首日，(i)黃氏家族須(直接或間接)實益持有本公司已發行股本合共最少51%，且有關股本不得受任何抵押或準抵押限制，及(ii)本公司須(直接或間接)實益擁有借款人已發行股份總數之最少51%。否則，將被視為可換股貸款融資協議項下的違約事件。

(B) 於2019年7月30日，本公司(作為擔保人)及其全資附屬公司(作為借款人)與銀團貸款人訂立一項相當於9億美元，年利率為倫敦銀行同業拆息／香港銀行同業拆息加1.60%的雙幣銀團定期貸款及循環信貸融資之融資協議(「融資協議」)。融資協議項下的最後到期日為首次動用當日48個月後的日期。

於2019年10月23日，有關融資協議的銀團及修訂協議(「銀團及修訂協議」)由(其中包括)擔保人與借款人訂立。根據銀團及修訂協議的條款及條件，銀團貸款人數目將增加，而該融資之總承擔將增至相當於11.00美億元。除上述修訂及補充外，融資協議之所有其他主要條款均維持十足效力及有效。

根據融資協議(經銀團及修訂協議修訂)，黃氏家族須共同直接或間接擁有(且並無抵押)本公司已發行股本最少51%實益股權(佔最少51%的表決權)。否則，將被視為融資協議項下的違約事件。

CONNECTED TRANSACTIONS

For the year ended 31 December 2020, certain of the related party transactions as disclosed in note 40 to consolidated financial statements also constitute connected transactions or continuing connected transactions within the meaning of the Listing Rules and satisfied relevant disclosure requirements thereof. Details of the non-exempt connected transactions or continuing connected transactions are summarised below:

(A) PURCHASE OF MACHINERY

Background: On 29 December 2017, the Company entered into a framework machinery purchase agreement (the "Framework Agreement") with Guangdong Liansu Machinery for 3 years commencing from 1 January 2018 and ending on 31 December 2020. For details, please refer to the announcement made by the Company on 29 December 2017.

Particulars of the Framework Agreement are disclosed below as required under the Listing Rules:

Nature of transactions: Purchase of machinery from Guangdong Liansu Machinery.

Terms: The purchase price to be agreed between the parties which shall not exceed the prevailing market price.

Annual Cap: RMB150 million (for the year ended 31 December 2020)

Total consideration paid for the year: RMB148 million

關連交易

截至2020年12月31日止年度，綜合財務報表附註40披露的若干關聯人士交易亦構成符合上市規則定義的關連交易或持續關連交易，並符合相關的披露要求。不獲豁免關連交易或持續關連交易詳情概述如下：

(A) 購買機器

背景： 於2017年12月29日，本公司與廣東聯塑機器訂立框架機器採購協議（「框架協議」），自2018年1月1日起至2020年12月31日止為期3年。有關詳情，請參閱本公司於2017年12月29日所作的公告。

框架協議的細節已根據上市規則規定披露如下：

交易性質： 向廣東聯塑機器採購機器。

條款： 訂約方將協定的採購價不得超過當前市價。

年度上限： 人民幣1.50億元（截至2020年12月31日止年度）

本年度支付總代價： 人民幣1.48億元

CONNECTED TRANSACTIONS (Continued)**(B) ACQUISITION OF A SUBSIDIARY**

On 5 November 2020, Guangzhou KingHing Construction Technology Ltd. (the "Purchaser") (a non wholly-owned subsidiary of the Company) entered into the sale and purchase agreement with the vendors (comprising (i) Foshan Star Excel Property Development Co., Ltd. (a company indirectly wholly-owned by Mr. Wong Luen Hei (the chairman of the Company, an executive Director and the controlling Shareholder)), (ii) Mr. Lin Dewei, an executive Director of the Company and (iii) Mr. Huang Zhuoxing, a director and supervisor of certain insignificant subsidiaries of the Group) (collectively, the "Vendors") and Guangdong Lingsheng Prefabricated Building Technology Co., Ltd. (the "Target Company"), pursuant to which the Vendors have agreed to sell, and the Purchaser has agreed to acquire, 55% equity interest of the Target Company for an aggregate consideration of approximately RMB39 million. At the end of the reporting period, the Target Company has become a non wholly-owned subsidiary of the Company. For details, please refer to the announcements made by the Company on 5 and 6 November 2020.

(C) RENEWAL OF EXISTING CONNECTED TRANSACTIONS**Purchase of Machinery**

As the Framework Agreement as set out in section (A) above, will expire on 31 December 2020. On 28 December 2020, the Company entered into the new machinery purchase agreement with Guangdong Liansu Machinery in relation to the possible purchase of machinery by the Group from Guangdong Liansu Machinery for 3 years commencing from 1 January 2021 and ending on 31 December 2023, at a price not exceeding the price offered to the Group by any independent third parties. The annual machinery purchase caps for the years ending 31 December 2021, 31 December 2022 and 31 December 2023, shall not exceed RMB190 million, RMB220 million and RMB250 million respectively. For details, please refer to the announcement made by the Company on 28 December 2020.

The Company has followed the pricing policies and guidelines when determining the price and terms of the connected transactions during the year. The Company confirms that it has complied with the disclosure requirements in accordance with chapter 14A of the Listing Rules.

關連交易(續)**(B) 附屬公司之收購**

於2020年11月5日，廣州景興建築科技有限公司(「買方」)(本公司之非全資附屬公司)與賣方(包括(i)佛山市星俊置業發展有限公司(由本公司主席、執行董事及控股股東黃聯禧先生間接全資擁有的公司)、(ii)林德緯先生(本公司執行董事)以及(iii)黃卓興先生(本集團若干非重大附屬公司董事兼監事))(統稱「賣方」)及廣東領盛裝配式建築科技有限公司(「目標公司」)訂立買賣協議，據此，賣方同意出售且買方同意收購目標公司之55%股本權益，總代價為約人民幣3,900萬元。於報告期末，目標公司已成為本公司之非全資附屬公司。有關詳情，請參閱本公司於2020年11月5日及6日所作之公告。

(C) 重續現有持續關連交易**購買機器**

由於上文第(A)節所述的框架協議將於2020年12月31日屆滿。於2020年12月28日，本公司與廣東聯塑機器訂立新機器採購協議，內容有關於自2021年1月1日起至2023年12月31日止為期3年，本集團可能向廣東聯塑機器採購機器，而價格不會超過任何獨立第三方向本集團所提供之價格。截至2021年12月31日、2022年12月31日及2023年12月31日止年度的機器採購年度上限分別不得超過人民幣1.9億元、人民幣2.2億元及人民幣2.5億元。有關詳情，請參閱本公司於2020年12月28日所作之公告。

年內，本公司於釐定關連交易的價格及條款時已遵從定價政策及指引。本公司確認其已遵守根據上市規則第14A章的披露規定。

CONNECTED TRANSACTIONS (Continued)

The independent non-executive directors have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed all continuing connected transactions and have confirmed that all continuing connected transactions have been entered into by the Group (i) in the ordinary and usual course of its business; (ii) on normal commercial terms; and (iii) in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. The Company provided a copy of the said letter to the Stock Exchange.

RELATED PARTY TRANSACTIONS

The details of the related party transactions are set out in note 40 to consolidated financial statements.

PUBLIC FLOAT

Based on the publicly available information obtained by the Company and to the best knowledge of the directors, as at the date of this report, the Company has maintained sufficient public float required under in the Listing Rules.

AUDITOR

A resolution will be submitted to the 2021 AGM to re-appoint Ernst & Young as auditor of the Company.

By order of the Board

Zuo Manlun
Chief Executive and Director

Hong Kong, 29 March 2021

關連交易 (續)

獨立非執行董事已就上市規則第14A.55條審閱所有持續關連交易，並確認本集團的所有持續關連交易(i)是於一般及日常業務過程；(ii)按正常商業條款；及(iii)根據規管該等交易的協議條款訂立，屬公平合理且符合股東的整體利益。

本公司的核數師獲聘遵照香港會計師公會發出的香港核證聘用準則3000(經修訂)歷史財務資料審計或審閱以外的核證聘用，並參照實務說明第740號關於香港上市規則所述持續關連交易的核數師函件，就本集團的持續關連交易作出匯報。本公司的核數師已根據上市規則第14A.56條發出載有本集團上述披露的持續關連交易的核證結果及結論的無保留意見函件。本公司已將該函件副本呈交聯交所。

關聯人士交易

關聯人士交易的詳情載於綜合財務報表附註40。

公眾持股量

根據本公司以公開途徑取得的資料及據董事所深知，於本報告日期，本公司一直維持上市規則所訂明的充足公眾持股量。

核數師

本公司將於2021年股東週年大會上提呈決議案，以續聘安永會計師事務所為本公司的核數師。

承董事會命

行政總裁兼董事
左滿倫

香港，2021年3月29日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the shareholders of China Lesso Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Lesso Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 82 to 213, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We 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.

致中國聯塑集團控股有限公司股東
(於開曼群島註冊成立的有限責任公司)

意見

我們已審核列載於第82至213頁的中國聯塑集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於2020年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於2020年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基準

我們已根據香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。這些事項是在對綜合財務報表整體進行審核並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審核中是如何應對的描述也以此為背景。

我們已經履行了本報告「核數師就審核綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審核事項相關的責任。相應地，我們的審核工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審核程序。我們執行審核程序的結果，包括應對下述關鍵審核事項所執行的程序，為綜合財務報表整體發表審核意見提供了基礎。

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 如何應對關鍵審核事項
<p><i>Provision for impairment of trade and bills receivables and loan receivables</i> 貿易應收款項及票據和應收借款的減值撥備</p>	
<p>At 31 December 2020, the Group had trade and bills receivables of RMB3,850,194,000, net of provision for impairment of RMB263,527,000, and loan receivables of RMB1,014,650,000, net of provision for impairment of RMB207,745,000, which in aggregate accounted for 10.46% of the total assets. The assessment of impairment of such trade and bills receivables and loan receivables was considered to be a matter of most significance as it required the application of judgement and use of subjective assumptions by management.</p> <p>於2020年12月31日，貴集團的貿易應收款項及票據賬面值為人民幣3,850,194,000元，該賬面值為扣除減值撥備人民幣263,527,000元之後之餘額，和應收借款賬面值為人民幣1,014,650,000元，該賬面值為扣除減值撥備人民幣207,745,000元之後之餘額，合共佔資產總額的10.46%。由於貿易應收款項及票據和應收借款的減值評估需要管理層作出判斷及使用主觀假設，故被視為最重要的事項。</p> <p>HKFRS 9 requires that the impairment of financial assets should be measured by “expected credit loss” (“ECL”) model. In order to measure the impairment of trade and bills receivables and loan receivables under HKFRS 9, management should use judgement, assumptions and estimation techniques in aspects such as judging significant increase in credit risk, estimating the parameters for measuring ECL and determining the forward-looking adjustments.</p> <p>香港財務報告準則第9號規定，金融資產的減值應以「預期信貸虧損」(「預期信貸虧損」)模型計量。為根據香港財務報告準則第9號計量貿易應收款項及票據和應收借款的減值，管理層應於多方面(如就信貸風險大幅增加作出判斷、就計量預期信貸虧損的參數作出估計及釐定前瞻性調整)運用判斷、假設及估計方法。</p>	<p>Our audit procedures included among others: 我們的審核程序包括(但不限於)：</p> <p>(i) Evaluated and tested the effectiveness of the design and implementation of key controls relating to approval, post approval monitoring, the credit grading management, and loan impairment assessment. We adopted a risk-based sampling approach in our tests of the allowances for impairment of trade and bills receivables and loan receivables; 評估及測試與審批、審批後監察、信貸評級管理及貸款減值評估方面有關的關鍵控制的設計及執行成效。我們於就貿易應收款項及票據和應收借款減值撥備的測試採用以風險為基礎的抽樣方法；</p> <p>(ii) Selected samples of performing loans considering size, risk factors, industry trends for our tests on the measurement of impairment; 考慮樣本大小、風險因素、行業趨勢等因素，選取履約貸款的樣本用於測試減值計量；</p>

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 如何應對關鍵審核事項
<i>Provision for impairment of trade and bills receivables and loan receivables (Continued)</i> 貿易應收款項及票據和應收借款的減值撥備(續)	
<p>The accounting policies, disclosures of the allowance for impairment of trade and bills receivables and loan receivables and the related credit risk are included in notes 2.4, 3, 20 and 24 to the consolidated financial statements.</p> <p>有關會計政策、貿易應收款項及票據和應收借款減值撥備以及相關信貸風險的披露載於綜合財務報表附註2.4、3、20及24。</p>	<p>(iii) Evaluated and tested the important parameters of the expected credit loss model, management's major judgements and related assumptions, mainly focusing on the following aspects: 評估及測試預期信貸虧損模型的重要參數、管理層主要判斷及相關假設，主要專注以下方面：</p> <ul style="list-style-type: none"> • Assessing the rationality of the expected credit loss model methodology and related parameters, including default probability, default loss rate, risk exposure, and significant increase in credit risk; 評估預期信貸虧損模型法及相關參數(包括違約或然率、違約損失率、風險及信貸風險大幅增加)的合理性； • Assessing the management's consideration of forward-looking adjustment information when determining expected credit losses, including the use of macroeconomic information, the judgement of adjustments, and the reasonableness of reviews; and 評估管理層於釐定預期信貸虧損時對前瞻性調整資料的考慮(包括宏觀經濟資料的使用、調整的判斷及審閱的合理性)；及 <p>(iv) Assessed the adequacy of the Group's disclosure of the allowance for impairment of trade and bills receivables and loan receivables and the related credit risk. 評估 貴集團就貿易應收款項及票據和應收借款減值撥備以及相關信貸風險的披露的充足性。</p>

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 如何應對關鍵審核事項
<p data-bbox="113 502 919 562"><i>Provision for impairment of manufacturing and trading related inventories</i> 製造及貿易相關存貨減值撥備</p> <p data-bbox="113 584 796 886">At 31 December 2020, the Group had manufacturing and trading inventories of RMB4,577,047,000, net of provision for impairment of RMB214,768,000, which represented 9.84% of the total assets. The provision for impairment mainly related to certain obsolete and slow-moving inventories. We focused on this area because these inventories are material to the Group and the provision for impairment of inventories involves a high level of management's judgement and estimate.</p> <p data-bbox="113 892 796 1095">於2020年12月31日，貴集團製造及貿易存貨賬面值為人民幣4,577,047,000元，該賬面值為扣除減值撥備人民幣214,768,000元之後之餘額，佔資產總額的9.84%。該減值撥備主要關於若干過時及滯銷存貨項目。我們重點關注該科目是由於該等存貨對於貴集團重大且存貨減值撥備涉及高度管理層判斷和估計。</p> <p data-bbox="113 1138 796 1198">Related disclosures in the consolidated financial statements are included in notes 2.4, 3 and 22.</p> <p data-bbox="113 1205 691 1235">於綜合財務報表內的相關披露載於附註2.4、3及22。</p>	<p data-bbox="798 584 1307 644">Our audit procedures included among others: 我們的審核程序包括(但不限於)：</p> <p data-bbox="798 687 1441 890">(i) Evaluated, amongst others, the analyses and assessments made by management with respect to obsolete and slow-moving inventories, including market values and expected selling prices of the related inventories and the Group's future plan of usage or sale; 評估(當中包括)管理層就過時及滯銷存貨作出的分析及評估，包括有關存貨的市值及預期售價，以及貴集團的未來使用或出售計劃；</p> <p data-bbox="798 1032 1441 1300">(ii) Assessed the reliability of the underlying data used by management in calculating the production related inventory provisions such as the inventory ageing reports, by re-performing the ageing calculation generated by the system; 重新計算系統產生的年期(如存貨年期報告)，以評估管理層用於計算生產相關存貨撥備的相關資料可靠性；</p> <p data-bbox="798 1343 1441 1511">(iii) Tested the accuracy of the management's calculation by assessing the calculation criteria and recalculating the provision; and 評估計算標準及重新計算撥備，以測試管理層計算的準確性；及</p> <p data-bbox="798 1554 1441 1757">(iv) Evaluated, based on a sample of production related inventories, the analyses performed by management regarding the net realisable values of the production related inventories. 抽樣檢查生產相關存貨，以評估管理層有關生產相關存貨可變現淨值的分析。</p>

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 如何應對關鍵審核事項
<p data-bbox="165 502 539 562"><i>Valuation of investment properties</i> 投資物業估值</p> <p data-bbox="165 584 823 1095">At 31 December 2020, the Group had investment properties of RMB6,973,570,000 which represented 14.99% of the total assets and were measured at fair value. The valuation of the investment properties is important to our audit as it represents a significant judgement area and an important part of the total assets of the Group. Management employed independent qualified valuers to assess the fair value. The valuation of the investment properties is highly dependent on a range of estimates made by the management. 於2020年12月31日，貴集團的投資物業賬面值為人民幣6,973,570,000元，佔資產總額的14.99%並按公允價值計量。由於投資物業估值涉及重大判斷且為貴集團資產總額的重要組成部分，故該估值對我們審核影響重大。管理層聘用獨立及合資格的估值師評估公允價值。投資物業估值高度依賴管理層作出的一系列估計範圍。</p> <p data-bbox="165 1138 823 1235">Related disclosures in the consolidated financial statements are included in notes 2.4, 3 and 14. 於綜合財務報表內的相關披露載於附註2.4、3及14。</p>	<p data-bbox="853 584 1342 646">Our audit procedures included among others: 我們的審核程序包括(但不限於)：</p> <ul style="list-style-type: none"> <li data-bbox="853 687 1469 784">(i) Considered the objectivity, independence and expertise of the professional valuers; 考慮專業估值師的客觀性、獨立性及專業知識； <li data-bbox="853 827 1469 957">(ii) Assessed the appropriateness of the property related data, which have been used as input for the valuations; 評估作為估值輸入數據的物業相關數據之適合性； <li data-bbox="853 1000 1469 1345">(iii) Engaged our internal specialists to assist us in analysing the valuations and challenging the underlying assumptions, such as the appropriateness of comparable lands under the sales comparison approach and capitalisation rate and market rent under the income capitalisation approach; and 委任內部專家協助我們分析估值及質疑相關假設，例如銷售比較法下可資比較土地和收益資本化法下的資本化比率及市場租金的適合性；及 <li data-bbox="853 1388 1469 1543">(iv) Focused on the adequacy and appropriateness of the disclosures relating to the valuations of these investment properties. 專注於該等投資物業估值相關披露的充足性及適合性。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報所載的其他資料

貴公司董事需對其他資料負責。其他資料包括於年報內刊載的資料，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審核，我們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我們在審核過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事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擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 judgement and maintain professional scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅對全體成員作出報告。除此之外本報告不作其他用途，我們概不就本報告的內容對任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審核準則進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審核準則進行審核的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

核數師就審核綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責 貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

我們就(其中包括)計劃的審核範圍、時間安排、重大審核發現等與審核委員會溝通，包括我們在審核中識別出內部控制的任何重大缺陷。

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Mee Kwan, Helena.

核數師就審核綜合財務報表承擔的責任(續)

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

出具本獨立核數師報告的審核項目合夥人是李美群。

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

29 March 2021

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

2021年3月29日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2020
截至2020年12月31日止年度

		Note	2020	2019
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
REVENUE	收入	5	28,073,065	26,344,523
Cost of sales	銷售成本		(19,689,086)	(18,807,404)
Gross profit	毛利		8,383,979	7,537,119
Other revenue, income and gains	其他收入、收益及利益	5	509,187	483,390
Selling and distribution expenses	銷售及分銷開支		(1,264,143)	(1,227,651)
Administrative expenses	行政開支		(1,332,183)	(1,263,440)
Impairment losses on financial and contract assets	金融及合約資產的減值虧損		(56,439)	(108,705)
Other expenses	其他開支		(1,255,349)	(968,546)
Finance costs	融資成本	6	(435,892)	(577,194)
Share of results of associates	分佔聯營公司業績		203,233	105,895
Share of results of a joint venture	分佔合營企業業績	18	1,167	1,053
PROFIT BEFORE TAX	除稅前溢利	7	4,753,560	3,981,921
Income tax expense	所得稅開支	9	(996,171)	(953,586)
PROFIT FOR THE YEAR	年內溢利		3,757,389	3,028,335
OTHER COMPREHENSIVE INCOME/ (EXPENSE)	其他全面收益/ (開支)			
Items that may be reclassified subsequently to profit or loss:	其後可能重新歸類至損益的項目：			
Debt instruments at fair value through other comprehensive income:	按公允價值計入其他全面收益的債務工具：			
Changes in fair value	公允價值變動		(8,393)	7,587
Reclassification adjustments for loss/(gain) on disposal included in the consolidated statement of profit or loss	重新歸類調整 綜合損益表內之 出售虧損/ (利益)		8,191	(7,587)
			(202)	-
Share of other comprehensive expense of an associate, net of tax	分佔一間聯營公司的其他全面開支(稅後淨額)		(1,472)	(196)
Exchange differences on translation of foreign operations	折算外幣報表產生的匯兌差額		407,430	(27,660)
			405,756	(27,856)
Items that will not be reclassified to profit or loss:	其後不會重新歸類至損益的項目：			
Changes in fair value of equity instruments at fair value through other comprehensive income	按公允價值計入其他全面收益的股本工具的公允價值變動		214,505	(252,571)
OTHER COMPREHENSIVE INCOME/ (EXPENSE) FOR THE YEAR	年內其他全面收益/ (開支)		620,261	(280,427)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額		4,377,650	2,747,908

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2020
截至2020年12月31日止年度

		Note	2020	2019
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Profit attributable to:	以下應佔溢利：			
Owners of the Company	本公司擁有人		3,750,829	3,024,701
Non-controlling interests	非控制權益		6,560	3,634
			3,757,389	3,028,335
Total comprehensive income attributable to:	以下應佔全面收益總額：			
Owners of the Company	本公司擁有人		4,338,754	2,733,430
Non-controlling interests	非控制權益		38,896	14,478
			4,377,650	2,747,908
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔每股盈利			
Basic and diluted	基本及攤薄	11	RMB1.22 人民幣1.22元	RMB0.98 人民幣0.98元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020
於2020年12月31日

		Note	2020	2019
		附註	RMB'000 人民幣千元	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	12	9,900,108	9,394,821
Right-of-use assets	使用權資產	13A	2,036,052	1,614,395
Investment properties	投資物業	14	6,973,570	6,870,181
Deposits paid for the purchase of land, property, plant and equipment	購買土地、物業、廠房及設備所支付的按金		1,599,016	884,486
Goodwill	商譽	15A	381,408	398,589
Other intangible assets	其他無形資產	15B	380,929	336,109
Interests in associates	於聯營公司的權益	17	2,395,177	1,501,137
Interests in a joint venture	於一間合營企業的權益	18	11,523	10,356
Other financial assets	其他金融資產	19	2,681,006	1,771,120
Loan receivables	應收借款	20	139,584	11,613
Other non-current assets	其他非流動資產	21	122,299	70,784
Contract assets	合約資產	23	78,411	81,571
Deferred tax assets	遞延稅項資產	32	159,888	108,301
Total non-current assets	非流動資產總額		26,858,971	23,053,463
CURRENT ASSETS	流動資產			
Inventories	存貨	22	5,126,847	3,966,048
Contract assets	合約資產	23	469,541	279,443
Other financial assets	其他金融資產	19	24,915	8,363
Loan receivables	應收借款	20	875,066	364,673
Trade and bills receivables	貿易應收款項及票據	24	3,850,194	3,259,456
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	25	1,874,592	2,249,130
Cash and bank deposits	現金及銀行存款	26	7,447,436	7,604,221
Total current assets	流動資產總額		19,668,591	17,731,334
CURRENT LIABILITIES	流動負債			
Contract liabilities	合約負債	23	1,528,934	1,725,300
Trade and bills payables	貿易應付款項及票據	27	5,678,208	5,829,534
Other payables and accruals	其他應付款項及應計費用	28	1,100,218	1,181,792
Tax payable	應付稅項		322,283	289,958
Borrowings	借款	29	7,364,331	11,411,319
Lease liabilities	租賃負債	13B	53,448	88,843
Other financial liabilities	其他金融負債	31	10,960	–
Total current liabilities	流動負債總額		16,058,382	20,526,746
NET CURRENT ASSETS/(LIABILITIES)	流動資產/(負債)淨額		3,610,209	(2,795,412)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		30,469,180	20,258,051

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020
於2020年12月31日

		Note	2020	2019
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借款	29	8,082,154	1,267,061
Convertible loans	可換股貸款	30	627,362	652,595
Lease liabilities	租賃負債	13B	108,868	117,281
Other long-term payables	其他長期應付款項		16,953	106,093
Other financial liabilities	其他金融負債	31	70,266	14,360
Deferred tax liabilities	遞延稅項負債	32	991,518	788,671
Deferred income	遞延收益	33	217,937	217,594
Total non-current liabilities	非流動負債總額		10,115,058	3,163,655
Net assets	資產淨額		20,354,122	17,094,396
EQUITY	權益			
Share capital	股本	34	135,344	135,344
Reserves	儲備	35	19,705,783	16,440,901
Equity attributable to owners of the Company	本公司擁有人應佔 權益		19,841,127	16,576,245
Non-controlling interests	非控制權益		512,995	518,151
Total equity	權益總額		20,354,122	17,094,396

Wong Luen Hei
黃聯禧
Director
董事

Luo Jianfeng
羅建峰
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2020
截至2020年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔														
		Share capital	Share premium	Shares held for share award scheme 股份獎勵計劃所持股份	Statutory reserve ^(a)	Capital reserve ^(b)	Merger reserve	Hedging reserve	Fair value reserve	Exchange fluctuation reserve	Convertible loans equity reserve	Retained profits	Total	Non-controlling interests	Total equity	
		股本	股份溢價	股份	法定儲備 ^(a)	資本儲備 ^(b)	合併儲備	對沖儲備	公允價值儲備	匯率波動儲備	可換取貸款權益儲備	保留溢利	總計	非控制權益	權益總額	
		RMB'000	RMB'000	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	人民幣千元	人民幣千元	
At 1 January 2019	於2019年1月1日	135,344	1,905,618	-	2,047,860	(51,460)	5,515	-	(75,245)	(167,271)	-	11,002,968	14,803,329	269,536	15,072,865	
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	-	3,024,701	3,024,701	3,634	3,028,335	
Other comprehensive expense for the year	年內其他全面開支	-	-	-	-	-	-	-	(252,571)	(38,700)	-	-	(291,271)	10,844	(280,427)	
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	-	(252,571)	(38,700)	-	3,024,701	2,733,430	14,478	2,747,908	
Acquisition of non-controlling interests	收購非控制權益	-	-	-	-	(36,419)	-	-	-	-	-	-	(36,419)	21,361	(15,058)	
Capital contributions from non-controlling interests	非控制權益出資	-	-	-	-	-	-	-	-	-	-	-	-	90,423	90,423	
Non-controlling interests arising from business combination	業務合併產生的非控制權益	-	-	-	-	-	-	-	-	-	-	-	-	122,612	122,612	
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	-	-	-	(259)	(259)	
Transfer of fair value reserve upon the disposal of equity instruments at FVTOCI	出售按公允價值計入其他全面收益的股本工具後轉讓至公允價值儲備	-	-	-	-	-	-	-	(56,476)	-	-	56,476	-	-	-	
Issuance of convertible loans (note 30)	發行可換取貸款(附註30)	-	-	-	-	-	-	-	-	-	27,605	-	27,605	-	27,605	
Dividends recognised as distributions to owners (note 10)	確認為向擁有人分派的股息(附註10)	-	-	-	-	-	-	-	-	-	-	(866,871)	(866,871)	-	(866,871)	
Shares purchased for share award scheme (note 36(B))	就股份獎勵計劃購入股份(附註36(B))	-	-	(85,440)	-	-	-	-	-	-	-	-	(85,440)	-	(85,440)	
Share of capital reserve of an associate	分佔一間聯營公司的資本儲備	-	-	-	-	611	-	-	-	-	-	-	611	-	611	
Appropriation to statutory reserve	轉撥至法定儲備	-	-	-	221,654	-	-	-	-	-	-	(221,654)	-	-	-	
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	135,344	1,905,618 ^(c)	(85,440) ^(c)	2,269,514 ^(c)	(87,268) ^(c)	5,515 ^(c)	-	(384,292) ^(c)	(205,971) ^(c)	27,605 ^(c)	12,995,620 ^(c)	16,576,245	518,151	17,094,396	
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	-	3,750,829	3,750,829	6,560	3,757,389	
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	-	-	(1,269)	214,303	374,891	-	-	587,925	32,336	620,261	
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(1,269)	214,303	374,891	-	3,750,829	4,338,754	38,896	4,377,650	
Acquisition of non-controlling interests	收購非控制權益	-	-	-	-	20,988	-	-	-	-	-	-	20,988	(178,293)	(157,305)	
Capital contributions from non-controlling interests	非控制權益出資	-	-	-	-	-	-	-	-	-	-	-	-	76,169	76,169	
Non-controlling interests arising from business combination (note 37)	業務合併產生的非控制權益(附註37)	-	-	-	-	-	-	-	-	-	-	-	-	58,197	58,197	
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)	
Transfer of fair value reserve upon the disposal of equity instruments at FVTOCI	出售按公允價值計入其他全面收益的股本工具後轉讓至公允價值儲備	-	-	-	-	-	-	-	(17,489)	-	-	17,489	-	-	-	
Dividends recognised as distributions to owners (note 10)	確認為向擁有人分派的股息(附註10)	-	-	-	-	-	-	-	-	-	-	(1,095,414)	(1,095,414)	-	(1,095,414)	
Dividends recognised as distributions to non-controlling interests	向非控制權益分派的股息	-	-	-	-	-	-	-	-	-	-	-	-	(118)	(118)	
Share of capital reserve of an associate	分佔一間聯營公司的資本儲備	-	-	-	-	554	-	-	-	-	-	-	554	-	554	
Appropriation to statutory reserve	轉撥至法定儲備	-	-	-	244,297	-	-	-	-	-	-	(244,297)	-	-	-	
At 31 December 2020	於2020年12月31日	135,344	1,905,618 ^(c)	(85,440) ^(c)	2,513,811 ^(c)	(65,726) ^(c)	5,515 ^(c)	(1,269) ^(c)	(187,478) ^(c)	168,920 ^(c)	27,605 ^(c)	15,424,227 ^(c)	19,841,127	512,995	20,354,122	

[#] These reserve accounts comprise the reserves of RMB19,705,783,000 (2019: RMB16,440,901,000) in the consolidated statement of financial position.

[#] 該等儲備賬構成綜合財務狀況表中儲備人民幣19,705,783,000元(2019年: 人民幣16,440,901,000元)。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2020
截至2020年12月31日止年度

Note:

- (a) In accordance with the Company Law of PRC, each of the Company's subsidiaries registered in PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in PRC to the statutory reserve until the balance of the reserve fund reaches 50% of its registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided that the remaining balance of the statutory reserve is not less than 25% of the registered capital.
- (b) Capital reserve mainly represented the difference between the consideration and the book value of the share of the net assets acquired in respect of the acquisition of non-controlling interests.

附註：

- (a) 根據中國公司法，本公司於中國註冊的各間附屬公司須劃撥根據中國公認會計原則釐定的年度法定除稅後溢利（經扣除任何過往年度虧損後）的10%至法定儲備，直至儲備金結餘達到其註冊資本的50%為止。法定儲備可用於抵銷過往年度虧損或增資，惟法定儲備的餘下結餘不得少於註冊資本的25%。
- (b) 資本儲備主要指有關收購非控制權益的代價與應佔所收購淨資產賬面值之間的差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020
截至2020年12月31日止年度

	Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
OPERATING ACTIVITIES			
Profit before tax		4,753,560	3,981,921
Adjustments for:			
Interest income	5	(171,112)	(125,320)
Government grants released		(12,384)	(8,853)
Gain on fair value changes of financial instruments at FVTPL	5	(129,294)	(3,432)
Investment income	5	(17,550)	(19,693)
Gain on disposal of associates	5	(1,438)	-
Gain from a bargain purchase	5	(5,579)	-
Gain on termination of right-of-use assets	5	(17)	(5,992)
Interest expenses	6	435,892	577,194
Loss/(gain) on fair value changes of investment properties	7	157,263	(147,997)
Loss/(gain) on disposal of debt instruments at FVTOCI	7	8,191	(7,587)
(Gain)/loss on fair value changes of other financial liabilities	7	(13,348)	7,768
(Gain)/loss on disposal of subsidiaries	7	(365)	8,324
Depreciation and amortisation	7	1,005,916	996,751
Write-down of inventories to net realisable value, net	7	18,235	5,691
Loss on disposal of items of other intangible assets and property, plant and equipment	7	8,257	14,575
Impairment of property, plant and equipment	7	47,831	9,880
Impairment of trade and bills receivables, net	7	38,510	35,486
Impairment of prepayments, net	7	20,074	34,330
Impairment of other receivables, net	7	1,231	38,990
(Reversal of impairment)/impairment of contract assets, net	7	(370)	3,052
Impairment of goodwill	7	20,333	29,100
Impairment of loan receivables	7	17,068	31,177
Share of results of associates		(203,233)	(105,895)
Share of results of a joint venture	18	(1,167)	(1,053)
		5,976,504	5,348,417
(Increase)/decrease in other non-current assets		(51,515)	290,154
Increase in inventories		(1,034,609)	(274,178)
(Increase)/decrease in contract assets		(185,001)	54,505
(Increase)/decrease in loan receivables		(675,432)	111,429
Increase in trade and bills receivables		(540,569)	(632,910)
Decrease/(increase) in prepayments, deposits and other receivables		406,171	(319,659)
(Decrease)/increase in contract liabilities		(196,684)	170,062
(Decrease)/increase in trade and bills payables		(237,808)	1,199,408
Increase/(decrease) in other payables and accruals		75,911	(4,935)
Decrease in other long-term payables		(2,674)	(3,217)
Increase in deferred income		12,727	43,778
Cash generated from operations		3,547,021	5,982,854
Bank interest received		123,520	102,460
Corporate income tax paid		(833,217)	(773,122)
Net cash flows from operating activities		2,837,324	5,312,192

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020
截至2020年12月31日止年度

	Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(2,089,657)	(1,781,326)
Proceeds from disposal of items of other intangible assets and property, plant and equipment		241,140	294,536
Additions to right-of-use assets		(424,389)	(107,203)
Additions to investment properties		(793,904)	(1,085,295)
Deposit for right-of-use assets		(29,486)	(2,222)
Additions to other intangible assets		(22,371)	(10,750)
Additions to associates		(777,285)	(6,621)
Acquisitions of subsidiaries		(142,192)	(1,162,818)
Proceeds from disposal of subsidiaries		6,330	17,462
Proceeds from disposal of an associate		5,004	-
Purchases of other financial assets		(1,173,923)	(612,027)
Proceeds from disposal of other financial assets		610,542	514,735
Investment income received		17,550	19,693
Dividend received from an associate		34,265	19,326
Interest received from other financial assets		46,234	22,875
Decrease/(increase) in restricted cash		236,595	(183,822)
Net cash flows used in investing activities		(4,255,547)	(4,063,457)
FINANCING ACTIVITIES			
New bank borrowings raised		16,617,812	6,264,914
Repayment of bank and other loans		(13,375,042)	(5,725,736)
Convertible loans raised		-	667,718
Capital contributions from non-controlling interests		76,169	90,423
Acquisition of non-controlling interests		(157,305)	(15,058)
Purchase of shares for share award scheme		-	(85,440)
Repayment of lease liabilities		(85,649)	(92,406)
Interest paid		(421,032)	(530,490)
Dividends paid to the owners of the Company		(1,095,414)	(866,871)
Dividends paid to non-controlling interests		(118)	-
Net cash flows from/(used in) financing activities		1,559,421	(292,946)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year		6,362,444	5,393,836
Effect of foreign exchange rate changes, net		(61,388)	12,819
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
		6,442,254	6,362,444
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Time deposits with original maturity of three months or less when acquired	26	241,397	454,916
Cash and bank balances	26	6,200,857	5,907,528
		6,442,254	6,362,444

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The addresses of its registered office and principal place of business are disclosed in the section headed "Corporate Information" of this report.

The Company is an investment holding company. Particulars of the Company's principal subsidiaries, associates and joint ventures are set out in notes 44, 17 and 18 to the consolidated financial statements, respectively.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, other financial assets and other financial liabilities which have been measured at fair value. These consolidated financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

A subsidiary is an entity (including a structured entity), directly or indirectly controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司及集團資料

本公司為一間於開曼群島註冊成立的有限公司。其註冊辦事處及主要營業地點載於本報告「公司資料」部分。

本公司為一間投資控股公司。本公司主要附屬公司、聯營公司及合營企業的詳情分別載於綜合財務報表附註44、17及18。

2.1 編製基準

本綜合財務報表已根據香港會計師公會所頒佈的香港財務報告準則（「香港財務報告準則」）（包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例披露規定編製。本綜合財務報表按歷史成本法編製，惟按公允價值計量的投資物業、其他金融資產及其他金融負債除外。本綜合財務報表乃以人民幣呈列，除另有指明外，所有價值均調整至最接近的千元數。

綜合基準

綜合財務報表包括本公司及其附屬公司截至2020年12月31日止年度的財務報表。

附屬公司為本公司直接或間接控制的實體（包括結構性實體）。當本集團承受或享有參與投資對象業務所得的可變回報，且能透過對投資對象的權力（即賦予本集團現有能力主導投資對象相關活動的既存權利）影響該等回報時，即取得控制權。

2.1 BASIS OF PREPARATION (Continued)**BASIS OF CONSOLIDATION (Continued)**

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributable 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.

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

2.1 編製基準(續)**綜合基準(續)**

倘本公司直接或間接擁有少於投資對象大多數的投票或類似權利，則本集團於評估其是否擁有對投資對象的權力時，會考慮一切相關事實及情況，包括：

- (i) 與投資對象其他投票持有人的合約安排；
- (ii) 其他合約安排所產生的權利；及
- (iii) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃就與本公司相同的報告期間採用一致的會計政策編製。附屬公司的業績由本集團取得控制權當日起綜合入賬，並繼續綜合入賬直至該控制權終止當日為止。

損益及其他全面收益的各部分歸屬於本公司擁有人及非控制權益。即使導致非控制權益出現虧絀結餘，附屬公司的全面收益總額仍歸屬於本公司擁有人及非控制權益。

如有需要，附屬公司的財務報表會作出調整，以使其會計政策與本集團的會計政策一致。所有與本集團成員公司之間的交易有關的集團內公司間資產及負債、權益、收益、開支及現金流量已在綜合賬目時悉數對銷。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised standards for the first time for the current year's consolidated financial statements.

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

The adoption of the above revised HKFRSs has had no significant financial effect on these consolidated financial statements. The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* are described below:

Conceptual Framework for Financial Reporting 2018 (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策及披露事項變動

本集團於本年度綜合財務報表內首次應用 *2018年財務報告的概念框架* 及下列經修訂準則。

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

應用上述經修訂香港財務報告準則對該等綜合財務報表並無重大財務影響。*2018年財務報告的概念框架* 的性質及影響載於下文：

2018年財務報告的概念框架 (「概念框架」) 就財務報告和準則制定提供了一整套概念，並為財務報表編製者制定一致的會計政策提供指引，協助所有人士理解和解讀準則。概念框架包括有關計量和報告財務績效的新章節，有關資產和負債終止確認的新指引，以及更新了有關資產和負債定義和確認的標準。該等框架亦闡明管理，審慎和衡量不確定性在財務報告中的作用。概念框架並非準則，其中包含的任何概念都不會凌駕於任何準則中的概念或要求之上。概念框架對本集團的財務狀況及表現並無產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not early applied the following new and revised standards, that have been issued but are not yet effective, in these consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions ¹
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ³
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, HKAS 41 and Illustrative Examples accompanying HKFRS 16 ³

2.3 已頒佈但尚未生效的香港財務報告準則

本集團在本綜合財務報表中尚未提早應用下列已頒佈但尚未生效的新訂及經修訂準則：

香港財務報告準則第16號 修訂本	2019冠狀病毒病相關租金 優惠 ¹
香港財務報告準則第9號、 香港會計準則第39號、 香港財務報告準則第7號、 香港財務報告準則第4號 及香港財務報告準則 第16號修訂本	利率基準改革 — 第2階段 ²
香港財務報告準則第3號 修訂本	概念框架指引 ³
香港會計準則第16號修訂本	物業、廠房及設備：擬定 用途前之所得款項 ³
香港會計準則第37號修訂本	虧損合約 — 履行一份合約 之成本 ³
香港財務報告準則2018年至 2020年週期之年度改進	香港財務報告準則第1號、 香港財務報告準則第9號、 香港會計準則第41號 修訂本及香港財務報告 準則第16號隨附之範例 ³

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

HKFRS 17	Insurance Contracts ⁴
Amendments to HKFRS 17	Insurance Contracts ^{4,7}
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ^{4,6}
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

- ¹ Effective for annual periods beginning on or after 1 July 2020
- ² Effective for annual periods beginning on or after 1 January 2021
- ³ Effective for annual periods beginning on or after 1 January 2022
- ⁴ Effective for annual periods beginning on or after 1 January 2023
- ⁵ Mandatory effective date not yet determined
- ⁶ As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion
- ⁷ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第17號	保險合約 ⁴
香港財務報告準則第17號 修訂本	保險合約 ^{4,7}
香港會計準則第1號修訂本	負債分類為流動或非流動 ^{4,6}
香港財務報告準則第10號及 香港會計準則第28號 (2011年)修訂本	投資者與其聯營公司或 合營企業之間之 資產出售或注資 ⁵

- ¹ 於2020年7月1日或之後開始之年度期間生效
- ² 於2021年1月1日或之後開始之年度期間生效
- ³ 於2022年1月1日或之後開始之年度期間生效
- ⁴ 於2023年1月1日或之後開始之年度期間生效
- ⁵ 尚未釐定強制生效日期
- ⁶ 由於香港會計準則第1號修訂本的影響、香港詮釋第5號(財務報表的呈報 — 借款人對載有按要求償還條款的定期貸款的分類)已於2020年10月修訂，以與相關用字保持一致，而其結論並無影響
- ⁷ 由於2020年10月頒佈的香港財務報告準則第17號修訂本的影響，香港財務報告準則第4號經已修訂，以延長允許發行人就2023年1月1日或之前開始的年度期間應用香港會計準則第39號而非香港財務報告準則第9號的臨時豁免

本集團正就該等新訂及經修訂香港財務報告準則於初始應用後的影響進行評估。迄今為止，本集團認為，該等新訂及經修訂香港財務報告準則可能會導致會計政策變動，惟不大可能對本集團的經營業績及財務狀況構成重大影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 主要會計政策概要

於聯營公司及合營企業的投資

聯營公司為本集團擁有一般不少於20%股本投票權的長期權益的實體，並可對其發揮重大影響力。重大影響力指參與投資對象的財政及經營決策之權力，而非控制或共同控制該等決策之權力。

合營企業為一項合營安排，據此，擁有安排之共同控制權的人士均有權享有合營企業的淨資產。共同控制乃以合約協定分佔一項安排之控制權，其僅在相關活動決策必須獲分佔控制權的人士一致同意時方存在。

本集團於聯營公司及一間合營企業的投資乃按權益會計法核算，按本集團應佔淨資產扣除任何減值虧損於綜合財務狀況表中呈列。

本集團應佔聯營公司及合營企業收購後業績和其他全面收益分別計入損益及其他全面收益內。此外，倘直接於聯營公司或合營企業的權益確認變動，則本集團會於綜合權益變動表確認其應佔的任何變動(如適用)。本集團與其聯營公司或合營企業進行交易而出現的未實現利益及虧損會按本集團於聯營公司或合營企業的權益互相抵銷，但如果未實現虧損證明所轉讓資產發生減值則除外。收購聯營公司或合營企業產生的商譽計入本集團於聯營公司或合營企業的投資的一部分。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTEREST IN JOINT OPERATION

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

2.4 主要會計政策概要(續)

於合營業務之權益

合營業務為共同安排，據此，擁有該安排之共同控制權的各方有權享有與該安排有關的資產及就負債承擔責任。共同控制乃以合約協定分佔一項安排之控制權，其僅在相關活動決策必須獲分佔控制權的人士一致同意時方存在。

本集團就其於合營業務之權益確認：

- 其資產，包括分佔任何共同持有之資產；
- 其負債，包括分佔任何共同產生之負債；
- 出售其於合營業務應佔產出之所得收入；
- 出售合營業務產出之應佔收入；及
- 其開支，包括分佔任何共同產生之開支。

本集團於合營業務之權益之有關資產、負債、收入及開支乃根據適用於相關資產、負債、收入及開支之香港財務報告準則入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition-date fair value which is the sum of the acquisition-date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要(續)

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例，計算屬現時擁有權益並賦予其持有人有權於清盤時按比例分佔實體的淨資產之被收購方的非控制權益。非控制權益的一切其他成分乃按公允價值計量。收購相關成本於產生時列為開支。

當所取得的一組活動及資產包括一項投入和一項重要過程，而兩者共同對形成產出的能力有重大貢獻，則本集團釐定為業務收購。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適當的分類及標示，其中包括分離被收購方主合約中的嵌入式衍生工具。

倘業務合併分階段進行，以往持有的股本權益會以收購日期的公允價值重新計量，任何因此帶來的利益或虧損於損益中確認。

將由收購方轉讓的任何或然代價於收購日期按公允價值確認。或然代價(分類為資產或負債)按公允價值計量，而公允價值變動則於損益確認。分類為權益之或然代價並不會重新計量，其後結算於權益中入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS AND GOODWILL (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group will perform its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

商譽初始按成本計量，即已轉讓代價、已確認非控制權益金額及本集團先前持有被收購方股本權益的任何公允價值之總額超出所收購可識別資產淨值及所承擔負債的差額。倘此代價及其他項目的總和低於所收購淨資產的公允價值，則再評估後的差額於損益確認為議價收購所得利益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年進行減值測試，若有事件發生或情況改變顯示賬面值可能減值，則會更頻密地進行測試。本集團將於12月31日進行商譽的年度減值測試。為進行減值測試，無論本集團其他資產或負債是否已分配至現金產生單位或現金產生單位組別，因業務合併而購入的商譽自收購日期起分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別。

減值乃通過評估與商譽有關的現金產生單位(現金產生單位組別)的可收回金額釐定。當現金產生單位(現金產生單位組別)的可收回金額低於賬面值時，則確認減值虧損。已確認商譽減值虧損不得於其後期間撥回。

倘商譽已分配至現金產生單位(或現金產生單位組別)而該單位的部分業務已出售，則與所出售業務相關的商譽會在釐定出售的利益或虧損時計入該業務的賬面值。在該等情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE MEASUREMENT

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 主要會計政策概要(續)

公允價值之計量

公允價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允價值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債的公允價值乃基於市場參與者於資產或負債定價所用的假設計量(即假設市場參與者會以最佳經濟利益行事)。

非金融資產的公允價值計量須計及市場參與者透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者以產生經濟利益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公允價值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有於本綜合財務報表計量或披露公允價值的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入數據按以下公允價值層級分類：

- 第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 — 按估值方法計量，而對公允價值計量而言屬重大的最低層輸入數據可直接或間接觀察得出
- 第三級 — 按估值方法計量，而對公允價值計量而言屬重大的最低層輸入數據不可觀察得出

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE MEASUREMENT (Continued)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

公允價值之計量(續)

就按經常性基準於本綜合財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入數據)確定是否發生不同層級轉移。

非金融資產減值

倘資產存在減值跡象或須進行年度減值測試(存貨、合約資產、遞延稅項資產及金融資產除外)，則會就該項資產的可收回金額作出估計。資產的可收回金額為資產或現金產生單位的可使用價值與其公允價值減出售成本兩者中之較高者，並就個別資產而釐定，除非該項資產並不產生在頗大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額以該項資產所屬的現金產生單位釐定。

資產的賬面值超逾其可收回金額時則確認減值虧損。於評估可使用價值時，估計未來現金流量將以除稅前貼現率折讓至現值，該貼現率反映現時市場對貨幣時間值及該項資產的特定風險的評估。減值虧損將於其產生期間於損益內與減值資產的功能一致的開支類別中扣除。

於各報告期末會評估是否有跡象顯示於過往確認的減值虧損可能不再存在或可能已減少。倘存在有關跡象，則會就有關可收回金額作出估計。僅於用以釐定資產的可收回金額的估計出現變動時，過往確認商譽以外的資產的減值虧損方可撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應有之賬面值(扣除任何折舊/攤銷)。該減值虧損的撥回於其產生期間計入損益內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要(續)

關聯人士

於下列情況下，有關人士將被視為本集團的關聯人士：

- (a) 某個別人士或其親密家庭成員，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團具重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 有關人士為實體且符合下列任何條件：
 - (i) 該實體與本集團屬同一集團之成員；
 - (ii) 一間實體為另一實體（或屬另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；
 - (vi) 該實體由(a)項所述人士控制或共同控制；
 - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體（或該實體的母公司）主要管理層成員；及
 - (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Land and buildings	2.3% to 5%
Plant and machinery	8.1% to 20%
Furniture, fixtures and office equipment	9.5% to 32.3%
Motor vehicles	9.5% to 32.3%
Leasehold improvements	Over the shorter of the lease terms and 20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 主要會計政策概要(續)

物業、廠房及設備之折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及使資產處於擬定用途的運作狀況及地點而產生的任何直接成本。

物業、廠房及設備項目投入運作後產生的支出(例如維修及保養)，一般於其產生期間自損益內扣除。倘能夠符合確認標準，重大檢查的開支會於資產賬面值中資本化為替換。倘物業、廠房及設備的主要部分須定期替換，本集團會確認該等部分為有特定使用年期的個別資產及相應計提折舊。

折舊以直線法計算，按每項物業、廠房及設備項目的估計使用年期撇銷其成本至其剩餘價值。為此目的而主要使用的每年折舊率如下：

永久業權土地	並無折舊
土地及樓宇	2.3%至5%
廠房及機器	8.1%至20%
家具、裝置及辦公室設備	9.5%至32.3%
汽車	9.5%至32.3%
租賃物業裝修	按租期與20%兩者中的較短者

倘物業、廠房及設備項目的部分有不同的可使用年期，則該項目的成本須在各部分之間合理分配，而各部分須單獨計算折舊。剩餘價值、可使用年期和折舊方法至少於各財政年度末檢討一次，並在適當情況下作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings and other assets under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost represents the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

INVESTMENT PROPERTIES

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

2.4 主要會計政策概要(續)

物業、廠房及設備之折舊(續)

物業、廠房及設備項目(包括初始確認的任何重要部分)於出售時或於預期使用或出售時無法產生未來經濟利益的情況下終止確認。於終止確認資產的期間在損益內確認的任何出售或報廢利益或虧損，為有關資產銷售所得款項淨額與其賬面值的差額。

在建工程指建築工程尚在進行中的樓宇及其他資產，並按成本減去任何減值虧損入賬，但不會折舊。成本指建築期間產生的直接建築成本及有關借貸資金的資本化借貸成本。在建工程於工程完成後並備用時，將重新歸入物業、廠房及設備的適當類別。

投資物業

投資物業乃持作賺取租金收入及／或作資本增值之土地及樓宇權益(包括可能符合投資物業定義之持作使用權資產之租賃物業)，而非用於生產或供應貨品或服務；或非用作行政用途；或非作日常業務中之銷售。當中包括就尚未決定未來用途持有之土地及興建中或已發展作未來投資物業之物業。該等物業初步按成本(包括交易成本)計量。於初始確認後，投資物業以反映於報告期末市況之公允價值入賬。

投資物業公允價值變動利益或虧損於產生之年度計入損益。

投資物業報廢或出售時產生的任何利益或虧損於報廢或出售之年度於損益中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Computer software

Computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of five years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Patents and proprietary technologies

Purchased patents and proprietary technologies acquired are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 years to 20 years.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

個別收購的無形資產於初始確認時按成本計量。於業務合併中收購無形資產的成本乃為收購當日的公允價值。無形資產的可使用年期評估為有限或無限。年期有限的無形資產隨後於可使用經濟壽命內攤銷，並於有跡象顯示無形資產可能出現減值時作減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度末檢討一次。

電腦軟件

電腦軟件以成本減任何減值虧損列賬，並以直線法按其估計可使用年期五年攤銷。

研發成本

全部研究成本於產生時於損益內扣除。

開發新產品項目所產生的開支僅於本集團能夠證明形成無形資產以致其將可供使用或出售的技術可行性、其形成資產的意欲及使用或出售資產的能力、該資產將如何產生未來經濟利益、完成項目的資源可得性，以及可靠計量於開發期間的開支的能力時方會被資本化及遞延。不符合該等標準的產品開發開支於產生時列賬為支出。

遞延開發成本按照與個別收購的無形資產相同的基準，按成本減累計攤銷及累計減值虧損(如有)列賬。

專利及專有技術

已收購之專利及專有技術以成本減任何減值虧損列賬，並以直線法按其估計可使用年期5年至20年攤銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTANGIBLE ASSETS (OTHER THAN GOODWILL) (Continued)

Trademark, brand name and operating concession rights

Trademark, brand name and operating concession rights with indefinite useful lives acquired are stated at cost less any impairment losses and are not amortised. The useful life of such an asset should be reviewed at the end of each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite should be accounted for as a change in an accounting estimate.

The Group is required to test an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount (a) annually, and (b) whenever there is an indication that the intangible asset may be impaired.

LEASES

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

商標、商號及特許經營權

收購的無限可使用年期的商標、商號及特許經營權按成本減任何減值虧損列賬，且將不予攤銷。該資產的可使用年期須於各報告期末審閱，以釐定事件及情況能否繼續支持該資產的無限可使用年期評估。倘不繼續支持，則可使用年期評估由無限更改為有限並按會計估計變動列賬。

(a) 每年及 (b) 不論是否出現無形資產可能減值的跡象，本集團須對無限可使用年期的無形資產進行減值測試，方法為比較其可收回金額與賬面值。

租賃

本集團於合約開始時評估合約是否屬於或包含租賃。倘合約將可識別資產於一段時間內之使用控制權有償轉讓，則該合約為租賃或包含租賃。

本集團作為承租人

本集團就所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認作出租賃付款的租賃負債及使用權資產(即使用相關資產的權利)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 to 50 years
Plants and buildings	1 to 10 years
Motor vehicles	1 to 3 years
Other equipment	1 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產的成本包括已確認之租賃負債金額、已產生之初始直接成本以及於開始日期或之前作出的租賃付款減已收取之任何租賃優惠。使用權資產的成本亦包括拆卸及移除相關資產，或還原相關資產或其所在地產生的估計成本。使用權資產於租期及資產的估計可使用年期(以較短者為準)內按直線法折舊，如下：

租賃業權土地	20至50年
廠房及樓宇	1至10年
汽車	1至3年
其他設備	1至3年

倘租賃資產的擁有權於租期結束時轉讓予本集團或成本反映購買權的行使，則利用資產的估計可使用年期計算折舊。

當使用權資產符合投資物業的定義時，計入投資物業。相應的使用權資產初步按成本計量，其後根據本集團的「投資物業」政策按公允價值計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按租期內將支付租賃款的現值確認。租賃款包含固定款項(包括實質固定款項)減任何應收租賃優惠、倚賴於指數或利率的可變租賃款以及剩餘價值擔保下預計支付的金額。租賃款亦包含本集團合理確定將予行使的購買權的行使價，以及倘租期反映本集團行使選擇權終止租賃，終止租賃的罰款。不倚賴於指數或利率的可變租賃款於引致付款之事件或條件發生的期間內確認為開支。

於計算租賃款的現值時，由於租賃隱含的利率不易確定，故本集團於租賃開始日期使用增量借款利率。開始日期後，租賃負債金額的增加及減少將分別反映利息的增加及所付租賃款。此外，倘出現修訂、租期變動、租賃款變動(例如由指數或利率變動引致的未來租賃款變動)或相關資產購買權的評估變動，則租賃負債的賬面值將重新計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plants and buildings (that is those leases 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 leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產的租賃

本集團應用短期租賃確認豁免於其廠房及樓宇的短期租賃(即自開始日期起該等租賃的租賃期為12個月或以內且並無包含購買選擇權)。其亦應用低價值資產租賃確認豁免於被認為低價值的辦公設備及筆記本電腦的租賃。

短期租賃及低價值資產租賃的租賃付款於租賃期內按直線法確認為開支。

本集團作為出租人

當本集團作為出租人，則於租賃開始時(或出現租賃修訂時)將其每項租賃分為經營租賃或融資租賃。

如本集團並未轉移資產擁有權附帶之絕大部分風險及回報之租賃，均分類為經營租賃。如合約包含租賃和非租賃部分，本集團按相對獨立售價基準將合約代價分配至各個部分。租金收益於租賃期按直線法入賬並由於其經營性質於損益內計入收入。磋商及安排經營租賃所產生之初始直接成本會加入租賃資產賬面值，並按與租金收益相同之基準於租賃期內確認。或然租金於賺取期間確認為收入。

凡將相關資產的擁有權附帶的絕大部分風險與回報轉讓至承租人的租賃均列為融資租賃。

如本集團為出租中介，則參考總租賃產生的使用權資產將轉租賃分類為融資租賃或經營租賃。如總租賃為本集團採用資產負債表內確認豁免的短期租賃，則本集團將轉租賃分類為經營租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS AND OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at FVTOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at FVTPL.

2.4 主要會計政策概要(續)

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為其後按攤銷成本計量、按公允價值計入其他全面收益及按公允價值計入損益。

於初始確認時，金融資產分類視乎金融資產的合約現金流量特徵及本集團管理該等金融資產的業務模式而定。除並無包含重大融資成分的貿易應收款項及票據或本集團已就貿易應收款項及票據應用不調整重大融資成分影響的可行權宜方法外，本集團初始按公允價值(倘為並非按公允價值計入損益的金融資產則另加交易成本)計量金融資產。並無包含重大融資成分或本集團已應用可行權宜方法的貿易應收款項及票據根據香港財務報告準則第15號(按照下文「收入確認」所載的政策)釐定的交易價格計量。

為將金融資產按攤銷成本或按公允價值計入其他全面收益進行分類及計量，金融資產需產生純粹為支付本金及未償還本金之利息(「純粹支付本金及利息」)的現金流量。現金流量並非純粹支付本金及利息之金融資產按公允價值計入損益進行分類及計量，而不論業務模式。

本集團管理金融資產的業務模式指其如何管理金融資產以產生現金流量。業務模式釐定現金流量會否產生自收取合約現金流量、出售金融資產，或兩者兼有。按攤銷成本進行分類及計量的金融資產按持有金融資產以收取合約現金流量的業務模式持有，而按公允價值計入其他全面收益進行分類及計量的金融資產按旨在持有金融資產以收取合約現金流量及出售金融資產的業務模式持有。並非按上述業務模式持有的金融資產為按公允價值計入損益進行分類及計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at FVTOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

所有以日常買賣之金融資產，均按交易日(即本集團承諾買賣該資產的日期)確認。日常買賣乃指須於市場規定或慣例一般所訂的期間內交付資產的金融資產買賣。

其後計量

金融資產的其後計量視乎下述分類而定：

按攤銷成本列賬的金融資產

按攤銷成本列賬的金融資產其後以實際利率法計量，並受減值影響。當資產終止確認、修訂或減值時，利益及虧損於損益確認。

按公允價值計入其他全面收益的金融資產(債務工具)

就按公允價值計入其他全面收益的債務工具而言，利息收益、外匯重估及減值虧損或撥回於損益確認，並按與按攤銷成本計量的金融資產相同的方式計量。其餘公允價值變動於其他全面收益確認。於終止確認時，於其他全面收益確認的累計公允價值變動結轉至損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

Subsequent measurement (Continued)

Financial assets designated at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVTOCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity instruments which the Group had not irrevocably elected to classify at FVTOCI. Dividends on equity instruments classified as financial assets at FVTPL are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量(續)

指定為按公允價值計入其他全面收益的金融資產(股本工具)

於初始確認時，當股權投資符合香港會計準則第32號金融工具：呈報對股本的定義及並非持作買賣時，本集團可選擇不可撤銷地將其股權投資分類為指定為按公允價值計入其他全面收益的股本工具。分類乃按個別工具基準釐定。

該等金融資產的利益及虧損概不會結轉至損益。當付款權利已確立，而與股息有關的經濟利益可能流入本集團，且股息金額能可靠地計量，則股息於損益確認為其他收益，惟當本集團自作為收回金融資產部分成本的所得款項獲益時則除外，而於此情況下，有關利益於其他全面收益入賬。指定為按公允價值計入其他全面收益的股本工具毋須進行減值評估。

按公允價值計入損益之金融資產

按公允價值計入損益的金融資產按公允價值於綜合財務狀況表列賬，而公允價值變動淨額於損益確認。

此分類包括本集團並無選擇分類為按公允價值計入其他全面收益的衍生工具及股本工具。當付款的權利已確立，而與股息有關的經濟利益可能流入本集團，且股息金額能可靠計量時，分類為按公允價值計入損益的金融資產的股本工具股息亦於損益確認為其他收益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要(續)

終止確認金融資產

金融資產(或如適用,金融資產的一部分或一組類似金融資產的一部分)主要會於以下情況終止確認(即從本集團的綜合財務狀況表刪除):

- 自資產收取現金流量的權利已經屆滿;或
- 本集團已轉讓其自資產收取現金流量的權利或已承擔根據「轉讓」安排在並無重大延誤下將所收取現金流量全數支付予第三方的責任;及(a)本集團已轉讓該資產的絕大部分風險及回報;或(b)本集團並無轉讓或保留該資產的絕大部分風險及回報,但已轉讓該資產的控制權。

當本集團已轉讓其自資產收取現金流量的權利或已訂立轉讓安排,其會評估有否保留該資產擁有權的風險及回報,以及其程度。當本集團並無轉讓或保留該資產的絕大部分風險及回報及並無轉讓該資產的控制權,本集團以本集團持續參與程度為限繼續確認已轉讓資產。在此情況下,本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團已保留的權利及責任為基準計量。

以已轉讓資產擔保方式的持續參與按資產原賬面值與本集團可能被要求償還的代價的最高金額之間的較低者計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 5 years past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要(續)

金融資產減值

本集團就並非按公允價值計入損益的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額，並按接近原有實際利率貼現。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸增強措施所得的現金流量。

一般方法

預期信貸虧損分兩個階段確認。就自初始確認以來信貸風險並無大幅增加的信貸風險而言，會為未來12個月內的可能違約事件所產生的信貸虧損計提預期信貸虧損撥備(12個月預期信貸虧損)。就自初始確認以來信貸風險大幅增加的信貸風險而言，不論違約時間如何，須就預期於風險餘下存續期內的信貸虧損計提虧損撥備(整個存續期預期信貸虧損)。

於各報告日期，本集團評估自初始確認後金融工具的信貸風險是否大幅增加。於進行評估時，本集團將於報告日期金融工具發生違約的風險與初始確認日期金融工具發生違約的風險進行比較，並考慮所有毋須付出不必要成本或努力即可獲得的合理支持資料，包括歷史及前瞻性資料。

當合約付款已逾期5年，本集團認為金融資產將會違約。可是，於某些情況下，倘內部或外部資料顯示在並無計及本集團任何信貸增強措施前，本集團不大可能悉數收到未償還合約款項，本集團亦可能認為金融資產將會違約。於無法合理預期收回合約現金流量時撇銷金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMPAIRMENT OF FINANCIAL ASSETS (Continued)

General approach (Continued)

Debt instruments at FVTOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and bills receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade and bills receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方法(續)

按公允價值計入其他全面收益的債務工具及按攤銷成本列賬的金融資產在一般方法下受減值影響，並就計量預期信貸虧損分為以下階段，惟下列應用簡化方法的貿易應收款項及票據和合約資產除外。

- 第一階段 — 自初始確認起信貸風險未顯著增加，且其虧損撥備乃按相等於12個月預期信貸虧損的金額計量的金融工具
- 第二階段 — 自初始確認起信貸風險顯著增加但並非信貸減值金融資產，且其虧損撥備乃按相等於整個存續期預期信貸虧損的金額計量的金融工具
- 第三階段 — 於報告日期為信貸減值（但並非購買或原先信貸減值）且其虧損撥備乃按相等於整個存續期預期信貸虧損的金額計量的金融資產

簡化方法

就並無包含重大融資成分或本集團應用可行權宜方法不調整重大融資成分影響的貿易應收款項及票據和合約資產而言，本集團應用簡化方法計算預期信貸虧損。根據簡化方法，本集團並無追蹤信貸風險的變化，而於各報告日期根據整個存續期預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

就包含重大融資成分的貿易應收款項及票據而言，本集團選擇採納簡化方法為其會計政策以計算預期信貸虧損（如上文所述政策）。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, convertible loans, lease liabilities and other financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at FVTPL are designated at the date of initial recognition and only if the criteria in HKFRS 9 are satisfied.

2.4 主要會計政策概要(續)

金融負債

初始確認及計量

金融負債於初始確認時分類為按公允價值計入損益的金融負債、貸款及借款、應付款項，或於有效對沖中指定為對沖工具的衍生工具(如適用)。

所有金融負債初始按公允價值確認，倘為貸款及借款以及應付款項，則扣除直接應佔交易成本。

本集團金融負債包括貿易應付款項及其他應付款項、貸款及借款(包括銀行透支)、可換股貸款、租賃負債及其他金融負債。

其後計量

金融負債的其後計量視乎下述分類而定：

按公允價值計入損益的金融負債

按公允價值計入損益的金融負債包括持作買賣的金融負債及於初始確認時指定為按公允價值計入損益的金融負債。

倘為於近期購回而產生金融負債，則金融負債分類為持作買賣。此類別亦包括本集團所訂立於香港財務報告準則第9號所界定的對沖關係中並無指定為對沖工具的衍生金融工具。獨立嵌入式衍生工具亦分類為持作買賣，惟指定為有效對沖工具的衍生工具則除外。

持作買賣的負債利益或虧損確認於損益。已於損益確認的公允價值淨利益或淨虧損並不包括任何該金融負債的利息。

於初始確認時指定為按公允價值計入損益的金融負債於初始確認日期指定，並僅於符合香港財務報告準則第9號標準的情況下會進行。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL LIABILITIES (Continued)

Subsequent measurement (Continued)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Convertible loans

The component of convertible loans that exhibits characteristics of a liability is recognised as a liability in the consolidated statement of financial position, net of transaction costs. On issuance of convertible loans, the fair value of the liability component is determined using a market rate for an equivalent non-convertible loan; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible loans based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.4 主要會計政策概要(續)

金融負債(續)

其後計量(續)

按攤銷成本列賬的金融負債(貸款及借款)

於初始確認後，計息貸款及借款其後以實際利率(「實際利率」)法按攤銷成本計量。終止確認負債及於實際利率攤銷過程中產生的利益及虧損於損益確認。

計算攤銷成本時會考慮收購所產生的任何折讓或溢價及構成實際利率組成部分的費用或成本。實際利率攤銷計入於損益內的融資成本。

可換股貸款

帶有負債特性的可換股貸款成分經扣減交易成本後於綜合財務狀況表內確認為負債。於發行可換股貸款時，負債成分的公允價值按等值不可換股貸款的市價釐定；該項金額按攤銷成本基準作為長期負債列賬，直至於轉換或贖回時獲償清為止。其餘所得款項經扣除交易成本後分配至獲確認的轉換權，並計入股東權益。轉換權的賬面值於其後年度不再重新計量。交易成本按首次確認該等工具時將所得款項分配至負債與權益成分的比例在可換股貸款的負債與權益成分之間進行分配。

終止確認金融負債

金融負債於負債責任獲解除、取消或期滿時終止確認。

當現有金融負債由同一貸款人所提供條款差異重大的另一金融負債取代，或現有負債的條款已作重大修訂，則有關取代或修訂被視為終止確認原有負債及確認新負債。有關賬面值的差額於損益確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

DERIVATIVE FINANCIAL INSTRUMENTS

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Manufacturing and trading

Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Property development

Cost comprises land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

2.4 主要會計政策概要(續)

抵銷金融工具

倘若現時存在可強制執行的法定權利以抵銷已確認金額，且亦有意以淨額結算，或同時變現資產及償還負債，則金融資產及金融負債可互相抵銷，並將淨額於綜合財務狀況表內呈報。

衍生金融工具

初始確認及其後計量

衍生工具於衍生工具合約訂立當日按公允價值初始確認，其後於報告期末按其公允價值重新計量。所得利益或虧損即時確認於損益，除非該衍生工具指定為有效對沖工具，於此情況下，則視乎對沖關係之性質決定於損益確認之時間。

嵌入式衍生工具

非衍生工具主合約中之嵌入式衍生工具在符合衍生工具定義時，且其風險及特性與主合約所載者並無緊密關聯，及主合約並不按公允價值計入損益計量，則被視為獨立衍生工具。

存貨

存貨按成本與可變現淨值兩者中的較低者入賬。

製造和貿易

成本乃以加權平均法釐定，而就在產品及產成品而言，成本包括直接原料、直接勞工及適當比例的固定開支。可變現淨值則按預計售價減完成及出售時所產生的任何估計成本釐定。

物業發展

成本包括土地成本、建設成本、借貸成本、專業費用及該等物業於開發期間直接產生的其他成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of cash management.

PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2.4 主要會計政策概要(續)

現金及現金等價物

現金及現金等價物包括現金及活期存款，以及可隨時轉換為已知數額現金、價值變動風險極低及一般自購入後三個月內到期的短期高流動性投資，但須扣減應要求即時償還及構成現金管理組成部分的銀行透支。

撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需要有資源流出以償還債務，則確認撥備，但必須能可靠估計有關債務金額。

倘折現的影響重大，則就撥備確認的金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額會計入損益內的融資成本。

於保修期間，本集團就銷售若干工業產品及提供建築服務發生的缺陷提供一般維修的擔保。就本集團提供該等保證型擔保而作出的撥備乃根據銷量以及過往維修及退貨程度經驗確認，並貼現至其現值(如適當)。

所得稅

所得稅包括即期及遞延稅項。與並非於損益賬確認的項目有關的所得稅會在並非損益賬的其他全面收益內或直接在權益內確認。

即期稅項資產及負債按預期獲稅務機構退回或向稅務機構支付的款項計量。計量的基準為報告期末已實行或已實際執行的稅率(及稅法)，亦考慮本集團經營所在國家現行的詮釋及慣例。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAX (Continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項乃採用負債法就報告期末資產及負債的稅基與其用作財務呈報的賬面值之間的所有暫時差額作出撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中，初始確認商譽或資產或負債時產生的遞延稅項負債；及
- 就與於附屬公司、合營企業及聯營公司的投資有關的應課稅暫時差額而言，暫時差額的撥回時間可以控制，且該等暫時差額於可見將來可能不會被撥回。

遞延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免和任何未動用稅項虧損的結轉而確認。倘日後很可能有應課稅溢利可供抵銷可扣稅暫時差額、未動用稅項抵免和未動用稅項虧損的結轉，則會確認遞延稅項資產，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中，初始確認資產或負債時產生與可扣除暫時差額有關的遞延稅項資產；及
- 就與於附屬公司、合營企業及聯營公司的投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回且應課稅溢利將可用以抵銷暫時差額的情況下，方予確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAX (Continued)

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值於各報告期末作出檢討，並在不再有足夠應課稅溢利以供對銷全部或部分遞延稅項資產時予以扣減。未確認的遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間的稅率計量，並以報告期末已實行或已實際執行的稅率(及稅法)為基準。

遞延稅項資產與遞延稅項負債僅可在以下情況對銷：本集團依法有強制執行權可以將即期稅項資產與即期稅項負債對銷；而且遞延稅項資產與遞延稅項負債是關於同一稅務機關所徵收的所得稅，不論是對同一應課稅實體或不同應課稅實體徵收的所得稅，也不論應課稅實體計劃於各段未來期間(期間預期將結清或收回大額的遞延稅項負債或資產)以淨額基準結算即期稅項負債及資產或同時實現資產及結清負債。

政府補助

政府補助於可合理確定將可收取補助並且符合所有附帶條件時，按公允價值確認入賬。該項補助如與開支項目有關，則於該項補助擬補貼的成本開銷期間有系統地確認為收益。該項補助如與資產有關，則按公允價值計入遞延收益賬項，再於有關資產的預計可使用年期內按等額每年分期計入損益內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

2.4 主要會計政策概要(續)

收入確認

來自客戶合約的收入

來自客戶合約的收入於貨品或服務的控制權以反映本集團預期就提供該等貨品或服務而有權獲得的代價金額向客戶轉讓時確認。

當合約中的代價包括可變金額時，代價將估算為本集團向客戶轉讓貨品或服務而有權獲得的金額。可變代價在合約生效時作出估計並受其約束，直至其後與可變代價相關的不確定性消除時確認的累計收入金額極有可能不會發生收入大幅撥回。

當合約包含融資部分，就向客戶轉讓貨品或服務而為客戶提供重大融資利益超過一年時，收入按應收金額的現值計量，並按合約生效時在本集團與客戶之間訂立的獨立融資交易中反映的貼現率貼現。當合約包含為本集團提供超過一年重大融資利益的融資部分時，根據合約確認的收入包括根據實際利率法計算的合約負債所附加的利息開支。對於客戶付款與承諾轉讓貨品或服務之間的期限為一年或不足一年的合約，交易價格不會採用香港財務報告準則第15號的可行權宜方法就重大融資部分的影響作出調整。

(a) *銷售貨品*

銷售貨品收入於向客戶轉移資產控制權時(一般於交貨時)確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION (Continued)

Revenue from contracts with customers (Continued)

(b) Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

(c) Provision of sewage, hazardous waste treatment and related environmental protection services

Revenue from the provision of sewage, hazardous waste treatment and related environmental protection services is recognised when the relevant services have been rendered.

2.4 主要會計政策概要(續)

收入確認(續)

來自客戶合約的收入(續)

(b) 建築服務

提供建築服務的收入隨時間推移確認，且使用投入法對完成履行服務的進度計量，乃由於本集團於履行服務時創造或改良客戶在資產被創造或改良時已控制的資產。投入法根據所產生實際成本佔履行建築服務總估計成本的比例確認收入。

向客戶申索是本集團尋求向客戶收取作為原有建築合約中未包括的工程範圍的成本及差額的補償。申索以可變代價入賬並受其約束，直至其後與可變代價相關的不確定性消除時確認的累計收入金額極有可能不會發生收入大幅撥回。本集團使用預期價值法估計申索金額，乃由於此方法最有效預測本集團將有權獲得的可變代價金額。

(c) 提供污水、危險廢品處理及相關環保服務

提供污水、危險廢品處理及相關環保服務的收入於提供相關服務時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION (Continued)

Revenue from other sources

Income from financial services including:

- (i) handling fee income from factoring services and supply-chain financing services which is recognised when the relevant services have been rendered;
- (ii) finance lease income which is recognised over the period of lease, as further explained in the accounting policy "Leases" above; and
- (iii) interest income which is recognised on an accrual basis using the effective interest method as explained below.

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

2.4 主要會計政策概要(續)

收入確認(續)

其他來源的收入

來自金融服務的收益包括：

- (i) 來自有關保理服務及供應鏈融資服務所得之手續費收益，於提供相關服務時確認；
- (ii) 融資租賃收益於租賃期內確認，詳情於上文會計政策「租賃」內闡釋；及
- (iii) 利息收益以實際利率法按應計基準確認，詳情於下文闡釋。

租金收益按租期的時間比例確認。不倚賴於一個指數或一個利率的可變租賃款在產生之會計期間內確認為收益。

其他收益

利息收益以應計基準用實際利率法確認，所採用利率於金融工具的估計可用年期(或較短期間(如適用))將估計未來現金收入準確折現至金融資產的賬面淨值。

股息收益於股東有權收取款項，而本集團可能獲得與股息相關的經濟利益，且股息金額能可靠地計量時確認。

合約資產

合約資產為就向客戶轉讓的貨品或服務收取代價的權利。倘本集團於客戶支付代價前或付款到期前向客戶轉讓貨品或服務，則就附帶條件的已賺取代價確認合約資產。合約資產需要進行減值評估，詳情載於金融資產減值的會計政策。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRACT LIABILITIES

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

EMPLOYEE BENEFITS

Pension schemes

In accordance with the relevant laws and regulations, the Group's employees participate in various defined contribution plans and state-management retirement benefit plans in the countries in which the Group operates. Payments to these plans, where the Group's obligations under them are equivalent to a defined contribution plan, are recognised as an expense when employees have rendered service entitling them to the contributions.

Housing benefits, medical insurances and other social insurances

PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plans. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Share-based payments

The Company operates a share option scheme and a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted.

2.4 主要會計政策概要(續)

合約負債

合約負債於本集團轉讓相關貨品或服務前收到客戶付款或付款到期時(以較早者為準)確認。合約負債於本集團根據合約履行(即將相關貨品或服務的控制權轉讓予客戶)時確認為收入。

僱員福利

退休金計劃

本集團根據相關法律及法規為本集團經營所在國家的僱員參加各種界定供款計劃及國家管理退休福利計劃。本集團於該等計劃下所承擔之責任與界定供款計劃相等，且給予該等計劃的供款於僱員提供有權獲得供款的服務時確認為開支。

住房公積金、醫療保險及其他社會保險

本集團的中國僱員有權參與政府規定的若干住房公積金、醫療保險及其他社會保險計劃。本集團根據該等僱員工資的若干百分比按月向該等基金供款。本集團對該等基金的負債以各期間應付的供款為限。住房公積金、醫療保險及其他社會保險的供款於產生時列為開支。

以股份為基礎的支付

本公司設有一項購股權計劃及一項股份獎勵計劃，以向對本集團業務成功有貢獻的合資格參與者提供鼓勵及獎勵。本集團僱員(包括董事)以股份為基礎的支付形式收取薪酬，而僱員則提供服務作為換取股本工具的代價(「以股本付款交易」)。

以股本付款交易的成本乃根據授出當日的公允價值計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EMPLOYEE BENEFITS (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 主要會計政策概要(續)

僱員福利(續)

以股份為基礎的支付(續)

以股本付款交易的成本連同相關權益的增加於達成表現及／或服務條件時在僱員福利開支內確認。於各報告期末就以股本付款交易確認累計開支，直至歸屬日期為止，反映歸屬期屆滿部分以及本集團對最終將歸屬的股本工具數目的最佳估計。期間在損益扣除或入賬的金額指期初及期末已確認累計開支的變動。

釐定獎勵於授出日期的公允價值時，不會考慮服務及非市場表現條件，但會評估達成該等條件的可能性，作為本集團對最終將歸屬的股本工具數目的最佳估計。市場表現條件反映於授出日期的公允價值內。獎勵所附帶但並無相關服務要求的任何其他條件視為非歸屬條件。除非有服務及／或表現條件，否則非歸屬條件反映於獎勵的公允價值內，並將即時支銷獎勵。

因未能達成非市場表現及／或服務條件而最終並無歸屬的獎勵不會確認開支。倘獎勵包括市場或非歸屬條件，不論市場或非歸屬條件是否達成，交易視為歸屬，惟所有其他表現及／或服務條件須已達成。

於滿足獎勵之原有條款情況下，若修訂以股本付款獎勵的條款，則至少確認假設並無修訂有關條款時的開支。此外，倘修訂導致以股份為基礎的支付交易的總公允價值增加或對僱員有利(就修訂當日計量而言)，則須就修訂確認開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EMPLOYEE BENEFITS (Continued)

Share-based payments (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

DIVIDENDS

Dividends are recognised as a liability and deducted from equity when they are declared and approved by the Company's shareholders in general meetings. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

Interim dividends are deducted from equity when they are declared and approved, and no longer at the discretion of the Company.

2.4 主要會計政策概要(續)

僱員福利(續)

以股份為基礎的支付(續)

倘取消以股本付款獎勵，則有關獎勵將視作於取消當日已經歸屬，而任何未確認的獎勵開支會即時確認。其包括任何本集團或僱員未能達成可控制之非歸屬條件的獎勵。然而，倘有新獎勵取代已取消的獎勵，並於授出日期指定為替代獎勵，則所取消的獎勵及新獎勵將視為對原有獎勵的修訂(如上段所載述)。

借款成本

因收購、建築或生產合資格資產(即需要長時間準備作擬定用途或銷售的資產)而直接產生之借貸成本資本化作該等資產成本的一部分。當該等資產大致上可作擬定用途或銷售時，則停止將借貸成本資本化。特定借款有待用於合資格資產開支期間臨時投資所賺取的投資收益，從已資本化的借貸成本中扣除。所有其他借貸成本於其產生期間內列作開支。借貸成本包括一間實體在借入資金時所產生的利息及其他成本。

股息

宣派的股息經本公司股東於股東大會上批准後確認為負債，並且從權益中扣除。擬派末期股息將在綜合財務報表附註中披露。

宣派的中期股息自批准，並且本公司不能隨意更改時從權益中扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES

The Company's functional currency is Hong Kong dollars while the Company's presentation currency for the consolidated financial statements is Renminbi. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Renminbi using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

2.4 主要會計政策概要(續)

外幣

本公司的功能貨幣為港元，而本公司綜合財務報表的呈列貨幣則為人民幣。於編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易，按交易當日適用的匯率確認。於各報告期末，以外幣列值之貨幣項目按當日適用的匯率重新換算。以外幣按公允價值計量之非貨幣項目，按釐定公允價值當日之匯率重新換算。以外幣按歷史成本計算之非貨幣項目不會重新換算。

貨幣項目之匯兌差額乃於產生期間內於損益確認，惟以下各項例外：

- 當有關日後生產使用之在建資產之外幣借貸匯兌差額被視為外幣借貸之利息成本之調整時，匯兌差額計入該等資產之成本；
- 對沖若干外幣風險交易之匯兌差額；及
- 應收或應付一項海外業務之貨幣項目匯兌差額，既無計劃結算，發生結算之可能性亦不大，其為海外業務投資淨額之一部分，並初始於其他全面收益確認及於償還貨幣項目時由權益重新分類至損益。

就呈報綜合財務報表而言，本集團海外業務之資產及負債，按各報告期末適用匯率換算為人民幣。收支項目按期內平均匯率換算。所產生匯兌差額(如有)乃於其他全面收益確認，並累計列入權益之匯兌波動儲備項下(按適當情況撥入非控制權益)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES (Continued)

On disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of the operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

JUDGEMENT

Deferred tax liabilities

Deferred income tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of the subsidiaries in the PRC to be repatriated and distributed by way of dividends as the directors consider that the timing of the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future.

If these undistributed earnings of the subsidiaries in the PRC are considered to be repatriated and distributed by way of dividends, the deferred income tax charge and deferred income tax liability would have increased by the same amount of approximately RMB346,198,000 (2019: RMB374,897,000).

ESTIMATION UNCERTAINTY

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, are described below.

2.4 主要會計政策概要(續)

外幣(續)

於出售海外業務時，就本公司擁有人應佔該業務而於權益內累計之所有匯兌差額重新分類至損益。

通過收購海外業務而獲得之可識別資產及承擔之負債之商譽及公允價值調整，均被視為該海外業務之資產及負債，並按各報告期末之適用匯率換算。產生之匯兌差額於其他全面收益確認。

3. 主要會計判斷及估計

編製本集團的綜合財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設影響收入、開支、資產及負債的呈報金額及相關披露，以及或然負債的披露。此等假設及估計的不明朗因素可引致日後需對受影響的資產或負債的賬面值作出重大調整。

判斷

遞延稅項負債

遞延所得稅負債並無就以股息形式匯出及分派的中國附屬公司若干溢利的應付所得稅及預提所得稅計提，原因是董事認為撥回相關暫時差額的時間可被控制以及有關暫時差額將不會於可見將來撥回。

倘該等中國附屬公司的未分派盈利被視為以股息形式匯出及分派，則遞延所得稅開支及遞延所得稅負債將以相同金額約人民幣346,198,000元(2019年：人民幣374,897,000元)增加。

估計不明朗因素

有關於報告期末估計不明朗因素的未來及其他主要來源的主要假設，存在會導致下一個財政年度內資產及負債賬面值出現重大調整的重大風險，於下文有所載述。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

ESTIMATION UNCERTAINTY (Continued)

Impairment of goodwill, brand name and trademark and operating concession rights

The Group determines whether goodwill, brand name and trademark and operating concession rights with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill, brand name and operating concession rights are allocated. Estimating the value in use requires the Group to make an estimation of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. At the end of the reporting period, the carrying amounts of goodwill, brand name and trademark and operating concession rights were RMB381,408,000 (2019: RMB398,589,000), RMB147,233,000 (2019: RMB110,520,000) and RMB24,550,000 (2019: RMB24,550,000), respectively. Further details are disclosed in note 16 to the consolidated financial statements.

Provision of ECL for contract assets, trade and bills receivables, other receivables and loan receivables

The Group uses a provision matrix to calculate ECLs for contract assets, trade and bills receivables, other receivables and loan receivables. The provision rates are based on the invoice date for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

商譽、商號及商標和特許經營權減值

本集團至少每年釐定商譽、具無限可使用年期之商號及商標和特許經營權是否減值。此乃需要估計已分配商譽、商號及特許經營權的現金產生單位的可使用價值。在估計可使用價值時，本集團須估計該現金產生單位預期未來的現金流量，選擇合適的貼現率以計算該等現金流量的現值。於報告期末，商譽、商號及商標和特許經營權的賬面值分別為人民幣381,408,000元(2019年：人民幣398,589,000元)、人民幣147,233,000元(2019年：人民幣110,520,000元)及人民幣24,550,000元(2019年：人民幣24,550,000元)。有關詳情已披露於綜合財務報表附註16。

提供合約資產、貿易應收款項及票據、其他應收款項及應收借款的預期信貸虧損

本集團使用撥備矩陣計算合約資產、貿易應收款項及票據、其他應收款項及應收借款的預期信貸虧損。撥備率就有類似虧損模式的各客戶分部組別(即按地區、產品類型、客戶類型及評級，以及信用證及其他形式的信用保險)的發票日期釐定。

撥備矩陣最初按本集團歷史觀察違約比率釐定。本集團將校準矩陣，以使用前瞻性資料調整歷史信貸虧損經驗。例如，倘預測經濟狀況(即國內生產總值)於來年惡化而可能導致製造業違約數量增加，則調整歷史違約比率。於各報告日期，本集團更新歷史觀察違約比率並分析前瞻性估計的變動。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

ESTIMATION UNCERTAINTY (Continued)

Provision of ECL for contract assets, trade and bills receivables, other receivables and loan receivables (Continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's contract assets, trade and bills receivables, other receivables and loan receivables is disclosed in notes 23, 24, 25 and 20 to the consolidated financial statements, respectively.

Provision for obsolete and slow-moving inventories

The Group reviews the aging analysis of its inventories at the end of each reporting period, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for use/sale. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. At the end of the reporting period, an accumulated provision for obsolescence of RMB214,768,000 (2019: RMB196,533,000) has been recognised for inventories.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

提供合約資產、貿易應收款項及票據、其他應收款項及應收借款的預期信貸虧損(續)

評估歷史觀察違約比率、預測經濟狀況及預期信貸虧損之間的相關性為重要估計。預期信貸虧損的金額受環境變化及預測經濟狀況影響。本集團的歷史信貸虧損及經濟狀況預測亦可能無法反映客戶日後的實際違約。有關本集團合約資產、貿易應收款項及票據、其他應收款項及應收借款的預期信貸虧損的資料分別於綜合財務報表附註23、24、25及20中披露。

過時及滯銷存貨撥備

本集團於各報告期末檢討其存貨的賬齡分析，並對確認為不宜使用／出售的過時及滯銷存貨項目作出撥備。管理層主要根據最新的發票售價及現時市況估計該等存貨的可變現淨值。於報告期末，人民幣214,768,000元(2019年：人民幣196,533,000元)已確認為存貨之累計過時撥備。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

ESTIMATION UNCERTAINTY (Continued)

Fair value of investment properties

The best evidence of fair value is current prices in an active market for properties in the same location and condition and subject to similar leases and other contracts. In the absence of such information, management determines the amount within a range of reasonable fair value estimates. In making its judgement, management considers information from a variety of sources, including (i) independent valuations; (ii) current prices in an active market for properties of a different nature, condition and location (or subject to different leases or other contracts), adjusted to reflect those differences; (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices; and (iv) discounted cash flow projections, based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rates for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

Details of the judgement and assumptions involved in determining the fair value of the Group's investment properties have been disclosed in note 14 to the consolidated financial statements.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

投資物業公允價值

公允價值之最佳憑證為相同地點及狀況之物業當時於活躍市場之價格，並受類似租約及其他合約規限。在欠缺該等資料之情況下，管理層根據合理公允價值估計範圍釐定有關金額。在作出有關估算時，管理層會考慮不同來源之資料，包括：(i)獨立估值；(ii)性質、狀況或地點不同（或受不同租約或其他合約規限）之物業當時於活躍市場之價格，並加以調整以反映有關差異；(iii)類似物業於較不活躍市場之近期價格（或會作出調整，以反映自按交易之日以來經濟狀況之任何轉變對價格之影響）；及(iv)根據對未來現金流量之可靠估計而預測之貼現現金流量，輔以任何現有租約與其他合約之條款及（如可能）外在憑證（如地點及狀況相同之類似物業之當時市場租金），並採用反映當時市場對現金流量金額及時間之不確定性評估之貼現率計算。

釐定本集團投資物業公允價值時所涉及的判斷及假設之詳情已披露於綜合財務報表附註14。

租賃 — 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似借期與類似抵押品借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的款項，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須對利率作出估計。當可觀察輸入數據（如市場利率）可用時，本集團用此估算增量借款利率，並須作出若干實體特定的估計（如附屬公司的獨立信貸評級）。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

A CHANGE IN ACCOUNTING ESTIMATES

In accordance with the HKAS 16 — Property, Plant and Equipment and HKAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors, the Group adjusted the estimated useful lives of property, plant and equipment to ensure the adjusted useful lives to meet the estimates on the period that the future economic benefits. The impact on the change in the useful lives will not result in a restatement. The new useful lives applied from 1 January 2020.

From 1 January 2020, the Group changed the annual rates of depreciation for certain property, plant and equipment, particulars of which are as follow:

Category 類別	Annual rates of depreciation 每年折舊率	
	Before the change 變更前	After the change 變更後
Plant and machinery 廠房及機器	14.0% to 26.7%	8.1% to 20.0%
	14.0%至26.7%	8.1%至20.0%

The change has been applied prospectively and has resulted in a decrease in depreciation of approximately RMB43,863,000 during the year.

3. 主要會計判斷及估計(續)

會計估計變動

根據香港會計準則第16號—物業、廠房及設備及香港會計準則第8號—會計政策、會計估計變更和差錯，本集團對物業、廠房及設備的估計可使用年期進行調整，以確保經調整使用年限符合帶來未來經濟利益的期間估計。對使用年期變更的影響將不會導致重列。新使用年期自2020年1月1日起應用。

自2020年1月1日起，本公司對若干物業、廠房及設備的每年折舊率進行變更，具體情況如下：

有關變更已追溯應用，已導致年內折舊減少約人民幣43,863,000元。

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of building materials and interior decoration products; the provision of renovation and installation works, environmental engineering and other related services, financial services and property rental and other related services. For management purposes, the Group's businesses are organised by geographical areas based on the location of the customers and assets are attributable to the geographical unit based on the location of the assets. The Group has eight reportable operating segments as follows:

- (i) Southern China, including Guangdong Province, Guangxi Zhuang Autonomous Region, Hunan Province, Fujian Province and Hainan Province;
- (ii) Southwestern China, including Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province and Xizang (Tibet) Autonomous Region;
- (iii) Central China, including Hubei Province, Jiangxi Province and Henan Province;
- (iv) Eastern China, including Shanghai Municipality, Jiangsu Province, Zhejiang Province and Anhui Province;
- (v) Northern China, including Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province, Inner Mongolia Autonomous Region and Shanxi Province;
- (vi) Northwestern China, including Shaanxi Province, Ningxia Hui Autonomous Region, Qinghai Province, Gansu Province and Xinjiang Uygur Autonomous Region;
- (vii) Northeastern China, including Liaoning Province, Jilin Province and Heilongjiang Province; and
- (viii) Outside China.

4. 經營分部資料

本集團主要從事製造及銷售建材家居產品、提供裝修及安裝工程、環境工程及其他相關服務、金融服務和物業租賃及其他相關服務。就管理目的而言，本集團的業務根據客戶的所在地組成地理分區，且資產按其所在地分配予地域單位。本集團擁有以下八個需匯報經營分部：

- (i) 華南，包括廣東省、廣西壯族自治區、湖南省、福建省及海南省；
- (ii) 西南地區，包括重慶市、四川省、貴州省、雲南省及西藏自治區；
- (iii) 華中，包括湖北省、江西省及河南省；
- (iv) 華東，包括上海市、江蘇省、浙江省及安徽省；
- (v) 華北，包括北京市、天津市、河北省、山東省、內蒙古自治區及山西省；
- (vi) 西北地區，包括陝西省、寧夏回族自治區、青海省、甘肅省及新疆維吾爾自治區；
- (vii) 東北地區，包括遼寧省、吉林省及黑龍江省；及
- (viii) 中國境外。

4. OPERATING SEGMENT INFORMATION (Continued)

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, changes in fair value of financial instruments at FVTPL, changes in fair value of other financial liabilities, investment income, gain/(loss) on disposal of subsidiaries, gain on disposal of associates, gain from a bargain purchase, changes in fair value of investment properties, (loss)/gain on disposal of debt instruments at FVTOCI, exchange differences, non-lease-related finance costs, share of results of associates and a joint venture and other unallocated income and expenses are excluded from such measurement.

Segment assets exclude interests in associates, interests in a joint venture, other financial assets, deferred tax assets, cash and bank deposits and other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment revenue is eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The Group's revenue from external customers is derived from its operations in mainland China, special administrative regions of PRC and foreign countries.

During the years ended 31 December 2020 and 2019, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

4. 經營分部資料(續)

為制定資源分配決策及表現評估，管理層分別監控其經營分部的業績。分部表現乃按需匯報分部的溢利進行評估，需匯報分部的溢利即經調整除稅前溢利。經調整除稅前溢利乃按本集團除稅前溢利一貫計量，惟利息收益、按公允價值計入損益的金融工具的公允價值變動、其他金融負債公允價值變動、投資收益、出售附屬公司所得利益／(虧損)、出售聯營公司所得利益、議價收購所得利益、投資物業公允價值變動、出售按公允價值計入其他全面收益的債務工具(虧損)／利益、匯兌差異、非租賃相關的融資成本、分佔聯營公司及一間合營企業業績及其他未分配收益及開支並不包括在該等計量內。

鑑於於聯營公司的權益、於一間合營企業的權益、其他金融資產、遞延稅項資產、現金及銀行存款以及其他未分配總辦事處及公司資產乃按集團基準管理，故分部資產並不包括以上資產。

分部間收入於綜合賬目時抵銷。分部間銷售及轉讓以在當時市價基礎上向第三方作出的銷售價格為參照進行交易。

本集團來自外部客戶的收入乃源於其在中國內地、中國特別行政區及外國的業務。

截至2020年及2019年12月31日止年度，概無來自與單一外部客戶交易的收入佔本集團總收入的10%或以上。

4. OPERATING SEGMENT INFORMATION
(Continued)

4. 經營分部資料(續)

 OPERATING SEGMENT INFORMATION FOR THE
YEAR ENDED 31 DECEMBER 2020

 截至2020年12月31日止年度的經營
分部資料

		Southern China 華南 RMB'000 人民幣千元	Southwestern China 西南地區 RMB'000 人民幣千元	Central China 華中 RMB'000 人民幣千元	Eastern China 華東 RMB'000 人民幣千元	Northern China 華北 RMB'000 人民幣千元	Northwestern China 西北地區 RMB'000 人民幣千元	Northeastern China 東北地區 RMB'000 人民幣千元	Outside China 中國境外 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Segment revenue:	分部收入：										
Sale of goods	銷售貨品	14,296,424	2,793,802	2,873,149	1,545,613	2,097,594	1,422,689	737,700	703,236	-	26,470,207
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	697,116	47,068	108,364	199,095	28,923	1,449	19,769	8,912	-	1,110,696
Income from environmental engineering and other related services	環境工程及其他相關服務收益	179,958	17,539	23,773	127,330	4,098	1,299	-	-	-	353,997
Financial service income	金融服務收益	30,349	1,633	3,625	12,581	2,151	34	19	-	-	50,392
Property rental and other related services	物業租賃及其他相關服務	11,370	-	-	24	-	-	-	76,379	-	87,773
Revenue from external customers	外部客戶收入	15,215,217	2,860,042	3,008,911	1,884,643	2,132,766	1,425,471	757,488	788,527	-	28,073,065
Intersegment revenue	分部間收入	4,354,850	450,144	532,163	437,339	557,703	238,605	185,929	771,577	(7,528,310)	-
Total	總計	19,570,067	3,310,186	3,541,074	2,321,982	2,690,469	1,664,076	943,417	1,560,104	(7,528,310)	28,073,065
Segment results:	分部業績：	4,801,638	884,882	952,938	526,249	620,639	346,109	185,439	224,671	(158,586)	8,383,979
Reconciliations:	對賬：										
Interest income	利息收益										171,112
Gain on fair value changes of financial instruments at FVTPL	按公允價值計入損益的金融工具的公允價值變動利益										129,294
Gain on fair value changes of other financial liabilities	其他金融負債公允價值變動利益										13,348
Investment income	投資收益										17,550
Gain on disposal of subsidiaries	出售附屬公司所得利益										365
Gain on disposal of associates	出售聯營公司所得利益										1,438
Gain from a bargain purchase	收購收購所得利益										5,579
Loss on fair value changes of investment properties	投資物業公允價值變動虧損										(157,263)
Loss on disposal of debt instruments at FVTOCI	出售按公允價值計入其他全面收益的債務工具虧損										(8,191)
Exchange loss	匯兌虧損										(2,328)
Finance costs (other than interest on lease liabilities)	融資成本(租賃負債利息除外)										(427,405)
Share of results of associates	分佔聯營公司業績										203,233
Share of results of a joint venture	分佔一間合營企業業績										1,167
Unallocated income and expenses	未分配收益及開支										(3,578,318)
Profit before tax	除稅前溢利										4,753,560
Segment assets:	分部資產：	18,529,130	1,531,128	1,667,031	1,842,455	998,984	734,828	542,214	7,961,847	-	33,807,617
Reconciliations:	對賬：										
Interests in associates	於聯營公司的權益										2,395,177
Interest in a joint venture	於一間合營企業的權益										11,523
Other financial assets	其他金融資產										2,705,921
Deferred tax assets	遞延稅項資產										159,888
Cash and bank deposits	現金及銀行存款										7,447,436
Total assets	資產總額										46,527,562
Other segment information:	其他分部資料：										
Write-down of inventories to net realisable value, net	撇減存貨至可變現淨值淨額	18,367	-	-	-	-	-	-	(132)	-	18,235
Depreciation and amortisation	折舊及攤銷	658,051	68,829	61,010	49,406	42,846	41,689	21,093	62,992	-	1,005,916
Impairment of property, plant and equipment	物業、廠房及設備減值	36,166	-	-	11,349	-	-	-	316	-	47,831
Impairment of goodwill	商譽減值	11,578	-	-	8,755	-	-	-	-	-	20,333
Reversal of impairment of contract assets, net	合約資產減值撥回淨額	(370)	-	-	-	-	-	-	-	-	(370)
Impairment of trade and bills receivables, net	貿易應收款項及票據減值淨額	25,522	351	1,441	4,578	5,897	661	(1,158)	1,218	-	38,510
Impairment of prepayments, net	預付款項減值淨額	6,774	6,402	-	-	-	-	253	6,645	-	20,074
Impairment of other receivables, net	其他應收款項減值淨額	(2,724)	-	-	-	-	-	-	3,955	-	1,231
Impairment of loan receivables	應收借款減值	17,068	-	-	-	-	-	-	-	-	17,068
Capital expenditure [#]	資本開支 [#]	1,509,062	108,124	276,130	150,447	74,846	37,231	21,877	624,145	(59,774)	2,742,088

[#] Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, investment properties and other intangible assets, among which the additions resulted from business combination amount to RMB252,952,000.

[#] 資本開支包括添置物業、廠房及設備、使用權資產、投資物業及其他無形資產，其中包括因業務合併而產生的添置為人民幣252,952,000元。

4. OPERATING SEGMENT INFORMATION
(Continued)

4. 經營分部資料(續)

OPERATING SEGMENT INFORMATION FOR THE
YEAR ENDED 31 DECEMBER 2019

截至2019年12月31日止年度的經營
分部資料

		Southern China 華南	Southwestern China 西南地區	Central China 華中	Eastern China 華東	Northern China 華北	Northwestern China 西北地區	Northeastern China 東北地區	Outside China 中國境外	Eliminations 抵銷	Consolidated 綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Segment revenue:	分部收入：										
Sale of goods	銷售貨品	13,535,151	2,598,852	3,009,404	1,376,221	1,956,487	1,260,583	696,764	871,766	-	25,305,228
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	439,477	13,349	54,097	62,090	13,983	121	3,418	9,216	-	595,751
Income from environmental engineering and other related services	環境工程及其他相關服務收益	175,752	13,406	12,993	119,513	1,177	2,768	188	-	-	325,797
Financial service income	金融服務收益	26,084	913	13,626	120	157	-	-	-	-	40,900
Property rental and other related services	物業租賃及其他相關服務	3,773	-	-	126	-	-	-	72,948	-	76,847
Revenue from external customers	外部客戶收入	14,180,237	2,626,520	3,090,120	1,558,070	1,971,804	1,263,472	700,370	953,930	-	26,344,523
Intersegment revenue	分部間收入	3,989,030	430,309	533,746	324,949	450,154	247,667	152,790	826,810	(6,955,455)	-
Total	總計	18,169,267	3,056,829	3,623,866	1,883,019	2,421,958	1,511,139	853,160	1,780,740	(6,955,455)	26,344,523
Segment results:	分部業績：	5,272,730	819,409	1,021,793	496,233	642,678	306,270	178,466	227,538	(1,427,998)	7,537,119
Reconciliations:	對賬：										
Interest income	利息收益										125,320
Gain on fair value changes of investment properties	投資物業公允價值變動利益										147,997
Gain on fair value changes of financial instruments at FVTPL	按公允價值計入損益的金融工具的公允價值變動利益										3,432
Gain on disposal of debt instruments at FVTOCI	出售按公允價值計入其他全面收益的債務工具利益										7,587
Loss on fair value changes of other financial liabilities	其他金融負債公允價值變動虧損										(7,768)
Investment income	投資收益										19,693
Loss on disposal of subsidiaries	出售附屬公司的虧損										(8,324)
Exchange gain	匯兌利益										27,084
Finance costs (other than interest on lease liabilities)	融資成本(租賃負債利息除外)										(563,421)
Share of results of associates	分佔聯營公司業績										105,895
Share of results of a joint venture	分佔一間合營企業業績										1,053
Unallocated income and expenses	未分配收益及開支										(3,413,746)
Profit before tax	除稅前溢利										3,981,921
Segment assets:	分部資產：	16,065,801	1,442,760	1,293,721	1,794,605	825,589	686,628	464,689	7,207,506	-	29,781,299
Reconciliations:	對賬：										
Interests in associates	於聯營公司的權益										1,501,137
Interest in a joint venture	於一間合營企業的權益										10,356
Other financial assets	其他金融資產										1,779,483
Deferred tax assets	遞延稅項資產										108,301
Cash and bank deposits	現金及銀行存款										7,604,221
Total assets	資產總額										40,784,797
Other segment information:	其他分部資料：										
Write-down of inventories to net realisable value, net	撇減存貨至可變現淨值淨額	-	-	-	-	-	-	-	5,691	-	5,691
Depreciation and amortisation	折舊及攤銷	659,556	68,317	68,538	51,461	42,104	36,776	20,011	49,988	-	996,751
Impairment of property, plant and equipment	物業、廠房及設備減值	4,826	-	-	-	-	-	-	5,054	-	9,880
Impairment of goodwill	商譽減值	29,100	-	-	-	-	-	-	-	-	29,100
Impairment of contract assets, net	合約資產減值淨額	3,052	-	-	-	-	-	-	-	-	3,052
Impairment of trade and bills receivables, net	貿易應收款項及票據減值淨額	35,473	47	(96)	3,062	399	85	(961)	(2,523)	-	35,486
Impairment of prepayments, net	預付款項減值淨額	34,330	-	-	-	-	-	-	-	-	34,330
Impairment of other receivables, net	其他應收款項減值淨額	38,990	-	-	-	-	-	-	-	-	38,990
Impairment of loan receivables	應收借款減值	31,177	-	-	-	-	-	-	-	-	31,177
Capital expenditure [#]	資本開支 [#]	2,736,680	113,772	256,476	338,397	60,261	32,572	27,780	1,762,678	(53,797)	5,274,819

[#] Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, investment properties and other intangible assets, among which the additions resulted from business combination amount to RMB1,234,240,000.

[#] 資本開支包括添置物業、廠房及設備、使用權資產、投資物業及其他無形資產，其中包括因業務合併而產生的添置為人民幣1,234,240,000元。

5. REVENUE, OTHER REVENUE, INCOME AND GAINS

REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

By revenue nature:

		2020			2019		
		Goods transferred at a point in time 於某一時點轉讓的貨品 RMB'000 人民幣千元	Services transferred over time 隨時間推移轉讓的服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Goods transferred at a point in time 於某一時點轉讓的貨品 RMB'000 人民幣千元	Services transferred over time 隨時間推移轉讓的服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from contracts with customers:	來自客戶合約的收入：						
Sale of goods	銷售貨品	26,470,207	-	26,470,207	25,305,228	-	25,305,228
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	-	1,110,696	1,110,696	-	595,751	595,751
Income from environmental engineering and other related services	環境工程及其他相關服務收益	-	353,997	353,997	-	325,797	325,797
Sub-total	小計	26,470,207	1,464,693	27,934,900	25,305,228	921,548	26,226,776
Financial service income	金融服務收益			50,392			40,900
Property rental and other related services	物業租賃及其他相關服務			87,773			76,847
Total	總計			28,073,065			26,344,523

5. 收入、其他收入、收益及利益

收入

以下載列本集團來自客戶合約的收入分拆及來自客戶合約的收入與分部資料所披露金額的對賬：

按收入性質劃分：

5. REVENUE, OTHER REVENUE, INCOME AND GAINS (Continued)
REVENUE (Continued)

By geographical locations:

		2020			2019		
		Goods transferred at a point in time	Services transferred over time	Total	Goods transferred at a point in time	Services transferred over time	Total
		於某一時點轉讓的貨品	隨時間推移轉讓的服務	總計	於某一時點轉讓的貨品	隨時間推移轉讓的服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from contracts with customers:	來自客戶合約的收入：						
Mainland China	中國內地	25,766,971	1,455,781	27,222,752	24,433,462	912,332	25,345,794
Outside China	中國境外	703,236	8,912	712,148	871,766	9,216	880,982
Sub-total	小計	26,470,207	1,464,693	27,934,900	25,305,228	921,548	26,226,776
Financial service income	金融服務收益			50,392			40,900
Property rental and other related services	物業租賃及其他相關服務			87,773			76,847
Total	總計			28,073,065			26,344,523

5. 收入、其他收入、收益及利益(續)
收入(續)

按地理位置劃分：

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

下表列示於本報告期內確認於報告期初計入合約負債及於過往期間履約責任所確認的收入：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債的已確認收入：		
Sale of goods	銷售貨品	1,604,951	1,410,214
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	1,750	12,373
Income from environmental engineering and other related services	環境工程及其他相關服務收益	8	4,240
		1,606,709	1,426,827

5. REVENUE, OTHER REVENUE, INCOME AND GAINS (Continued)

REVENUE (Continued)

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 360 days from delivery, except for new customers, where payment in advance is normally required.

Renovation, installation and engineering services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of the reporting period are as follows:

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amounts expected to be recognised as revenue:	預期將確認為收入的金額：		
Not more than 1 year	不多於1年	954,379	778,063
Over 1 year	1年以上	1,368,927	704,246
		2,323,306	1,482,309

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised over one year relate to renovation, installation and engineering services. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised not more than one year. The amounts disclosed above do not include variable consideration which is constrained.

5. 收入、其他收入、收益及利益(續)

收入(續)

履約責任

有關本集團履約責任的資料概述如下：

銷售貨品

本集團於交貨時履行責任，付款一般在交貨後30至360天內到期，惟新客戶一般須預先付款。

裝修、安裝及工程服務

履約責任隨提供服務而隨時間推移履行，且付款一般於結算日起30天內到期。客戶保留一定百分比的付款直至保留期結束，乃由於本集團獲取最終付款的權利視乎於客戶按合約規定的一段時間內對服務質素表示滿意後方可作實。

於報告期末，分配至餘下履約責任(未履約或部分未履約)的交易價格的金額如下：

分配至預期將於一年以上確認的餘下履約責任的交易價格的金額涉及裝修、安裝及工程服務。所有其他分配至餘下履約責任的交易價格的金額預期將在不多於一年確認。以上披露的金額不包括受約束的可變代價。

5. REVENUE, OTHER REVENUE, INCOME AND GAINS (Continued)

5. 收入、其他收入、收益及利益(續)

OTHER REVENUE, INCOME AND GAINS

其他收入、收益及利益

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank interest income	銀行利息收益	123,520	102,460
Interest income from other financial assets	其他金融資產的利息收益	47,592	22,860
Total interest income	利息收益總額	171,112	125,320
Government grants and subsidies	政府補助及補貼	69,375	55,928
Gain on fair value changes of investment properties	投資物業公允價值變動利益	–	147,997
Gain on fair value changes of financial instruments at FVTPL	按公允價值計入損益的金融工具的公允價值變動利益	129,294	3,432
Gain on fair value changes of other financial liabilities	其他金融負債公允價值變動利益	13,348	–
Investment income	投資收益	17,550	19,693
Gain on disposal of debt instruments at FVTOCI	出售按公允價值計入其他全面收益的債務工具利益	–	7,587
Gain on disposal of subsidiaries	出售附屬公司所得利益	365	–
Gain on disposal of associates	出售聯營公司所得利益	1,438	–
Gain from a bargain purchase	議價收購所得利益	5,579	–
Gain on termination of right-of-use assets	終止使用權資產所得利益	17	5,992
Rental income	租賃收益	32,291	27,468
Exchange gain	匯兌利益	–	27,084
Others	其他	68,818	62,889
		509,187	483,390

Government grants and subsidies mainly represent funding received from government authorities to support certain of the Group's research and development activities. There are no unfulfilled conditions or contingencies related to these grants and subsidies.

政府補助及補貼主要指政府機構授予以供支持本集團若干研發活動的資金，並無任何與該等補助及補貼有關的未達成條件或或有情況。

6. FINANCE COSTS

6. 融資成本

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expenses on bank and other loans	銀行及其他貸款的利息開支	458,039	569,271
Interest expenses on lease liabilities	租賃負債的利息開支	8,487	13,773
		466,526	583,044
Less: Interest capitalised	減：資本化利息	(30,634)	(5,850)
		435,892	577,194

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/
(crediting):

7. 除稅前溢利

本集團的除稅前溢利乃經扣除／(計入)下列
各項後達致：

	Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Cost of inventories sold		18,584,843	18,134,201
Direct cost of renovation and installation works		831,187	465,227
Direct cost of environmental engineering and other related services		217,596	174,463
Direct cost of financial services		7,387	685
Direct cost of property rental and other related services		29,838	27,137
Write-down of inventories to net realisable value, net		18,235	5,691
Depreciation of property, plant and equipment	12	884,927	880,279
Depreciation of right-of-use assets	13A	96,382	99,695
Amortisation of other intangible assets	15B	24,607	16,777
Total depreciation and amortisation		1,005,916	996,751
Lease payments not included in the measurement of lease liabilities	13C	11,986	32,949
Auditor's remuneration		8,771	9,370
Employee benefit expense (including directors' remuneration (note 8)):			
Wages and salaries		1,235,452	1,104,192
Pension scheme contributions (note)		56,868	96,284
Staff welfare and other expenses		81,094	77,950
		1,373,414	1,278,426
Research and development costs		946,843	856,202
Loss on disposal of items of other intangible assets and property, plant and equipment		8,257	14,575
Impairment of property, plant and equipment	12	47,831	9,880
Changes in fair value of investment properties	14	157,263	(147,997)
Gain on fair value changes of financial instruments at FVTPL		(129,294)	(3,432)
(Gain)/loss on fair value changes of other financial liabilities		(13,348)	7,768
Loss/(gain) on disposal of debt instruments at FVTOCI		8,191	(7,587)
(Gain)/loss on disposal of subsidiaries		(365)	8,324
Gain from a bargain purchase		(5,579)	-
Gain on termination of right-of-use assets	13C	(17)	(5,992)
Impairment of goodwill	15A	20,333	29,100
Impairment of loan receivables	20	17,068	31,177
(Reversal of impairment)/impairment of contract assets, net	23	(370)	3,052
Impairment of trade and bills receivables, net	24	38,510	35,486
Impairment of prepayments, net		20,074	34,330
Impairment of other receivables, net		1,231	38,990
Foreign exchange differences, net		2,328	(27,084)

Note: As at 31 December 2020, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2019: Nil).

附註：於2020年12月31日，本集團並無被沒收供款用以減少其未來年度的退休計劃供款(2019年：無)。

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES**(A) DIRECTORS' REMUNERATION**

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fees	袍金	8,456	9,027
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	5,160	5,521
Performance related bonuses	表現掛鈎花紅	4,482	4,471
Pension scheme contributions	退休金計劃供款	204	170
		9,846	10,162
		18,302	19,189

8. 董事薪酬及五名最高薪酬僱員**(A) 董事薪酬**

根據適用上市規則及香港公司條例披露的年內董事薪酬載列如下：

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

8. 董事薪酬及五名最高薪酬僱員(續)

(A) DIRECTORS' REMUNERATION (Continued)

(A) 董事薪酬(續)

The remuneration of each of the directors is set out below:

各董事的薪酬載列如下：

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
		袍金	薪金、津貼 及實物福利	表現 掛鈎花紅	退休金 計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2020		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors:	執行董事：					
Mr. Wong Luen Hei	黃聯禧先生	-	1,169	498	16	1,683
Mr. Zuo Manlun	左滿倫先生	-	1,194	498	43	1,735
Ms. Zuo Xiaoping	左笑萍女士	-	1,169	498	16	1,683
Mr. Lai Zhiqiang	賴志強先生	1,169	-	498	27	1,694
Mr. Kong Zhacong	孔兆聰先生	1,169	-	498	27	1,694
Mr. Chen Guonan	陳國南先生	1,169	-	498	27	1,694
Dr. Lin Shaoquan	林少全博士	-	1,628	-	-	1,628
Mr. Huang Guirong	黃貴榮先生	1,168	-	498	16	1,682
Mr. Luo Jianfeng	羅建峰先生	1,168	-	498	16	1,682
Mr. Lin Dewei	林德緯先生	1,168	-	498	16	1,682
		7,011	5,160	4,482	204	16,857
Independent non-executive directors:	獨立非執行董事：					
Mr. Wong Kwok Ho, Jonathan	王國豪先生	289	-	-	-	289
Mr. Cheung Man Yu ⁽¹⁾	張文宇先生 ⁽¹⁾	178	-	-	-	178
Ms. Lan Fang	蘭芳女士	289	-	-	-	289
Dr. Tao Zhigang	陶志剛博士	289	-	-	-	289
Mr. Cheng Dickson	鄭迪舜先生	289	-	-	-	289
Ms. Lu Jiandong ⁽²⁾	呂建東女士 ⁽²⁾	111	-	-	-	111
		1,445	-	-	-	1,445
		8,456	5,160	4,482	204	18,302

⁽¹⁾ Resigned as an independent non-executive director on 1 September 2020

⁽¹⁾ 於2020年9月1日辭任獨立非執行董事

⁽²⁾ Appointed as an independent non-executive director on 1 September 2020

⁽²⁾ 於2020年9月1日獲委任為獨立非執行董事

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

8. 董事薪酬及五名最高薪酬僱員(續)

(A) DIRECTORS' REMUNERATION (Continued)

(A) 董事薪酬(續)

2019	Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 RMB'000 人民幣千元	Performance related bonuses 表現 掛鈎花紅 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors: 執行董事：					
Mr. Wong Luen Hei	–	1,267	493	16	1,776
Mr. Zuo Manlun	–	1,250	493	42	1,785
Ms. Zuo Xiaoping	–	1,267	493	16	1,776
Mr. Lai Zhiqiang	1,267	–	493	16	1,776
Mr. Kong Zhaocong	1,267	–	493	16	1,776
Mr. Chen Guonan	1,267	–	493	16	1,776
Dr. Lin Shaoquan	–	1,737	34	–	1,771
Mr. Huang Guirong	1,267	–	493	16	1,776
Mr. Luo Jianfeng	1,267	–	493	16	1,776
Mr. Lin Dewei	1,267	–	493	16	1,776
	7,602	5,521	4,471	170	17,764
Independent non-executive directors: 獨立非執行董事：					
Mr. Wong Kwok Ho, Jonathan	285	–	–	–	285
Mr. Cheung Man Yu	285	–	–	–	285
Ms. Lan Fang	285	–	–	–	285
Dr. Tao Zhigang	285	–	–	–	285
Mr. Cheng Dickson	285	–	–	–	285
	1,425	–	–	–	1,425
	9,027	5,521	4,471	170	19,189

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)**(A) DIRECTORS' REMUNERATION (Continued)**

No director waived or agreed to waive any emolument and no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

There were no other emoluments paid or payable to the independent non-executive directors during the year (2019: Nil).

(B) FIVE HIGHEST PAID EMPLOYEES

The Group's five highest paid employees during the year were all directors. Details of the remuneration of these directors during the year are set out in note 8(A) above.

9. INCOME TAX EXPENSE

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Current tax	即期稅項		
PRC	中國	938,283	857,319
Other jurisdictions	其他司法權區	443	106
		938,726	857,425
(Over)/under provision in prior years	過往年度(過度)/不足撥備		
PRC	中國	(82,716)	(80,312)
Other jurisdictions	其他司法權區	(35)	186
		(82,751)	(80,126)
Deferred tax	遞延稅項	140,196	176,287
Total tax charge for the year	年內稅項支出總額	996,171	953,586

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

HONG KONG PROFITS TAX

The statutory rate of Hong Kong profits tax was 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2019: Nil).

8. 董事薪酬及五名最高薪酬僱員(續)**(A) 董事薪酬(續)**

概無董事放棄或同意放棄任何酬金，而本集團亦無為鼓勵加盟本集團或在加盟本集團時或作為離職補償而向董事支付任何酬金。

年內概無已付或應付獨立非執行董事的任何其他酬金(2019年：無)。

(B) 五名最高薪酬僱員

年內，本集團五名最高薪酬僱員均為董事。於年內該等董事的薪酬詳情載於上文附註8(A)。

9. 所得稅開支

本集團須就本集團成員公司於身處及經營所在的司法權區所產生或所錄得溢利按實體基準繳納所得稅。

香港利得稅

香港利得稅乃就於香港產生的估計應課稅溢利按法定稅率16.5%(2019年：16.5%)計算。鑑於本集團於年內並無於香港產生任何應課稅溢利，故並無計提香港利得稅撥備(2019年：無)。

9. INCOME TAX EXPENSE (Continued)**PRC CORPORATE INCOME TAX**

The Group's income tax provision in respect of its operations in mainland China has been calculated at the applicable tax rates on the taxable profits for both years, based on the existing legislation, interpretations and practices in respect thereof.

Certain of the Group's PRC subsidiaries are qualified as High and New Technology Enterprises and are entitled to a preferential corporate income tax rate of 15% during both years.

INCOME TAX FOR OTHER JURISDICTIONS

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the majority of the Company's subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

9. 所得稅開支(續)**中國企業所得稅**

本集團以相關現有法律、詮釋及慣例為基準，就兩個年度的應課稅溢利按適用稅率計算中國內地業務的所得稅撥備。

本集團若干中國附屬公司於兩個年度合乎高新技術企業資格，可享 15% 的優惠企業所得稅率。

其他司法權區的所得稅項

本集團就其他司法權區的稅項撥備已根據本集團經營業務所在的司法權區現行慣例的適用稅率計算。

採用本公司大部分附屬公司所在司法權區法定稅率計算的適用於除稅前溢利的稅項開支與按實際稅率計算的稅項開支的對賬如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Profit before tax	除稅前溢利	4,753,560	3,981,921
Tax at the PRC corporate income tax rate of 25%	按中國企業所得稅率 25% 計算的稅項	1,188,390	995,480
Effect of tax concessions for certain subsidiaries	若干附屬公司稅項優惠的影響	(412,939)	(341,670)
Share of results of associates	分佔聯營公司業績	(50,808)	(21,642)
Share of results of a joint venture	分佔一間合營企業業績	(292)	(263)
Income not subject to tax	毋須課稅收益	(51,684)	(34,690)
Expenses not deductible for tax	不可扣稅開支	58,459	130,471
Tax losses utilised from prior years	已動用過往年度稅項虧損	(26,431)	(20,575)
Tax losses not recognised	未確認稅項虧損	132,019	158,426
Adjustments in respect of current tax of prior years	就過往年度的即期稅項的調整	(82,751)	(80,126)
Effect of withholding tax at 5% on the distributable profits of the Company's subsidiaries in PRC	對本公司中國附屬公司可分派溢利按 5% 徵收預提所得稅的影響	242,208	168,175
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	996,171	953,586

10. DIVIDENDS

10. 股息

		2020		2019	
		HK\$	HK\$'000	HK\$	HK\$'000
		港元	千港元	港元	千港元
		per share		per share	
		每股		每股	
2020 interim dividend paid	2020年已付中期股息				
(2019: 2019 interim dividend paid)	(2019年：2019年已付中期股息)	0.12	372,290	0.12	372,290
Less: Dividends for shares held for	減：就股份獎勵計劃所持股份				
share award scheme (note 36(B))	的股息(附註36(B))	0.12	(2,759)	0.12	(2,759)
			369,531		369,531
2019 final dividend paid	2019年已付末期股息				
(2019: 2018 final dividend paid)	(2019年：2018年已付末期股息)	0.28	868,677	0.20	620,484
Less: Dividends for shares held for	減：就股份獎勵計劃所持股份				
share award scheme (note 36(B))	的股息(附註36(B))	0.28	(6,437)	0.20	(4,598)
			862,240		615,886
			1,231,771		985,417
Equivalent to	等值於		RMB1,095,414,000		RMB866,871,000
			人民幣1,095,414,000元		人民幣866,871,000元

Subsequent to the end of the reporting period, final dividend of HK38 cents in respect of the year ended 31 December 2020 per ordinary share in aggregate of HK\$1,170,182,000 has been declared by the Board to the owners of the Company whose names appear on the Company's register of members on 25 June 2021 (2019: final dividend of HK28 cents in respect of the year ended 31 December 2019 per ordinary share amounting to in aggregate of HK\$862,240,000). The amount of final dividend declared for the year ended 31 December 2020 is calculated based on the number of issued shares, less dividends for shares held for the share award scheme, at the date of approval of these consolidated financial statements.

於報告期末後，董事會建議就截至2020年12月31日止年度宣派末期股息每股普通股38港仙，合計1,170,182,000港元予於2021年6月25日名列本公司股東名冊的本公司擁有人(2019年：就截至2019年12月31日止年度末期股息每股普通股28港仙，合計862,240,000港元)。就截至2020年12月31日止年度宣派的末期股息乃按本綜合財務報表批准日期已發行股份數目，減就股份獎勵計劃所持股份的股息計算。

11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of the basic and the diluted earnings per share are based on:

11. 本公司擁有人應佔每股盈利

根據以下各項計算每股基本及攤薄盈利：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Earnings	盈利		
Profit attributable to owners of the Company used in the basic and diluted earnings per share calculation	計算每股基本及攤薄盈利時用到的本公司擁有人應佔溢利	3,750,829	3,024,701
		Number of Shares	
		股份數目	
		2020	2019
Shares	股份		
Weighted average number of ordinary shares in issue	已發行普通股加權平均數	3,102,418,400	3,102,418,400
Weighted average number of shares held for the share award scheme	股份獎勵計劃所持股份加權平均數	(22,991,000)	(21,773,540)
Adjusted weighted average number of ordinary shares of the Company in issue used in the basic and diluted earnings per share calculation	計算每股基本及攤薄盈利時用到的本公司已發行普通股經調整加權平均數	3,079,427,400	3,080,644,860

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019, respectively.

本集團於截至2020年及2019年12月31日止年度均無已發行的潛在攤薄普通股。

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture, fixtures and office equipment 家具、裝置及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：							
At 1 January 2019	於2019年1月1日	4,715,344	4,440,279	282,151	204,061	85,764	1,314,082	11,041,681
Additions	添置	168,662	639,679	20,024	17,429	52,541	1,285,733	2,184,068
Acquisitions of subsidiaries	收購附屬公司	375,371	541,277	2,140	3,081	-	6,309	928,178
Transfers	調撥	429,399	322,388	12,982	3,515	-	(768,284)	-
Disposals	出售	(12,335)	(394,309)	(11,135)	(7,985)	(796)	(100,536)	(527,096)
Disposal of subsidiaries	出售附屬公司	-	-	(107)	-	-	-	(107)
Exchange realignment	匯兌調整	1,999	1,005	509	370	944	6	4,833
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	5,678,440	5,550,319	306,564	220,471	138,453	1,737,310	13,631,557
Additions	添置	61,374	531,917	16,894	15,675	37,740	898,634	1,562,234
Acquisitions of subsidiaries (note 37)	收購附屬公司(附註37)	97,888	27,568	2,002	523	10,279	-	138,260
Transfers	調撥	304,015	241,792	7,636	2,249	9,285	(564,977)	-
Disposals	出售	(106,947)	(175,530)	(13,451)	(9,174)	(468)	(73,093)	(378,663)
Exchange realignment	匯兌調整	(13,648)	(2,272)	(775)	(901)	(448)	(357)	(18,401)
At 31 December 2020	於2020年12月31日	6,021,122	6,173,794	318,870	228,843	194,841	1,997,517	14,934,987
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2019	於2019年1月1日	(1,072,648)	(2,108,287)	(179,289)	(139,958)	(50,085)	(12,649)	(3,562,916)
Provided for the year	年內撥備	(266,647)	(535,836)	(35,432)	(23,218)	(19,146)	-	(880,279)
Disposals	出售	5,251	197,167	8,290	6,943	332	-	217,983
Impairment	減值	-	1,168	187	13	(11,242)	(6)	(9,880)
Disposal of subsidiaries	出售附屬公司	-	-	36	-	-	-	36
Exchange realignment	匯兌調整	(153)	(476)	(276)	(276)	(499)	-	(1,680)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	(1,334,197)	(2,446,264)	(206,484)	(156,496)	(80,640)	(12,655)	(4,236,736)
Provided for the year	年內撥備	(314,719)	(484,308)	(35,842)	(22,133)	(27,925)	-	(884,927)
Disposals	出售	12,855	99,061	10,790	7,954	266	-	130,926
Impairment	減值	-	(507)	(3,192)	(14)	(2,110)	(42,008)	(47,831)
Exchange realignment	匯兌調整	1,083	1,578	366	662	-	-	3,689
At 31 December 2020	於2020年12月31日	(1,634,978)	(2,830,440)	(234,362)	(170,027)	(110,409)	(54,663)	(5,034,879)
Net carrying amount:	賬面淨值：							
At 31 December 2020	於2020年12月31日	4,386,144	3,343,354	84,508	58,816	84,432	1,942,854	9,900,108
At 31 December 2019	於2019年12月31日	4,344,243	3,104,055	100,080	63,975	57,813	1,724,655	9,394,821

Included in the Group's property, plant and equipment are freehold lands which had a net carrying amount of RMB19,639,000 (2019: RMB767,000). The freehold lands are situated outside Hong Kong.

計入本集團物業、廠房及設備的永久業權土地的賬面淨值為人民幣19,639,000元(2019年：人民幣767,000元)。該永久業權土地位於香港境外。

13. LEASES

THE GROUP AS A LESSEE

The Group has lease contracts for various items of leasehold land, plants and buildings, motor vehicles and other equipment used in its operations. For leasehold land classified as prepaid land lease payments previously, lump sum payments were made upfront to acquire the leasehold land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. For other leased lands classified as operating lease previously, they generally have lease terms between 20 and 50 years. Lease of plants and buildings generally have lease terms between 1 and 10 years, while motor vehicles and other equipment generally have lease terms between 1 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

13. 租賃

本集團作為承租人

本集團擁有多個用於營運的租賃業權土地、廠房及樓宇、汽車及其他設備的租賃合約。對於先前分類為預付土地租賃款的租賃業權土地，向擁有人收購租賃期為50年的土地時，已預先作出一次性付款，且根據該等土地租賃的條款，將不會進行後續付款。對於先前分類為經營租賃的其他租賃土地，其租期通常介乎20年至50年。廠房及樓宇租賃的租期通常介乎1年至10年，而汽車及其他設備的租期通常介乎1年至3年。一般而言，本集團被限制不能於本集團以外轉讓及轉租租賃資產。本集團有幾份包含延期及終止權以及可變租賃付款的租賃合約，下文將作進一步討論。

13. LEASES (Continued)

THE GROUP AS A LESSEE (Continued)

A. Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leasehold land [#] 租賃業權 土地 [#] RMB'000 人民幣千元	Plants and buildings 廠房及樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Other equipment 其他設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	1,384,033	304,179	382	492	1,689,086
Additions	添置	107,203	61,602	810	–	169,615
Acquisitions of subsidiaries	收購附屬公司	–	10,238	–	14,837	25,075
Depreciation charge	折舊開支	(33,637)	(64,637)	(307)	(1,114)	(99,695)
Termination	終止	(3,224)	(169,165)	–	–	(172,389)
Exchange realignment	匯兌調整	(267)	2,914	56	–	2,703
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	1,454,108	145,131	941	14,215	1,614,395
Additions	添置	453,159	12,791	117	–	466,067
Acquisitions of subsidiaries (note 37)	收購附屬公司 (附註37)	65,011	–	–	–	65,011
Depreciation charge (note 7)	折舊開支(附註7)	(41,323)	(52,597)	(393)	(2,069)	(96,382)
Termination	終止	–	(364)	–	–	(364)
Exchange realignment	匯兌調整	(7,951)	(4,704)	(20)	–	(12,675)
At 31 December 2020	於2020年12月31日	1,923,004	100,257	645	12,146	2,036,052

The Group has obtained the land use right certificates for all leasehold land except for those under operating lease arrangements with carrying amount of RMB42,442,000 (2019: RMB15,343,000).

本集團已取得所有租賃業權土地(賬面值為人民幣42,442,000元(2019年: 人民幣15,343,000元)的經營租賃安排下土地除外)的土地使用權證。

13. 租賃(續)

本集團作為承租人(續)

A. 使用權資產

本集團使用權資產的賬面值及於年內的變動如下:

13. LEASES (Continued)**THE GROUP AS A LESSEE (Continued)****B. Lease liabilities**

The carrying amount of lease liabilities and the movements during the year are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
As at 1 January	於1月1日	206,124	368,752
Additions	添置	41,678	61,911
Acquisitions of subsidiaries	收購附屬公司	-	24,156
Interest expenses (note 6)	利息開支(附註6)	8,487	13,773
Payments	付款	(85,649)	(92,406)
Termination	終止	(381)	(171,174)
Exchange realignment	匯兌調整	(7,943)	1,112
As at 31 December	於12月31日	162,316	206,124
Analysed into:	分析為:		
Current portion	流動部分	53,448	88,843
Non-current portion	非流動部分	108,868	117,281
		162,316	206,124

The maturity analysis of lease liabilities is disclosed in note 42 to the consolidated financial statements.

13. 租賃(續)**本集團作為承租人(續)****B. 租賃負債**

租賃負債的賬面值及於年內的變動如下:

租賃負債的到期日分析於綜合財務報表附註42內披露。

13. LEASES (Continued)

THE GROUP AS A LESSEE (Continued)

C. The amounts recognised in profit or loss in relation to leases are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Depreciation expense of right-of-use assets	使用權資產折舊開支	96,382	99,695
Interest expense on lease liabilities	租賃負債利息開支	8,487	13,773
Gain on termination of right-of-use assets	終止使用權資產所得利益	(17)	(5,992)
Expense relating to short-term leases and other leases with remaining lease terms ended on or before year end	短期租賃及餘下租期於年末或之前屆滿的其他租賃的相關開支	10,903	26,230
Expense relating to leases of low-value assets	低價值資產租賃的相關開支	1,083	6,719
Total amount recognised in profit or loss	於損益內確認的總額	116,838	140,425

D. Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. Set out below are the undiscounted potential future rental payments for extension options which the Group is not reasonably certain to exercise:

		Payable within five years 須於五年內 支付 RMB'000 人民幣千元	Payable after five years 須於五年後 支付 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Extension options expected not to be exercised	預期不會行使的 延期權	57,261	14,744	72,005

		Payable within five years 須於五年內 支付 RMB'000 人民幣千元	Payable after five years 須於五年後 支付 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Extension options expected not to be exercised	預期不會行使的 延期權	98,052	44,657	142,709

13. 租賃(續)

本集團作為承租人(續)

C. 於損益內已確認與租賃有關的金額如下:

D. 延期及終止權

本集團有幾份包含延期及終止權的租賃合約。該等選擇權由管理層協商，以靈活管理租賃資產組合，並符合本集團的業務需要。下文載列本集團合理確定不行使延期權的未折讓之潛在未來租金付款：

13. LEASES (Continued)**THE GROUP AS A LESSEE (Continued)****E. Variable lease payments**

The Group has lease contracts for land that contain variable payments based on the unit purchase price of rice announced by local government. Management's objective is to align the lease expense with the amount paid in last time. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

		Fixed payments 固定付款 RMB'000 人民幣千元	2020 Variable payments 可變付款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Fixed rent	固定租金	85,569	–	85,569
Variable rent only	僅可變租金	–	80	80
		85,569	80	85,649

		Fixed payments 固定付款 RMB'000 人民幣千元	2019 Variable payments 可變付款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Fixed rent	固定租金	92,327	–	92,327
Variable rent only	僅可變租金	–	79	79
		92,327	79	92,406

A 5% (2019: 5%) increase in unit purchase price of rice would increase total lease payments by 5% (2019: 5%).

稻穀收購單價上漲5% (2019: 5%) 會導致總租賃款增加5% (2019: 5%)。

13. 租賃(續)**本集團作為承租人(續)****E. 可變租賃款**

本集團有含有按地方政府公布的稻穀收購單價的可變付款的土地租賃合約。管理層的目標為使租賃開支與上次支付的金額保持一致。下文提供有關本集團可變租賃款的資料，包括與固定付款有關的金額：

13. LEASES (Continued)**THE GROUP AS A LESSOR**

During the year, the Group leases certain commercial properties in Asia, North America and Oceania which were classified as investment properties. The rental income of these properties amounting to RMB87,773,000 (2019: RMB76,847,000) was recognised and included in "Revenue" in profit or loss. Certain office premises, machineries and equipment were classified as property, plant and equipment under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB32,291,000 (2019: RMB27,468,000), details of which are included in note 5 to the consolidated financial statements.

At the end of the reporting period, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

13. 租賃(續)**本集團作為出租人**

年內，本集團於亞洲、北美洲及大洋洲租賃若干分類為投資物業的商業物業。年內該些物業已確認的租賃收益為人民幣87,773,000元(2019年：人民幣76,847,000元)並計入損益的「收入」內。若干辦公室、機器及設備(於經營租賃安排下)分類為物業、廠房及設備。該等租賃的條款通常要求租戶支付保證金，並因應當時市場狀況定期進行租金調整。本集團於年內確認的租賃收益為人民幣32,291,000元(2019年：人民幣27,468,000元)，詳情載於綜合財務報表附註5。

於報告期末，本集團根據不可撤銷經營租賃於未來期間向其租戶收取的未貼現租賃款如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Not more than 1 year	不多於1年	397,186	258,081
Over 1 year to 2 years	1年以上至2年	82,813	44,852
Over 2 years to 3 years	2年以上至3年	17,017	31,643
Over 3 years to 4 years	3年以上至4年	14,016	22,671
Over 4 years to 5 years	4年以上至5年	13,345	19,619
Over 5 years	5年以上	13,989	69,344
		538,366	446,210

13. LEASES (Continued)

THE GROUP AS A LESSOR (Continued)

The disaggregation of these office premises, machineries and equipment classified as property, plant and equipment under operating leases and the reconciliation of the carrying amount at the beginning and end of the period are set out as below:

13. 租賃(續)

本集團作為出租人(續)

分類為經營租賃項下物業、廠房及設備的辦公室、機器及設備之分拆及期初與期末賬面值的對賬載列如下：

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2019	於2019年1月1日	22,999	412,389	435,388
Additions	添置	–	145,393	145,393
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	22,999	557,782	580,781
Additions	添置	76,058	724,590	800,648
Expiration and termination	到期及終止	–	(139,008)	(139,008)
At 31 December 2020	於2020年12月31日	99,057	1,143,364	1,242,421
Accumulated depreciation:	累計折舊：			
At 1 January 2019	於2019年1月1日	(5,505)	(47,332)	(52,837)
Provided for the year	年內撥備	(1,069)	(75,313)	(76,382)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	(6,574)	(122,645)	(129,219)
Provided for the year	年內撥備	(23,276)	(220,335)	(243,611)
Expiration and termination	到期及終止	–	58,188	58,188
At 31 December 2020	於2020年12月31日	(29,850)	(284,792)	(314,642)
Net carrying amount:	賬面淨值：			
At 31 December 2020	於2020年12月31日	69,207	858,572	927,779
At 31 December 2019	於2019年12月31日	16,425	435,137	451,562

14. INVESTMENT PROPERTIES

14. 投資物業

		Note	2020	2019
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
At 1 January	於1月1日		6,870,181	4,698,503
Additions	添置		439,356	1,676,170
Acquisitions of subsidiaries	收購附屬公司		–	196,638
Changes in fair value	公允價值變動	7	(157,263)	147,997
Exchange realignment	匯兌調整		(178,704)	150,873
At 31 December	於12月31日		6,973,570	6,870,181

Further summary details of the Group's investment properties are set out in the section headed "Summary of Major Investment Properties" of this report.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 13 to the consolidated financial statements.

VALUATION PROCESSES

At the end of the reporting period, the Group's investment properties were stated at fair value and were revalued by independent professionally qualified valuers detailed below:

American Appraisal (Thailand) Ltd.	For properties in Thailand
Acrementis Pty Ltd.	For properties in Australia
Metropolitan Valuation Services Inc. & CBRE Valuation & Advisory Services	For properties in United States
Colliers International Realty Advisors Inc.	For properties in Canada
Guangdong Jingxin Real Estate Land Asset Evaluation Co., Ltd.*	For properties in PRC
Knight Frank Asset Appraisal Limited	For properties in Indonesia
Albawsala Real Estate Valuation	For properties in Dubai
SRE Global Pte. Ltd.	For properties in Myanmar

The valuations performed by the valuers for financial reporting purposes were reviewed by management. Management also discussed the valuation processes and results with the valuers. The net fair value gains or losses on revaluation are included in "other revenue, income and gains" or "other expenses" in profit or loss, respectively.

Management reviewed the valuation results by verifying all major inputs and assumptions and assessing the reasonableness of such valuations.

本集團投資物業概要的進一步詳情載於本報告「主要投資物業概要」一節。

根據經營租賃出租予第三方的投資物業的進一步摘要詳情載於綜合財務報表附註13。

估值程序

於報告期末，本集團的投資物業按公允價值呈列，並由獨立專業的合資格估值師重新估值，詳情如下：

American Appraisal (Thailand) Ltd.	就泰國物業而言
Acrementis Pty Ltd.	就澳洲物業而言
Metropolitan Valuation Services Inc. & CBRE Valuation & Advisory Services	就美國物業而言
Colliers International Realty Advisors Inc.	就加拿大物業而言
廣東京信房地產土地資產評估有限公司	就中國物業而言
萊坊資產評估有限公司	就印尼物業而言
Albawsala Real Estate Valuation	就杜拜物業而言
SRE Global Pte. Ltd.	就緬甸物業而言

管理層負責審閱估值師就財務呈報目的所作估值。管理層亦會與估值師討論估值程序及結果。有關重新估值的公允價值淨利益或虧損乃分別計入損益內的「其他收入、收益及利益」或「其他開支」。

管理層已透過驗證所有主要輸入數據及假設的方式審閱該估值結果，並評估該等估值的合理性。

14. INVESTMENT PROPERTIES (Continued)

14. 投資物業(續)

VALUATION TECHNIQUES AND FAIR VALUE HIERARCHY

估值方法及公允價值架構

The following table shows the valuation techniques used by the valuers in the determination of fair values. There were no significant changes to the valuation techniques during the year.

下表列示估值師釐定公允價值時所用的估值方法。年內估值方法概無發生任何重大變動。

	Fair value 公允價值		Valuation techniques 估值方法	Unobservable inputs 不可觀察輸入數據
	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元		
Vacant lands and buildings 空置土地及物業	3,909,448	4,241,189	Direct/sales comparison approach 直接/銷售比較法	Premium (discount) in quality of land ⁽¹⁾ 與土地質量相關的溢價(折讓) ⁽¹⁾
Lands and buildings 土地及物業	1,650,988	1,468,016	Residual method 剩餘法	Gross development value ⁽²⁾ and estimated construction cost 總發展價值 ⁽²⁾ 及估計建築成本
Buildings 物業	1,413,134	254,070	Income capitalisation approach 收益資本化法	Capitalisation rate ⁽³⁾ and market rent ⁽⁴⁾ 資本化比率 ⁽³⁾ 及市場租金 ⁽⁴⁾
Buildings under refurbishment 裝修中物業	–	906,906	Income capitalisation approach 收益資本化法	Capitalisation rate ⁽³⁾ and market rent ⁽⁴⁾ 資本化比率 ⁽³⁾ 及市場租金 ⁽⁴⁾
	6,973,570	6,870,181		

Note:

附註：

- ⁽¹⁾ The higher the quality of land, the higher the fair value
- ⁽²⁾ The higher the gross development value, the higher the fair value
- ⁽³⁾ The higher the capitalisation rate, the lower the fair value
- ⁽⁴⁾ The higher the market rent, the higher the fair value

- ⁽¹⁾ 土地質量愈高，公允價值愈高
- ⁽²⁾ 總發展價值愈高，公允價值愈高
- ⁽³⁾ 資本化比率愈高，公允價值愈低
- ⁽⁴⁾ 市場租金愈高，公允價值愈高

At the end of the reporting period, the Group's investment properties were within Level 3 of the fair value hierarchy as their valuations were arrived at by reference to certain significant unobservable inputs. There were no transfers into or out of Level 3 during the year (2019: Nil).

於報告期末，經參考若干重大不可觀察輸入數據後，本集團的投資物業釐定為公允價值架構中第三級。年內概無從第三級轉入或轉出(2019年：無)。

15. GOODWILL AND OTHER INTANGIBLE ASSETS

15. 商譽及其他無形資產

(A) GOODWILL

(A) 商譽

		Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
At 1 January	於1月1日		398,589	363,133
Acquisitions of subsidiaries	收購附屬公司	37	3,152	64,556
Impairment	減值	7	(20,333)	(29,100)
At 31 December	於12月31日		381,408	398,589

(B) OTHER INTANGIBLE ASSETS

(B) 其他無形資產

		Trademark 商標 RMB'000 人民幣千元	Brand name 商號 RMB'000 人民幣千元	Operating concession rights 特許經營權 RMB'000 人民幣千元	Patent and proprietary technologies 專利及專有技術 RMB'000 人民幣千元	Computer software and others 電腦軟件及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：						
At 1 January 2019	於2019年1月1日	39,647	110,577	24,550	79,726	74,349	328,849
Additions	添置	1,099	-	-	291	9,336	10,726
Acquisitions of subsidiaries	收購附屬公司	39,138	-	-	41,577	3,634	84,349
Disposals	出售	-	-	-	-	(70)	(70)
Exchange realignment	匯兌調整	1	-	-	-	27	28
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	79,885	110,577	24,550	121,594	87,276	423,882
Additions	添置	483	-	-	1,427	19,569	21,479
Acquisitions of subsidiaries (note 37)	收購附屬公司 (附註37)	37,669	-	-	11,928	84	49,681
Disposals	出售	(2)	-	-	(1,629)	(1,520)	(3,151)
Exchange realignment	匯兌調整	8	-	-	(66)	(26)	(84)
At 31 December 2020	於2020年12月31日	118,043	110,577	24,550	133,254	105,383	491,807
Accumulated amortisation:	累計攤銷：						
At 1 January 2019	於2019年1月1日	(1,297)	(5)	-	(10,068)	(59,692)	(71,062)
Provided for the year	年內撥備	(2,986)	(10)	-	(6,031)	(7,750)	(16,777)
Disposals	出售	-	-	-	-	70	70
Exchange realignment	匯兌調整	(1)	-	-	-	(3)	(4)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	(4,284)	(15)	-	(16,099)	(67,375)	(87,773)
Provided for the year	年內撥備	(6,804)	(10)	-	(10,221)	(7,572)	(24,607)
Disposals	出售	-	-	-	1,181	310	1,491
Exchange realignment	匯兌調整	(2)	-	-	-	13	11
At 31 December 2020	於2020年12月31日	(11,090)	(25)	-	(25,139)	(74,624)	(110,878)
Net carrying amount:	賬面淨值：						
At 31 December 2020	於2020年12月31日	106,953	110,552	24,550	108,115	30,759	380,929
At 31 December 2019	於2019年12月31日	75,601	110,562	24,550	105,495	19,901	336,109

16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purpose of impairment testing, goodwill, brand name and trademark and operating concession rights with indefinite useful lives set out in note 15 have been allocated to twelve individual cash-generating units (“CGUs”), comprising subsidiaries engaging in the following businesses:

- provision of environmental engineering services;
- provision of sewage treatment services;
- provision of hazardous waste treatment services;
- provision of product quality inspection and calibration services for warranty instruments;
- manufacture and sale of valves and automobile accessories;
- provision of construction, installation and other related engineering services;
- manufacture and lease of aluminium formworks;
- provision of e-commerce services;
- manufacture and sale of plastic pipes;
- cultivation of flowers and plants; and
- manufacture and sale of plastic pipes and pipe fittings.

16. 商譽及其他具無限可使用年期的無形資產減值測試

就減值測試而言，附註15所載的商譽、具無限可使用年期的商號及商標和特許經營權已分配至十二個個別的現金產生單位（「現金產生單位」），該等單位包括所從事以下業務的附屬公司：

- 提供環境工程服務；
- 提供污水處理服務；
- 提供危險廢品處理服務；
- 提供產品質素檢驗和保修儀器校準服務；
- 製造及銷售閘門及汽車配件；
- 提供建築、安裝及其他相關工程服務；
- 製造及租賃鋁模架；
- 提供電商服務；
- 製造及銷售塑料管道；
- 種植花朵及植物；及
- 製造及銷售塑料管道及管件。

16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

The carrying amounts of goodwill, brand name and trademark and operating concession rights at the end of the reporting period allocated to these units are as follows:

16. 商譽及其他具無限可使用年期的無形資產減值測試(續)

於報告期末分配至該等單位的商譽、商號及商標和特許經營權的賬面值如下：

		Goodwill 商譽 RMB'000 人民幣千元	Brand name and trademark 商號及商標 RMB'000 人民幣千元	Operating concession rights 特許經營權 RMB'000 人民幣千元
2020				
Guangzhou EP Environmental Engineering Ltd.* and its subsidiary ("GZEP")	廣州市環境保護工程設計院有限公司及其附屬公司(「GZEP」)	–	110,520	23,230
Foshan Shunde Huifengyuan Environmental Management Co., Ltd.* ("Huifengyuan")	佛山市順德區滙豐源環境工程管理有限公司(「滙豐源」)	7,457	–	1,320
Hainan Baolai Industrial & Trading Co., Ltd.* and its subsidiary ("Baolai")	海南寶來工貿有限公司及其附屬公司(「寶來」)	39,997	–	–
Jiangsu Yongbao Environmental Technology Co., Ltd.* and its subsidiaries ("Jiangsu Yongbao")	江蘇永葆環保科技有限公司及其附屬公司(「江蘇永葆」)	276,098	–	–
Guangzhou KingHing Construction Technology Ltd.* and its subsidiaries ("Guangzhou KingHing")	廣州景興建築科技有限公司及其附屬公司(「廣州景興」)	37,292	–	–
Guangdong Qicheng Information Technology Co., Ltd.* ("Guangdong Qicheng")	廣東啟橙信息技術有限公司(「廣東啟橙」)	17,412	–	–
Guangdong Jinying Flower Seedling Co., Ltd.* ("Guangdong Jinying")	廣東金穎花卉苗木有限公司(「廣東金穎」)	1,763	–	–
Spirolite (M) Sdn. Bhd.	Spirolite (M) Sdn. Bhd.	1,389	36,713	–
		381,408	147,233	24,550

16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)
16. 商譽及其他具無限可使用年期的無形資產減值測試(續)

		Goodwill 商譽 RMB'000 人民幣千元	Brand name 商號 RMB'000 人民幣千元	Operating concession rights 特許經營權 RMB'000 人民幣千元
2019				
GZEP	GZEP	–	110,520	23,230
Huifengyuan	滙豐源	7,457	–	1,320
Baolai	寶來	39,997	–	–
Anhui Jianghuai Quality Technology Testing Service Co., Ltd.* ("Jianghuai Testing")	安徽省江淮質量技術 檢測服務有限公司 (「江淮檢測」)	8,755	–	–
Jiangsu Yongbao	江蘇永葆	276,098	–	–
Hunan Huaqing Testing Technology Co., Ltd.* ("Hunan Huaqing")	湖南華清檢測技術有限公司 (「湖南華清」)	1,726	–	–
Guangdong Zhongheng Precision Metal Manufacture Co., Ltd.* ("Guangdong Zhongheng")	廣東中恒精密金屬製造 有限公司 (「廣東中恒」)	1,989	–	–
Guangdong Yitong Technology Co., Ltd.* ("Guangdong Yitong")	廣東一通科技股份有限公司 (「廣東一通」)	7,863	–	–
Guangzhou KingHing	廣州景興	37,292	–	–
Guangdong Qicheng	廣東啟橙	17,412	–	–
		398,589	110,520	24,550

Management regarded brand name and trademark and operating concession rights acquired through business combinations having indefinite useful lives because they are expected to generate net cash inflows indefinitely.

管理層認為透過業務合併產生的商號及商標和特許經營權具有無限可使用年期，此乃由於其預期可產生無限的現金流入淨額。

The recoverable amounts of each CGU have been determined based on value-in-use calculation using cash flow projections which based on financial budgets approved by the management covering a five-year period. The growth rate used to extrapolate cash flows beyond the five-year period is 2% and the pre-tax discount rates applied to cash flow projections are as follows:

現金產生單位之可收回金額乃基於現金流量預測計算之使用價值釐定，而現金流量預測乃根據管理層審批之五年期財務預算。超出五年期之現金流量使用2%之增長率推算，而現金流量預測所應用的稅前貼現率如下：

		Pre-tax discount rate 稅前貼現率
GZEP	GZEP	15.2%
Huifengyuan	滙豐源	11.3%
Baolai	寶來	12.6%
Jianghuai Testing	江淮檢測	17.4%
Jiangsu Yongbao	江蘇永葆	14.1%
Hunan Huaqing	湖南華清	16.4%
Guangdong Zhongheng	廣東中恒	15.4%
Guangdong Yitong	廣東一通	17.9%
Guangzhou KingHing	廣州景興	15.9%
Guangdong Qicheng	廣東啟橙	15.7%
Guangdong Jinying	廣東金穎	18.2%
Spirolite (M) Sdn. Bhd.	Spirolite (M) Sdn. Bhd.	14.1%

16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the units' past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of each CGU to exceed its recoverable amount.

At the end of the reporting period, based on the value in use calculation of Jianghuai Testing, Hunan Huaqing, Guangdong Zhongheng and Guangdong Yitong, impairment losses amounting to RMB8,755,000, RMB1,726,000, RMB1,989,000 and RMB7,863,000, respectively, were recognised on the relevant goodwill in respect of the current year, which arose from the expected decline in the market demand. At 31 December 2019, based on the value in use calculation of GZEP, impairment loss amounting to RMB29,100,000 was recognised on the relevant goodwill in respect of the year ended 31 December 2019, which arose from the expected decline in the demand of environmental engineering services. Except for goodwill mentioned above, there are no impairments of any other CGUs containing goodwill, brand name and trademark and operating concession rights with indefinite useful lives (2019: Nil).

17. INTERESTS IN ASSOCIATES

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share of net assets	分佔資產淨額	1,922,508	1,328,136
Goodwill on acquisitions	收購產生的商譽	472,669	173,001
		2,395,177	1,501,137

16. 商譽及其他具無限可使用年期的無形資產減值測試(續)

計算可使用價值的其他主要假設與包括預算銷售額及毛利率的現金流入／流出的估計有關。有關估計乃基於個別單位的過往表現及管理層對個別市場發展的預算而作出。管理層認為，任何該等假設可能出現的任何合理變動不會導致各現金產生單位各自的賬面值超出其各自的可收回金額。

於報告期末，基於江淮檢測、湖南華清、廣東中恒及廣東一通的使用價值計算，本年度已就相關商譽分別確認減值虧損人民幣8,755,000元、人民幣1,726,000元、人民幣1,989,000元及人民幣7,863,000元，此乃市場需求預期下降所致。於2019年12月31日，基於GZEP的使用價值計算，截至2019年12月31日止年度已就相關商譽確認減值虧損人民幣29,100,000元，此乃環境工程服務需求預期下降所致。除上述的商譽外，概無任何其他含有商譽、具無限可使用年期的商號及商標和特許經營權的現金產生單位減值(2019年：無)。

17. 於聯營公司的權益

17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益(續)

Particulars of the associates as at 31 December 2020 are as follows:

於2020年12月31日，聯營公司的詳情如下：

Name 名稱	Registered capital 註冊資本	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Percentage of 所佔百分比			Principal activity 主要業務
			Ownership interest 所有 權權益	Voting power 投票權	Profit sharing 應佔溢利	
Xingfa Aluminium Holdings Limited 興發鋁業控股有限公司	RMB3,731,000 人民幣3,731,000元	Cayman Islands 開曼群島	26	26	26	Manufacture and sale of aluminium profiles 製造及銷售鋁型材
China National Petroleum Waterproof (Shenzhen) Co., Ltd.* ⁽¹⁾ 中油佳匯防水科技(深圳)股份有限公司 ⁽¹⁾	RMB78,119,000 人民幣78,119,000元	PRC 中國	31	31	31	Manufacture and sale of waterproof materials 製造及銷售防水材料
Foshan Hechuang Yingke Real Estate Development Co., Ltd.* 佛山市合創盈科房產開發有限公司	RMB180,000,000 人民幣180,000,000元	PRC 中國	38	38	38	Property development 物業發展
Guangdong Home Electronic Appliances World E-Commerce Co., Ltd.* ⁽²⁾ 廣東家電世界電子商務有限公司 ⁽²⁾	RMB40,000,000 人民幣40,000,000元	PRC 中國	30	30	30	E-commerce platform 電子商務平台
Guangdong Jinfangshi Industry and Finance Investment Development Co., Ltd.* ⁽²⁾ 廣東金方石產融投資發展有限公司 ⁽²⁾	RMB6,667,000 人民幣6,667,000元	PRC 中國	25	25	25	Investment 投資
Guangzhou Luhang Agricultural Technology Co., Ltd.* ⁽²⁾ 廣州綠航農業科技有限公司 ⁽²⁾	RMB123,410,000 人民幣123,410,000元	PRC 中國	38	38	38	Agriculture development 農業發展
Jiangxi KingHing Aluminium Formwork Manufacturing Co., Ltd.* 江西省景興鋁模板製造有限公司	RMB5,000,000 人民幣5,000,000元	PRC 中國	20	20	20	Manufacture and sale of aluminium formwork 製造及銷售鋁模板
Jiangyin Yongqing Water Purifying Agent Co., Ltd.* 江陰市永清淨水劑有限公司	RMB5,000,000 人民幣5,000,000元	PRC 中國	20	20	20	Manufacture and sale of chemical products 製造及銷售化工產品
Shanghai Banxin IoT Tech Co., Ltd.* ⁽⁴⁾ 上海邦芯物聯網科技有限公司 ⁽⁴⁾	RMB13,173,000 人民幣13,173,000元	PRC 中國	13	13	33	Provision of IoT solution services 提供物聯網解決方案服務
Shenzhen EDA CLOUD Technologies Co., Ltd.* ⁽²⁾ 深圳市易達雲科技有限公司 ⁽²⁾	RMB6,316,000 人民幣6,316,000元	PRC 中國	21	40	21	Provision of internet technology and related services 提供互聯網科技及相關服務
WIJK Public Company Limited ⁽³⁾ WIJK Public Company Limited ⁽³⁾	THB725,335,328 725,335,328 泰國銖	Thailand 泰國	24	24	24	Manufacture and sale of plastic pipes 製造及銷售塑料管道
Artaic, LLC ⁽⁴⁾ Artaic, LLC ⁽⁴⁾	US\$2,500,000 2,500,000 美元	USA 美國	17	20	11	Manufacture and sale of mosaic tiles 製造及銷售馬賽克瓷磚

17. INTERESTS IN ASSOCIATES (Continued)

Note:

- (1) During 2020, the Group acquired 13.64%, 15.23% and 2.27% equity interests in China National Petroleum Waterproof (Shenzhen) Co., Ltd. from independent third parties at considerations of RMB60,000,000, RMB67,000,000 and RMB10,000,000, respectively. Accordingly, the Group has significant influence over this company.
- (2) During current year, the Group acquired 30.00%, 25.00%, 38.00% and 20.83% equity interests in Guangdong Home Electronic Appliances World E-Commerce Co., Ltd., Guangdong Jinfangshi Industry and Finance Investment Development Co., Ltd., Guangzhou Luhang Agricultural Technology Co., Ltd. and Shenzhen EDA CLOUD Technologies Co., Ltd. from independent third parties at total considerations of RMB45,000,000, RMB10,000,000, RMB500,000,000 and RMB25,000,000, respectively.
- (3) During current year, the Group acquired 24.25% equity interest in WIJK Public Company Limited from independent third parties at a total consideration of THB280,000,000 (approximately equivalent to RMB60,285,000).
- (4) It is considered that the Group has significant influence over these companies because the Group has a director in each of the boards of directors of these companies.

Xingfa Aluminium Holdings Limited (“Xingfa Aluminium”), which is considered as a material associate of the Group, is engaged in the manufacture and sale of aluminium profiles and is accounted for using the equity method.

17. 於聯營公司的權益(續)

附註：

- (1) 於2020年，本集團向獨立第三方收購中油佳匯防水科技(深圳)股份有限公司的13.64%、15.23%及2.27%股權，代價分別為人民幣60,000,000元、人民幣67,000,000元及人民幣10,000,000元。因此，本集團對該公司具重大影響力。
- (2) 於本年度內，本集團分別向獨立第三方收購廣東家電世界電子商務有限公司、廣東金方石產融投資發展有限公司、廣州綠航農業科技有限公司及深圳市易達雲科技有限公司的30.00%、25.00%、38.00%及20.83%股權，總代價分別為人民幣45,000,000元、人民幣10,000,000元、人民幣500,000,000元及人民幣25,000,000元。
- (3) 於本年度內，本集團向獨立第三方收購WIJK Public Company Limited的24.25%股權，總代價為280,000,000泰國銖(相當於約人民幣60,285,000元)。
- (4) 本集團於該些公司各董事會擁有一名董事，故本集團認為本集團對該公司擁有重大影響力。

興發鋁業控股有限公司(「興發鋁業」)被視為本集團的一間重大聯營公司，從事製造及銷售鋁型材，並按權益法入賬。

17. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of the material associate, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements at the end of the reporting period is as follows:

17. 於聯營公司的權益(續)

有關重大聯營公司於報告期末的財務資料概要(該等資料已就會計政策的任何差異作出調整並與綜合財務報表的賬面值進行對賬)如下:

		Xingfa Aluminium 興發鋁業 RMB'000 人民幣千元
Current assets	流動資產	6,538,614
Non-current assets, excluding goodwill	非流動資產(不包括商譽)	3,151,610
Goodwill on acquisition of the associate	收購聯營公司產生的商譽	124,590
Current liabilities	流動負債	(5,039,315)
Non-current liabilities	非流動負債	(403,219)
Net assets	資產淨額	4,372,280
Net assets, excluding goodwill	資產淨額(不包括商譽)	4,247,690
Reconciliation to the Group's interest in the associate:	與本集團於聯營公司的權益的對賬:	
Proportion to the Group's ownership	所佔本集團所有權比例	26.28%
Group's share of net assets of the associate, excluding goodwill	本集團分佔聯營公司的資產淨額(不包括商譽)	1,116,292
Goodwill on acquisitions	收購產生的商譽	124,590
Carrying amount of the investment	投資賬面值	1,240,882
Revenue	收入	11,900,456
Profit for the year	年內溢利	749,327
Other comprehensive expense	其他全面開支	(1,734)
Total comprehensive income for the year	年內全面收益總額	747,593
Fair value of the Group's investment	本集團投資公允價值	674,872

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

下表呈列本集團的非個別重大聯營公司的總體財務資料:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Share of the associates:	分佔聯營公司:		
Profit/(loss) for the year	年度溢利/(虧損)	6,310	(36,622)
Other comprehensive income	其他全面收益	-	-
Total comprehensive income/(expense)	全面收益/(開支)總額	6,310	(36,622)
Aggregate carrying amount of the Group's investments in the associates	本集團投資於聯營公司的總賬面值	1,154,295	381,203

18. INTERESTS IN A JOINT VENTURE

18. 於一間合營企業的權益

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share of net assets	分佔資產淨額	11,523	10,356

Particulars of the joint venture are as follows:

合營企業的詳情如下：

Name	Registered capital	Place of incorporation/ registration and business	Percentage of 所佔百分比			Principal activity
			Ownership interest	Voting power	Profit sharing	
名稱	註冊資本	註冊成立/ 註冊及營業地點	所有權權益	投票權	應佔溢利	主要業務
Guangdong Lesso EPCO Residential Equipment Design Services Co., Ltd.*	RMB10,000,000	PRC	50	50	50	Provision of household decoration design work and maintenance services
廣東聯塑艾博科住宅設備設計服務有限公司	人民幣 10,000,000 元	中國	50	50	50	提供家居裝飾設計及維修服務

The following table illustrates the information of the Group's interests in a joint venture:

下表呈列本集團於一間合營企業的權益的資料：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share of the joint venture:	分佔合營企業：		
Profit from continuing operations	持續經營業務溢利	1,167	1,053
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	全面收益總額	1,167	1,053
Carrying amount of the Group's investments in the joint venture	本集團投資於合營企業的賬面值	11,523	10,356

19. OTHER FINANCIAL ASSETS

19. 其他金融資產

		Note	2020	2019
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current	非流動			
Debt instruments at FVTOCI:	按公允價值計入其他全面收益的債務工具：	(i)		
Debt securities listed in Hong Kong	於香港上市債務證券		29,724	46,923
Debt securities listed in PRC	於中國上市債務證券		–	509,647
			29,724	556,570
Equity instruments at FVTOCI:	按公允價值計入其他全面收益的股本工具：			
Equity securities listed in PRC	於中國上市股本證券		853,576	231,536
Equity securities listed in Hong Kong	於香港上市股本證券		551,520	394,811
Perpetual capital securities listed in Hong Kong	於香港上市永久資本證券		–	8,780
Unlisted equity securities	非上市股本證券		485,319	501,153
			1,890,415	1,136,280
Equity instruments at FVTPL:	按公允價值計入損益的股本工具：			
Unlisted equity securities	非上市股本證券	(ii)	53,958	56,344
Equity securities listed in PRC	於中國上市股本證券		446,196	–
Equity securities listed in United Kingdom	於英國上市股本證券	(iii)	241,983	–
			742,137	56,344
Funds at FVTPL:	按公允價值計入損益的基金：			
Stock funds	股票型基金		18,730	21,926
			2,681,006	1,771,120
Current	流動			
Debt instruments at FVTOCI:	按公允價值計入其他全面收益的債務工具：	(i)		
Debt securities listed in Hong Kong	於香港上市債務證券		24,915	8,363
			2,705,921	1,779,483

Note:

- (i) The debt securities carry fixed interest at rates ranging from 5.70% to 7.85% (2019: 5.65% to 8.40%) per annum, payable semi-annually or annually in arrears and will mature from February 2021 to January 2023 (2019: January 2020 to January 2023).
- (ii) The equity securities contained a puttable option were classified as equity instruments at FVTPL.
- (iii) The rights of the equity securities are restricted by a loan agreement with a third party mentioned in note 31.

附註：

- (i) 債務證券的利息按固定年利率介乎5.70%至7.85% (2019年：5.65%至8.40%) 計算，每半年或每年支付及將於2021年2月至2023年1月到期(2019年：2020年1月至2023年1月)。
- (ii) 分類為按公允價值計入損益的股本工具的股本證券包含一個認沽期權。
- (iii) 股本證券的權利受限於附註31所述的第三方貸款協議。

20. LOAN RECEIVABLES

20. 應收借款

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current	非流動		
Finance lease receivables	融資租賃服務應收款項	3,584	11,613
Factoring receivables	保理服務應收款項	136,000	–
		139,584	11,613
Current	流動		
Finance lease receivables	融資租賃服務應收款項	140,219	165,339
Factoring receivables	保理服務應收款項	816,932	260,491
Receivables from supply-chain financing services	供應鏈融資服務應收款項	125,660	129,520
		1,082,811	555,350
Less: Provision for impairment	減：減值撥備	(207,745)	(190,677)
		875,066	364,673
		1,014,650	376,286

(A) FINANCE LEASE RECEIVABLES

(A) 融資租賃服務應收款項

		Minimum lease receivables		Present value of minimum lease receivables	
		最低租賃服務應收款項		最低租賃服務應收款項現值	
		2020	2019	2020	2019
		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
Not more than 1 year	不多於1年	141,557	191,748	140,219	165,339
Over 1 year but within 5 years	1年以上5年以內	3,736	14,131	3,584	11,613
		145,293	205,879	143,803	176,952
Less: Unearned finance income	減：未實現融資收益	(1,490)	(28,927)		
Present value of minimum lease receivables	最低租賃服務應收款項現值	143,803	176,952		

The Group's finance lease receivables are denominated in Renminbi. The effective interest rates of the receivables ranged from 11.42% to 11.77% (2019: 5.89% to 13.19%) per annum. There are no unguaranteed residual values of assets leased under finance leases and no contingent rent arrangements that needed to be recognised (2019: Nil).

本集團的融資租賃服務應收款項以人民幣計值。該應收款項的實際年利率介乎11.42%至11.77%(2019年：5.89%至13.19%)。概無任何融資租賃資產的未擔保剩餘價值，亦無任何須予確認的或然租賃安排(2019年：無)。

20. LOAN RECEIVABLES (Continued)**(A) FINANCE LEASE RECEIVABLES (Continued)**

The following is a credit quality analysis of these finance lease receivables:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Not past due	未逾期	19,804	21,731
Overdue	已逾期	123,999	155,221
		143,803	176,952

The receivables are secured by assets leased under finance leases and cash deposits (where applicable).

Cash deposits from finance lease customers are collected upfront based on certain percentage of the entire value of the lease contracts. When the lease contracts expire and all related liabilities and obligations are fulfilled by the customers, the cash deposit will be returned in full. The balance of the cash deposit can also be used to settle any outstanding lease receivables for the corresponding lease contract. The collected cash deposits of RMB1,310,000 have been included in "other payables and accruals" (2019: RMB21,310,000 included in "other long-term payables") in the consolidated statement of financial position.

At the end of the reporting period, RMB48,245,000 of the Group's finance lease receivables was impaired (2019: RMB31,177,000).

(B) FACTORING RECEIVABLES

The Group's factoring receivables arise from the provision of factoring services to companies located in PRC. The credit period granted to each customer is generally within 365 days.

Factoring receivables are secured by receivables and/or commercial bills originally owned by the customers. These receivables carry interest at rates ranging from 8.04% to 12.00% (2019: 4.00% to 7.20%) per annum.

20. 應收借款(續)**(A) 融資租賃服務應收款項(續)**

以下為融資租賃服務應收款項的信貨質素分析：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Not past due	未逾期	19,804	21,731
Overdue	已逾期	123,999	155,221
		143,803	176,952

該應收款項以融資租賃資產及現金按金(如適用)作為抵押。

融資租賃服務客戶現金按金乃基於租賃合約全部價值的若干百分比預先收取。於租賃合約屆滿以及客戶履行所有相關責任及義務後，該現金按金將會全部退還。現金按金結餘亦可用於結算相應租賃合約的任何尚未收取的租賃服務應收款項。已收取的現金按金人民幣1,310,000元已計入綜合財務狀況表的「其他應付款項及應計費用」內(2019年：人民幣21,310,000元已計入「其他長期應付款項」內)。

於報告期末，人民幣48,245,000元的本集團的融資租賃服務應收款項已減值(2019年：人民幣31,177,000元)。

(B) 保理服務應收款項

本集團的保理服務應收款項來自向中國公司提供保理服務。授予各客戶的信用期限一般為365天內。

保理服務應收款項以原來由客戶擁有的應收款項及／或商業匯票抵押。該等應收款項按介乎8.04%至12.00%(2019年：4.00%至7.20%)的年利率計息。

20. LOAN RECEIVABLES (Continued)**(B) FACTORING RECEIVABLES (Continued)**

The maturity profile of the factoring receivables at the end of the reporting period is as follows:

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	19,219	15,778
Over 3 months to 6 months	3個月以上至6個月	158,410	46,713
Over 6 months to 12 months	6個月以上至12個月	479,803	38,500
Over 12 months to 24 months	12個月以上至24個月	136,000	-
Overdue	已逾期	159,500	159,500
		952,932	260,491

At the end of the reporting period, RMB159,500,000 of the Group's factoring receivables was impaired (2019: RMB159,500,000).

(C) RECEIVABLES FROM SUPPLY-CHAIN FINANCING SERVICES

The Group's receivables from supply-chain financing services arise from the provision of supply-chain financing services to companies located in PRC. The credit period for each customer is generally within 365 days.

These receivables carry interest at rates ranging from 9.72% to 16.20% per annum (2019: 4.75% to 10.80%).

Certain receivables from supply-chain financing services amounting to RMB125,660,000 (2019: RMB129,520,000) are secured by certain interests of companies and personal guarantees.

20. 應收借款(續)**(B) 保理服務應收款項(續)**

於報告期末，保理服務應收款項的到期情況如下：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	19,219	15,778
Over 3 months to 6 months	3個月以上至6個月	158,410	46,713
Over 6 months to 12 months	6個月以上至12個月	479,803	38,500
Over 12 months to 24 months	12個月以上至24個月	136,000	-
Overdue	已逾期	159,500	159,500
		952,932	260,491

於報告期末，人民幣159,500,000元的本集團的保理服務應收款項已減值(2019年：人民幣159,500,000元)。

(C) 供應鏈融資服務應收款項

本集團的供應鏈融資服務應收款項來自向中國公司提供供應鏈融資服務。各客戶的信用期限一般為365天內。

該等應收款項按介乎9.72%至16.20%的年利率(2019年：4.75%至10.80%)計息。

若干供應鏈融資服務應收款項人民幣125,660,000元(2019年：人民幣129,520,000元)以若干公司權益及個人擔保作抵押。

20. LOAN RECEIVABLES (Continued)

(C) RECEIVABLES FROM SUPPLY-CHAIN FINANCING SERVICES (Continued)

The maturity profile of the receivables from supply-chain financing services at the end of the reporting period is as follows:

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	84,810	79,478
Over 3 months to 6 months	3個月以上至6個月	30,550	32,390
Over 6 months to 12 months	6個月以上至12個月	10,300	17,652
		125,660	129,520

At the end of the reporting period, none of the Group's receivables from supply-chain financing services was either past due or impaired (2019: Nil).

An impairment analysis is performed at each reporting date by considering the probability of default of those companies with financial conditions, historical loss experience, coverage by letters of credit or other forms of credit insurance. At the end of the reporting period, the loss given default for the remaining balance of loan receivables was not material and has no impact on the Group's consolidated financial statements.

21. OTHER NON-CURRENT ASSETS

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other long-term receivables	其他長期應收款項	21,985	4,093
Value-added tax ("VAT") recoverable	待抵扣增值稅(「增值稅」)	50,314	38,323
Prepayment for acquisition of non-controlling interests	預付收購非控制權益	–	23,868
Prepayment for acquisition of equity investments	預付收購股權投資	50,000	4,500
		122,299	70,784

20. 應收借款(續)

(C) 供應鏈融資服務應收款項(續)

於報告期末，供應鏈融資服務應收款項的到期情況如下：

於報告期末，本集團的供應鏈融資服務的應收款項概無逾期或減值(2019年：無)。

透過財務狀況、歷史虧損經驗、信用證或其他形式的信用保險考慮該等公司的違約或然率，於各報告日期進行減值分析。於報告期末，餘下的應收借款違約的虧損並不重要及對本集團的綜合財務報表並無影響。

21. 其他非流動資產

22. INVENTORIES

22. 存貨

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Manufacturing and trading	製造及貿易	4,577,047	3,660,365
Property development	物業發展	549,800	305,683
		5,126,847	3,966,048

(A) MANUFACTURING AND TRADING

(A) 製造及貿易

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	1,700,817	1,332,697
Work in progress	在產品	476,854	351,332
Finished goods	產成品	2,399,376	1,976,336
		4,577,047	3,660,365

(B) PROPERTY DEVELOPMENT

(B) 物業發展

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Property under development	發展中物業	549,800	305,683

The property under development is expected to be completed in more than twelve months after the end of the reporting period.

該發展中物業預計於報告期末後多於十二個月完成。

23. CONTRACT ASSETS/CONTRACT LIABILITIES

23. 合約資產／合約負債

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract assets	合約資產		
Non-current:	非流動：		
Concession operating right	特許經營權	78,411	81,571
Current:	流動：		
Renovation and installation works	裝修及安裝工程	441,970	201,485
Environmental engineering services	環境工程服務	27,903	78,660
Concession operating right	特許經營權	3,882	3,882
		473,755	284,027
Less: Impairment	減：減值	(4,214)	(4,584)
		469,541	279,443
		547,952	361,014
Contract liabilities	合約負債		
Current:	流動：		
Renovation and installation works	裝修及安裝工程	104,685	112,517
Environmental engineering services	環境工程服務	10,010	7,832
Advances from customers	客戶墊款	1,414,239	1,604,951
		1,528,934	1,725,300

The Group's contract assets represent the Group's rights to consideration for work completed but not yet billed to customers at the end of the reporting period. The contract assets will be transferred to trade and bills receivables when the rights become unconditional, that is, when the Group issue progress billings to customers based on the certified amount agreed with customers.

At the end of the reporting period, RMB4,214,000 (2019: RMB4,584,000) was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 24 to the consolidated financial statements.

The Group's contract liabilities represent the Group's obligations to transfer goods or services to customers for which the Group has received consideration, or for which an amount of consideration is due from the customers.

本集團的合約資產指本集團於報告期末已完工但尚未向客戶就工程收取代價的權利。當該權利成為無條件時，合約資產將會轉移至貿易應收款項及票據，即本集團基於與客戶協定的核證金額向客戶發出進度計費。

於報告期末，人民幣4,214,000元(2019年：人民幣4,584,000元)確認為合約資產預期信貸虧損撥備。本集團與客戶的貿易條款及信貸政策披露於綜合財務報表附註24。

本集團的合約負債指本集團向客戶轉讓本集團已收取代價或應收客戶代價金額的貨品或服務的責任。

23. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

The expected timing of recovery or settlement for contract assets at the end of the reporting period is as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Not more than 1 year	不多於1年	469,541	279,443
Over 1 year	1年以上	78,411	81,571
		547,952	361,014

The movements in the loss allowance for impairment of contract assets are as follows:

		Note	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
		附註		
At 1 January	於1月1日		4,584	21,855
Impairment losses (reversed)/recognised	(已撥回)/已確認減值虧損	7	(370)	3,052
Amounts written off as uncollectible	撇銷為不可收回的金額		-	(20,323)
At 31 December	於12月31日		4,214	4,584

For the contract assets arising from renovation and installation works and environmental engineering services, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets are based on the invoice date of trade and bills receivables for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

23. 合約資產／合約負債(續)

於報告期末，收回或結算合約資產的預計時間如下：

合約資產減值的虧損撥備變動如下：

就裝修及安裝工程以及環境工程服務所產生的合約資產而言，本集團於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損。計量合約資產的預期信貸虧損的撥備率乃按貿易應收款項及票據的預期信貸虧損釐定，乃由於合約資產和貿易應收款項及票據來自同一個客戶基礎。合約資產的撥備率就有類似虧損模式的貿易應收款項及票據的各客戶分部組別(即按地區、產品類型、客戶類型及評級，以及信用證或其他形式的信用保險)的發票日期釐定。該計算反映或然率加權的結果、貨幣時間值以及於報告日期可獲得有關過往事件、現況及未來經濟狀況預測的合理支持資料。

23. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Expected credit loss rate	預期信貸虧損率	0.90%	1.64%
Gross carrying amount	賬面總值	469,873	280,145
Expected credit losses	預期信貸虧損	4,214	4,584

For the contract assets arising from concession operating right, since the party to concession agreements are local government authorities in PRC, the Group considers the credit risk is low as at the end of the reporting period. The Group does not hold any collateral over the balance.

以下載列有關本集團使用撥備矩陣計算的合約資產的信貸風險資料：

就特許經營權所產生的合約資產而言，鑑於特許協議方為中國地方政府機關，本集團認為於報告期末的信貸風險為低。本集團並無就結餘持有任何抵押品。

24. TRADE AND BILLS RECEIVABLES

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	2,815,700	2,734,678
Bills receivable	應收票據	1,298,021	762,004
Less: Provision for impairment	減：減值撥備	(263,527)	(237,226)
		3,850,194	3,259,456

The Group's major customers are independent distributors, civil contractors, property developers, utility companies and municipalities in mainland China. Depending on the market condition, marketing tactics and relationships with the customers, the Group's trading terms with its independent distributors may change from settlement on an advance receipt basis to giving a credit period of generally one month or more, if appropriate. The Group does not have a standardised and universal credit period granted to the non-distributor customers. The credit period of an individual non-distributor customer is considered on a case-by-case basis and is set out in the sales contracts, as appropriate. Sales to small, new, or short-term customers are normally expected to be settled on an advance receipt basis or shortly after the goods delivery. No credit term period is set by the Group for small, new and short-term customers.

24. 貿易應收款項及票據

本集團的主要客戶為中國內地的獨立分銷商、土木工程承建商、房地產開發商、公用事業公司及市政部門。本集團視乎市況、市場策略及與客戶的關係，可將其與獨立分銷商的貿易條款由按預付方式結算更改為授予一般一個月或多個月的信用期限（如適當）。本集團並無統一向非分銷商客戶授予標準的信用期限。個別非分銷商客戶的信用期限視乎個別情況而定，並在銷售合約中列明（如適當）。對小規模、新或短期客戶的銷售一般預期以預付方式或於交貨後短期內結算。本集團並無為小規模、新及短期客戶設立信用期限。

24. TRADE AND BILLS RECEIVABLES (Continued)

Trade and bills receivables are unsecured and interest-free.

An ageing analysis of the Group's trade and bills receivables at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Not more than 3 months	不多於3個月	1,690,927	1,385,281
Over 3 months to 6 months	3個月以上至6個月	741,507	523,083
Over 6 months to 12 months	6個月以上至12個月	939,601	916,406
Over 1 year to 2 years	1年以上至2年	392,035	351,848
Over 2 years to 3 years	2年以上至3年	74,378	71,784
Over 3 years	3年以上	11,746	11,054
		3,850,194	3,259,456

The movements in the loss allowance for impairment of the Group's trade and bills receivables are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
At 1 January	於1月1日	237,226	194,493
Acquisition of subsidiaries	收購附屬公司	-	14,416
Impairment losses recognised	已確認減值虧損	38,510	35,486
Amounts written off as uncollectible	撇銷為不可收回的金額	(12,209)	(7,169)
At 31 December	於12月31日	263,527	237,226

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the invoice date for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

24. 貿易應收款項及票據(續)

貿易應收款項及票據均為無抵押及免息。

於報告期末，本集團的貿易應收款項及票據按發票日期並扣除虧損撥備後的賬齡分析如下：

本集團貿易應收款項及票據減值的虧損撥備變動如下：

本集團於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損。撥備率就有類似虧損模式的各客戶分部組別(即按地區、產品類型、客戶類型及評級，以及信用證或其他形式的信用保險)的發票日期釐定。該計算反映或然率加權的結果、貨幣時間值以及於報告日期可獲得有關過往事件、現況及未來經濟狀況預測的合理支持資料。

24. TRADE AND BILLS RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

24. 貿易應收款項及票據(續)

以下載列有關本集團使用撥備矩陣計算的貿易應收款項及票據的信貨風險資料：

		2020				
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	2 to 3 years 2至3年 RMB'000 人民幣千元	Over 3 years 3年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Expected credit loss rate	預期信貸虧損率	0.83%	6.62%	23.85%	94.01%	6.41%
Gross carrying amount	賬面總值	3,400,141	419,835	97,674	196,071	4,113,721
Expected credit losses	預期信貸虧損	(28,106)	(27,800)	(23,296)	(184,325)	(263,527)
		3,372,035	392,035	74,378	11,746	3,850,194

		2019				
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	2 to 3 years 2至3年 RMB'000 人民幣千元	Over 3 years 3年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Expected credit loss rate	預期信貸虧損率	0.79%	6.21%	20.07%	94.01%	6.78%
Gross carrying amount	賬面總值	2,847,360	375,125	89,806	184,391	3,496,682
Expected credit losses	預期信貸虧損	(22,590)	(23,277)	(18,022)	(173,337)	(237,226)
		2,824,770	351,848	71,784	11,054	3,259,456

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

25. 預付款、按金及其他應收款項

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayments	預付款	1,186,439	1,561,497
VAT recoverable	待抵扣增值稅	448,157	477,717
Corporate income tax recoverable	待抵扣企業所得稅	18,123	8,556
Deposits	按金	104,812	105,707
Other receivables	其他應收款項	102,166	83,824
Loan receivables from third parties	來自第三方應收借款	124,548	100,177
		1,984,245	2,337,478
Less: Provision for impairment	減：減值撥備	(109,653)	(88,348)
		1,874,592	2,249,130

Except for the loan receivables from third parties, the financial assets included in the above balances are unsecured, interest-free and receivable on demand. The effective interest rates of the loan receivables from third parties range from 10.0% to 15.0% (2019: Nil) per annum.

除來自第三方應收借款外，計入上述結餘的金融資產乃無抵押、免息及按要求收款。來自第三方應收借款的實際年利率介乎10.0%至15.0%（2019年：無）。

26. CASH AND BANK DEPOSITS

26. 現金及銀行存款

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Restricted cash:	受限制現金：		
Guarantee deposits for banking facilities	作為銀行融資的擔保按金	1,005,182	1,241,777
Cash and cash equivalents:	現金及現金等價物：		
Time deposits with original maturity of three months or less when acquired	定期存款（於獲取時原有期限為三個月或以下）	241,397	454,916
Cash and bank balances	現金及銀行結餘	6,200,857	5,907,528
		6,442,254	6,362,444
Cash and bank deposits	現金及銀行存款	7,447,436	7,604,221

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and twelve months and earn interest at the respective short-term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

存放於銀行的現金按每日銀行存款利率的浮動利率賺取利息。短期定期存款的期限介乎一天至十二個月不等並按各短期定期存款利率賺取利息。銀行結餘及受限制現金存放於近期無違約記錄且信譽良好的銀行。

27. TRADE AND BILLS PAYABLES

27. 貿易應付款項及票據

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	1,657,654	1,276,393
Bills payable	應付票據	4,020,554	4,553,141
		5,678,208	5,829,534

The trade payables are interest-free and are normally settled on terms of 30 to 90 days.

貿易應付款項乃免息，結算期限通常為30至90天。

An aging analysis of the Group's trade and bills payables at the end of the reporting period, based on the invoice date, is as follows:

於報告期末，本集團的貿易應付款項及票據按發票日期的賬齡分析如下：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Not more than 3 months	不多於3個月	3,752,988	3,467,192
Over 3 months to 6 months	3個月以上至6個月	1,725,541	2,032,336
Over 6 months to 12 months	6個月以上至12個月	103,177	255,306
Over 1 year to 2 years	1年以上至2年	45,885	36,791
Over 2 years to 3 years	2年以上至3年	16,130	10,498
Over 3 years	3年以上	34,487	27,411
		5,678,208	5,829,534

28. OTHER PAYABLES AND ACCRUALS

28. 其他應付款項及應計費用

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Accruals	應計費用	226,808	171,923
Salaries and welfare payables	應付薪金及福利	229,181	191,177
Other payables	其他應付款項	644,229	818,692
		1,100,218	1,181,792

The financial liabilities included in the above balances are interest-free and repayable on demand.

計入上述結餘的金融負債乃免息及按要求還款。

29. BORROWINGS

29. 借款

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Current	流動		
Unsecured bank loans	無抵押銀行貸款	7,080,626	5,841,586
Current portion of long-term unsecured bank loans	長期無抵押銀行貸款的流動部分	185,634	104,575
Current portion of long-term unsecured syndicated bank loans	長期無抵押銀團貸款的流動部分	–	5,381,133
Current portion of long-term unsecured other loans	長期無抵押其他貸款的流動部分	28,330	28,330
Secured bank loans	有抵押銀行貸款	61,750	40,090
Current portion of long-term secured bank loans	長期有抵押銀行貸款的流動部分	7,991	15,605
		7,364,331	11,411,319
Non-current	非流動		
Unsecured bank loans	無抵押銀行貸款	571,503	1,045,107
Unsecured syndicated bank loans	無抵押銀團貸款	7,145,603	–
Unsecured other loans	無抵押其他貸款	614	28,330
Secured bank loans	有抵押銀行貸款	364,434	193,624
		8,082,154	1,267,061
		15,446,485	12,678,380
Analysed into borrowings repayable:	須償還借款：		
Within one year or on demand	一年內或按要求時	7,364,331	11,411,319
In the second year	第二年內	480,513	757,069
In the third to fifth years, inclusive	第三年至第五年內(包括首尾兩年)	7,418,879	486,490
More than five years	多於五年	182,762	23,502
		15,446,485	12,678,380

Note:

- (a) The effective interest rates of the Group's borrowings range from 1.08% to 7.60% (2019: 2.38% to 7.60%) per annum.
- (b) At the end of the reporting period, the secured bank loans are secured by machineries and equipment of a subsidiary, leasehold lands and buildings of subsidiaries, investment property of a subsidiary, loan receivables of a subsidiary, the concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary.
- At 31 December 2019, the secured bank loans were secured by the investment property of a subsidiary, time deposit of a subsidiary, loan receivables of a subsidiary, concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary.
- (c) At the end of the reporting period, the Group's borrowings are denominated in US dollar, HK dollar, Renminbi, Australian dollar and Canadian dollar are equivalent to RMB6,979,300,000 (2019: RMB6,460,926,000), RMB4,074,077,000 (2019: RMB2,788,805,000), RMB3,507,450,000 (2019: RMB2,793,140,000), RMB754,987,000 (2019: RMB481,169,000) and RMB130,671,000 (2019: RMB154,340,000), respectively.

附註：

- (a) 本集團借款的實際年利率介乎1.08%至7.60%不等(2019年：2.38%至7.60%)。
- (b) 於報告期末，有抵押銀行貸款乃以一間附屬公司的機器及設備、附屬公司的租賃業權土地及樓宇、一間附屬公司的投資物業、一間附屬公司的應收借款、一間附屬公司的特許經營權及其一名股東的個人擔保作抵押。
- 於2019年12月31日，有抵押銀行貸款乃以一間附屬公司的投資物業、一間附屬公司的定期存款、一間附屬公司的應收借款、一間附屬公司的特許經營權及其一名股東的個人擔保作抵押。
- (c) 於報告期末，本集團以美元、港元、人民幣、澳元及加元計值的借款分別等值於人民幣6,979,300,000元(2019年：人民幣6,460,926,000元)、人民幣4,074,077,000元(2019年：人民幣2,788,805,000元)、人民幣3,507,450,000元(2019年：人民幣2,793,140,000元)、人民幣754,987,000元(2019年：人民幣481,169,000元)及人民幣130,671,000元(2019年：人民幣154,340,000元)。

30. CONVERTIBLE LOANS

At the end of the reporting period, the convertible loans were recognised as a debt component and an equity component as follows:

		Debt component 債務部分 RMB'000 人民幣千元	Equity component 權益部分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At the date of issue	於發行日期	640,113	27,605	667,718
Interest expenses	利息開支	22,655	–	22,655
Increase in interest payable	應付利息增加	(10,728)	–	(10,728)
Interest paid	已付利息	(6,297)	–	(6,297)
Exchange realignment	匯兌調整	6,852	–	6,852
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	652,595	27,605	680,200
Interest expenses	利息開支	41,692	–	41,692
Increase in interest payable	應付利息增加	(16,346)	–	(16,346)
Interest paid	已付利息	(10,333)	–	(10,333)
Exchange realignment	匯兌調整	(40,246)	–	(40,246)
At 31 December 2020	於2020年12月31日	627,362	27,605	654,967

Note:

- (a) On 6 May 2019, the Group's wholly-owned subsidiary entered into a convertible loan facilities agreement with ICBC International Investment Management Limited in the aggregate principal amount of US\$100,000,000 (approximately equivalent to RMB684,025,000) (the "Convertible Loans"). The Convertible Loans bear interest at the rate of 3.40% plus LIBOR per annum. The Group drew down US\$60,000,000 (approximately equivalent to RMB410,415,000) on 22 May 2019 and US\$40,000,000 (approximately equivalent to RMB279,489,000) on 29 November 2019. The maturity dates are 21 May 2022 and 28 November 2022, respectively.
- (b) The convertible loans contain two components, a debt component and an equity component. The initial fair values of the two components were determined based on gross proceeds at drawdown. The initial fair values less allocated transaction costs of the debt component were estimated to be US\$55,799,000 (approximately equivalent to RMB381,681,000) and US\$36,982,000 (approximately equivalent to RMB258,432,000) as at the drawdown dates of using the Monte Carlo Model and Binomial Option Pricing Model, taking into account the terms and conditions of the convertible loans. In subsequent periods, the debt component is measured at amortised cost using effective interest rate method. The effective interest rates of the debt component are 4.50% and 5.53% (2019: 7.70%) per annum. The residual amount less allocated transaction costs representing the value of the equity component of US\$4,001,000 (approximately equivalent to RMB27,605,000) is included in convertible loans equity reserve.

30. 可換股貸款

於報告期末，可換股貸款確認為債務部分及權益部分，如下所示：

		Debt component 債務部分 RMB'000 人民幣千元	Equity component 權益部分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At the date of issue	於發行日期	640,113	27,605	667,718
Interest expenses	利息開支	22,655	–	22,655
Increase in interest payable	應付利息增加	(10,728)	–	(10,728)
Interest paid	已付利息	(6,297)	–	(6,297)
Exchange realignment	匯兌調整	6,852	–	6,852
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	652,595	27,605	680,200
Interest expenses	利息開支	41,692	–	41,692
Increase in interest payable	應付利息增加	(16,346)	–	(16,346)
Interest paid	已付利息	(10,333)	–	(10,333)
Exchange realignment	匯兌調整	(40,246)	–	(40,246)
At 31 December 2020	於2020年12月31日	627,362	27,605	654,967

附註：

- (a) 於2019年5月6日，本集團的全資附屬公司與工銀國際投資管理有限公司訂立可換股貸款融資協議，本金總額為100,000,000美元（相當於約人民幣684,025,000元）（「可換股貸款」）。該等可換股貸款按年利率3.40%加倫敦銀行同業拆借利率計息。於2019年5月22日，本集團提取60,000,000美元（相當於約人民幣410,415,000元）及於2019年11月29日提取40,000,000美元（相當於約人民幣279,489,000元）。到期日分別為2022年5月21日及2022年11月28日。
- (b) 可換股貸款包含債務及權益兩個部分。兩個部分的初始公允價值乃按提取時的所得款項總額釐定。債務部分之初始公允價值減已分配交易成本乃經考慮可換股貸款的條款及條件後，於提取日期根據蒙特卡羅定價模式及二項式期權定價模型估算為55,799,000美元（相當於約人民幣381,681,000元）及36,982,000美元（相當於約人民幣258,432,000元）。於其後期間，債務部分採用實際利率法按攤銷成本計量。債務部分的實際年利率為4.50%及5.53%（2019年：7.70%）。餘下金額減已分配交易成本（即權益部分的價值）為4,001,000美元（相當於約人民幣27,605,000元）計入可換股貸款權益儲備。

31. OTHER FINANCIAL LIABILITIES

31. 其他金融負債

		Note	2020	2019
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Current	流動			
Selling right from non-controlling shareholders	非控股股東出售權益	(i)	10,960	–
Non-current	非流動			
Selling right from non-controlling shareholders	非控股股東出售權益	(i)	5,411	14,360
Debt portion with uncertain payment term	付款條款不確定之債務部份	(ii)	64,855	–
			70,266	14,360
			81,226	14,360

Note:

- (i) The fair value of this financial liability has been estimated using valuation technique with unobservable inputs. Management has reviewed the valuation result by verifying all major inputs and assumptions as well as assessing the reasonableness of such valuation.

The Group entered into certain sale and purchase agreements to acquire 70% equity interest in Jiangsu Yongbao during 2018 and 70% equity interest in Spirolite (M) Sdn. Bhd. during 2020. Pursuant to the agreements, the non-controlling shareholders have the right to sell the remaining 30% equity interest to the Group after three years and two years from the respective dates of acquisitions.

- (ii) The debt portion with uncertain payment term is managed and the performances are evaluated on fair value basis. Any change in fair value was recognised in profit or loss.

On 31 March 2020, the Group entered into a loan agreement with a third party in the amount of GBP8,400,000 (approximately equivalent to RMB73,198,000). The amount is interest-free and repayable according to the return of an equity investment held by the Group.

The fair value of this borrowing has been estimated using valuation technique with unobservable inputs. Management has reviewed the valuation result by verifying all major inputs and assumptions as well as assessing the reasonableness of such valuation.

附註：

- (i) 此金融負債的公允價值已採用估值方法以不可觀察輸入數據估計。管理層已透過核實所有主要輸入數據及假設及評估該估值之合理性以審閱該估值結果。

本集團訂立若干買賣協議於2018年收購江蘇永祿70%的股本權益，以及於2020年收購Spirolite (M) Sdn. Bhd. 70%的股本權益。根據協議，非控股股東自各收購日期起三年及兩年後有權向本集團出售剩餘的30%股本權益。

- (ii) 付款條款不確定之債務部份及其表現乃按公允價值為基準管理及評估。任何公允價值變動均於損益內確認。

本集團於2020年3月31日與一名第三方訂立一項有關借入8,400,000英鎊(相當於約人民幣73,198,000元)的貸款協議。該金額免息及參考本集團持有的股權投資的回報而還款。

該借款的公允價值已採用估值方法以不可觀察輸入數據估計。管理層已透過核實所有主要輸入數據及假設及評估該估值之合理性以審閱該估值結果。

32. DEFERRED TAX

The major deferred tax assets/(liabilities) recognised and their movements during the current and prior years are as follows:

32. 遞延稅項

於本年度及過往年度已確認的主要遞延稅項資產／(負債)及其變動如下：

		Fair value adjustments arising from investment properties	Provision for impairment of assets	Accelerated tax depreciation	Fair value adjustments arising from acquisitions of subsidiaries	Withholding tax on distributable profits of subsidiaries in the PRC	Deferred income	Loss available for offsetting against future taxable profit	Fair value adjustments arising from financial instrument at FVTPL	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	(148,473)	71,656	4,250	(61,389)	(363,105)	12,224	-	-	(484,837)
Acquisition of subsidiaries	收購附屬公司	-	1,862	-	(18,594)	-	-	-	-	(16,732)
Credited/(charged) to profit or loss for the year (note 9)	計入/(扣自)年度損益(附註9)	(110,435)	13,044	(102)	856	(84,933)*	3,696	1,587	-	(176,287)
Exchange realignment	匯兌調整	(2,598)	-	-	-	-	-	84	-	(2,514)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	(261,506)	86,562	4,148	(79,127)	(448,038)	15,920	1,671	-	(680,370)
Acquisition of subsidiaries (Note 37)	收購附屬公司(附註37)	-	-	-	(16,615)	-	-	-	-	(16,615)
Credited/(charged) to profit or loss for the year (note 9)	計入/(扣自)年度損益(附註9)	(36,118)	8,180	(1,431)	4,065	(147,589)*	(9)	38,294	(5,588)	(140,196)
Exchange realignment	匯兌調整	138	-	25	253	-	-	5,135	-	5,551
At 31 December 2020	於2020年12月31日	(297,486)	94,742	2,742	(91,424)	(595,627)	15,911	45,100	(5,588)	(831,630)

* The amount represented the deferred tax provision of RMB242,208,000 (2019: RMB168,175,000) on the distributable profits of the Company's subsidiaries in the PRC after offsetting the realised deferred tax liabilities of RMB94,619,000 (2019:RMB83,242,000) arising from dividends declared by these subsidiaries to their foreign investors during the year.

* 該金額為本公司就中國附屬公司可分派溢利作出的遞延稅項撥備人民幣242,208,000元(2019年：人民幣168,175,000元)並經抵銷該等附屬公司於年內向海外投資者宣派股息而產生的已實現遞延稅項負債人民幣94,619,000元(2019年：人民幣83,242,000元)。

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Gross deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表內確認的遞延稅項資產總額	159,888	108,301
Gross deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表內確認的遞延稅項負債總額	(991,518)	(788,671)
		(831,630)	(680,370)

32. DEFERRED TAX (Continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between mainland China and the jurisdictions of the foreign investors. The applicable rate for the Group is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in mainland China in respect of their earnings generated from 1 January 2008.

At the end of the reporting period, the Group has not recognised deferred tax liabilities of RMB346,198,000 (2019: RMB374,897,000) in respect of temporary differences relating to the undistributed profits of subsidiaries, amounting to RMB6,923,963,000 (2019: RMB7,497,947,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

33. DEFERRED INCOME

Deferred income represents government grants received by the Group as financial subsidies for the renovation of factories and machineries or the construction of new factory premises in Guangdong, Changchun, Hunan, Hainan, Daqing, etc. and rental income received in advance from certain of the Group's employees for leasing the staff quarters.

The government grants are released to profit or loss over the expected useful lives of the relevant premises by equal annual instalments, while rental income received in advance is recognised on the straight-line basis over the respective lease terms.

32. 遞延稅項 (續)

根據中國企業所得稅法，在中國內地成立的外資企業向外國投資者宣派的股息須繳納10%的預提所得稅。該規定自2008年1月1日起生效，適用於自2007年12月31日起獲得的盈利。倘中國內地與該外國投資者所在司法權區有簽訂稅務條約，則可按較低稅率繳納預提所得稅。本集團的適用稅率為5%。因此，就該等於中國內地成立的附屬公司就2008年1月1日起所得盈利而分派的股息而言，本集團須繳納預提所得稅。

於報告期末，由於本公司控制該等附屬公司的股息政策，且該等溢利於可見將來分派的可能性不大，故本集團並無確認該等附屬公司未分派溢利暫時差異為人民幣6,923,963,000元(2019年：人民幣7,497,947,000元)的遞延稅項負債為(須於分派該等保留溢利時支付)人民幣346,198,000元(2019年：人民幣374,897,000元)。

33. 遞延收益

遞延收益指本集團收取的政府補助，作為其在廣東、長春、湖南、海南及大慶等翻新工廠及機械與興建新工廠物業的財政補貼，以及自本集團向若干僱員預先收取的租賃員工宿舍租金收益。

政府補助於有關房產預期可使用年限內按年以等額撥入損益內確認，而預先收取的租金收益則按各自的租期以直線法確認。

34. SHARE CAPITAL**34. 股本**

Shares	股份	2020	2019
Authorised:	法定：		
20,000,000,000 (2019: 20,000,000,000) ordinary shares of HK\$0.05 each	20,000,000,000 (2019年：20,000,000,000) 股 每股面值0.05港元的普通股	HK\$1,000,000,000 1,000,000,000 港元	HK\$1,000,000,000 1,000,000,000 港元
Issued and fully paid:	已發行及繳足：		
3,102,418,400 (2019: 3,102,418,400) ordinary shares of HK\$0.05 each	3,102,418,400 (2019年：3,102,418,400) 股 每股面值0.05港元的普通股	HK\$155,120,920 155,120,920 港元	HK\$155,120,920 155,120,920 港元
Equivalent to	等值於	RMB135,344,000 人民幣 135,344,000 元	RMB135,344,000 人民幣 135,344,000 元

35. RESERVES**35. 儲備**

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

本集團本年度及過往年度的儲備金額及其變動已於綜合權益變動表內呈列。

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries which are established in PRC has been transferred to reserve funds which are restricted for use.

根據適用於中外合營企業的相關法律及法規，本集團在中國成立的附屬公司的部分溢利已轉撥至用途受限制的儲備基金。

36. SHARE-BASED PAYMENTS**36. 以股份為基礎的支付****(A) SHARE OPTION SCHEME**

A share option scheme was adopted by the Company on 14 May 2010 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

(A) 購股權計劃

於2010年5月14日，為激勵及獎勵對本集團的成功經營作出貢獻的合資格參與人，本公司採納一項購股權計劃（「購股權計劃」）。

No share options have been granted under the Share Option Scheme since the adoption. The share option scheme expired on 13 May 2020.

本公司自採納購股權計劃以來，並無根據購股權計劃授出購股權。該購股權計劃已於2020年5月13日到期。

(B) SHARE AWARD SCHEME

On 28 August 2018, the Company adopted a share award scheme (the "Share Award Scheme") to recognise the contributions by certain eligible persons to the Group and to offer suitable incentives to attract and retain targeted talent and personnel for the continual operation and future development of the Group.

(B) 股份獎勵計劃

本公司於2018年8月28日採納股份獎勵計劃（「股份獎勵計劃」），以肯定若干合資格人士對本集團所作出的貢獻及給予適當激勵，藉此吸引及挽留目標人才及人員以促進本集團的持續經營及未來發展。

36. SHARE-BASED PAYMENTS (Continued)**(B) SHARE AWARD SCHEME (Continued)**

The total amount of the funds contributed to the Scheme by the Company shall not exceed HK\$750,000,000 and the board of directors of the Company ("Board") shall at its absolute discretions to determine the amount of fund contributed to the Share Award Scheme for each financial year of the Company.

The Company shall not make any further grant of award which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding award shares that have been forfeited in accordance with the Share Award Scheme) to exceed 5% of the issued share capital of the Company without shareholders' approval. The total number of non-vested award shares granted to a selected participant under the Share Award Scheme shall not exceed 1% of the total number of issued shares at all time.

During the year, no ordinary shares of the Group on the Stock Exchange were purchased for the Share Award Scheme (2019: 22,991,000 ordinary shares). No shares have been awarded under the Share Award Scheme since the adoption.

36. 以股份為基礎的支付(續)**(B) 股份獎勵計劃(續)**

本公司對該計劃出資的資金總額不得超過750,000,000港元，而本公司董事會(「董事會」)將全權酌情釐定本公司在各財政年度對股份獎勵計劃出資的資金金額。

倘本公司根據股份獎勵計劃授出的所有相關股份(不包括根據股份獎勵計劃已沒收的獎勵股份)總數將超過本公司已發行股本的5%且未經股東批准，則不得再授出任何獎勵。每名選定參與人根據股份獎勵計劃可獲授的尚未歸屬獎勵股份總數，不得超過不時已發行股份總數的1%。

年內，本集團概無於聯交所購買普通股用於股份獎勵計劃(2019年：22,991,000股普通股)。本公司自採納股份獎勵計劃以來，並無根據股份獎勵計劃授出股份。

37. BUSINESS COMBINATION

During the year, the Group entered into sale and purchase agreements to acquire equity interests in the following companies:

Acquisition date	Company name	Percentage of share	Consideration RMB	Principal activities
收購日期	公司名稱	佔有比率	代價 人民幣	主要業務
29 July 2020	Guangdong Jinying	65%	8,126,000	Cultivation of flowers and plants
2020年7月29日	廣東金穎	65%	8,126,000	種植花朵及植物
7 October 2020	Snow Pte. Ltd.	100%	19,908,000 ⁽¹⁾	Trading
2020年10月7日	Snow Pte. Ltd.	100%	19,908,000 ⁽¹⁾	貿易
27 November 2020	Guangdong Lingsheng Prefabricated Building Technology Co., Ltd.* ("Guangdong Lingsheng")	55%	39,117,000	Provision of construction, installation and other related service
2020年11月27日	廣東領盛裝配式建築科技有限公司(「廣東領盛」)	55%	39,117,000	提供建築、安裝及其他相關服務
30 November 2020	Spirolite (M) Sdn. Bhd.	70%	54,513,000 ⁽²⁾	Manufacture and sale of plastic pipes
2020年11月30日	Spirolite (M) Sdn. Bhd.	70%	54,513,000 ⁽²⁾	製造及銷售塑料管道

The above acquisitions allow the Group to further diversify its businesses.

Note:

- (1) The total consideration to acquire Snow Pte. Ltd. amounted to SGD4,046,000 (approximately equivalent to RMB19,908,000).
- (2) The total consideration to acquire Spirolite (M) Sdn. Bhd. amounted to MYR33,715,000 (approximately equivalent to RMB54,513,000).

37. 業務合併

年內，本集團訂立買賣協議，收購以下公司的股本權益：

上述收購讓本集團進一步拓展其業務。

附註：

- (1) 收購 Snow Pte. Ltd. 的總代價為 4,046,000 新加坡元 (約相當於人民幣 19,908,000 元)。
- (2) 收購 Spirolite (M) Sdn. Bhd. 的總代價為 33,715,000 馬來西亞令吉 (約相當於人民幣 54,513,000 元)。

37. BUSINESS COMBINATION (Continued)

37. 業務合併(續)

The fair values of the identifiable assets and liabilities of the above companies acquired at the dates of acquisitions assumed by the Group are as follows:

於收購日，本集團收購上述公司的可識別資產及負債的公允價值如下：

		Guangdong Jinying	Snow Pte Ltd.	Guangdong Lingsheng	Spirolite (M) Sdn. Bhd.	Total
		廣東金額	Snow Pte Ltd.	廣東領盛	Sdn. Bhd.	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
Property, plant and equipment	物業、廠房及設備	571	765	131,228	5,696	138,260
Right-of-use assets	使用權資產	–	–	37,200	27,811	65,011
Other intangible assets	其他無形資產	1,579	84	11,305	36,713	49,681
Inventories	存貨	5,688	9,656	109,959	6,447	131,750
Contract assets	合約資產	–	–	1,567	–	1,567
Trade and bills receivables	貿易應收款項及票據	580	16,342	25,532	9,365	51,819
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	632	2,234	41,738	3,133	47,737
Cash and bank deposits	現金及銀行存款	1,788	3,914	3,765	11,554	21,021
Contract liabilities	合約負債	(94)	(224)	–	–	(318)
Trade and bills payables	貿易應付款項及票據	–	(2,056)	(70,504)	(4,621)	(77,181)
Other payables and accruals	其他應付款項及應計費用	(904)	(5,228)	(40,281)	(3,591)	(50,004)
Borrowings — current	借款 — 流動	–	–	(70,000)	–	(70,000)
Borrowings — non-current	借款 — 非流動	–	–	(110,389)	–	(110,389)
Deferred income	遞延收益	(51)	–	–	–	(51)
Deferred tax liabilities	遞延稅項負債	–	–	–	(16,615)	(16,615)
Total identifiable net assets at fair value	可識別資產淨值總額 (按公允價值)	9,789	25,487	71,120	75,892	182,288
Non-controlling interests	非控制權益	(3,426)	–	(32,003)	(22,768)	(58,197)
Goodwill arising on acquisitions	收購產生的商譽	1,763	–	–	1,389	3,152
Gain from bargain purchase recognised in other revenue, income and gains in the consolidated statement of profit or loss	於綜合損益表內其他收入、收益及利益確認的議價收購所得利益	–	(5,579)	–	–	(5,579)
Total consideration satisfied by:	支付代價總額：					
Cash	現金	8,126	19,908	19,559	49,102	96,695
Other payables	其他應付款項	–	–	19,558	–	19,558
Other financial liabilities (note 31)	其他金融負債 (附註31)	–	–	–	5,411	5,411
		8,126	19,908	39,117	54,513	121,664

37. BUSINESS COMBINATION (Continued)

Acquisition-related costs incurred in relation to the above acquisition are insignificant and have been excluded from the cost of acquisition and have been recognised directly as expense for the year and are included in "other expenses" in profit or loss.

The aggregate fair values of the trade and bills receivables and other receivables at the date of acquisition amounted to RMB51,819,000 and RMB47,737,000 respectively, which approximate to the gross contractual amounts of the corresponding balances acquired by the Group. At the dates of acquisitions, management considered that the contractual cash flows not expected to be collected were insignificant.

None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition is as follows:

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	96,695
Less: Cash and cash equivalents acquired	減：已收購現金及現金等價物	(21,021)
Net outflow of cash and cash equivalents included in investing activities	投資活動包括的現金及現金等價物流出淨額	75,674

Since the acquisitions, these subsidiaries contributed RMB64,927,000 to the Group's revenue and recognised a profit of RMB594,000 in profit or loss for the year.

Had the combinations taken place at the beginning of the year, the Group's revenue and profit for the year would have been increased by RMB218,463,000 and RMB395,000, respectively.

38. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities (2019: Nil).

37. 業務合併(續)

就上述收購產生的收購相關成本並不重大及已被剔除出收購成本之外，且已於年內直接確認為開支並計入損益的「其他開支」內。

於收購日，貿易應收款項及票據和其他應收款項的公允價值總額分別為人民幣51,819,000元及人民幣47,737,000元，與本集團收購該等相應結餘的合約金額總值相若。於收購日，管理層認為預期無法收回的合約現金流量並不重大。

就計繳所得稅而言，所有已確認的商譽皆不可扣稅。

有關該收購的現金流量分析如下：

自收購以來，該等附屬公司為本集團收入貢獻人民幣64,927,000元，並於本年度的損益內確認溢利人民幣594,000元。

倘該合併於年初進行，本集團於本年度的收入及溢利將分別增加人民幣218,463,000元及人民幣395,000元。

38. 或然負債

於報告期末，本集團並無任何重大或然負債(2019年：無)。

39. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但尚未撥備：		
Property, plant and equipment and investment properties	物業、廠房及設備和投資物業	2,404,045	738,811
Investment in a joint venture	於一間合營企業的投資	-	23,520
		2,404,045	762,331

39. 承擔

於報告期末，本集團擁有以下資本承擔：

40. RELATED PARTY TRANSACTIONS AND BALANCES

(A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR

		Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Connected transactions	關連交易			
Transactions with companies under the common control of a director:	於多間共同受一位董事控制的公司的交易：			
Sales of goods, services, utilities and others	銷售貨品、服務、公用事業及其他	(i)#	12,502	22,127
Rental income	租金收益	(ii)#	6	-
Rental expenses	租金開支	(iii)#	4,056	4,047
Purchase of materials	採購材料	(iv)#	17,014	8,424
Purchase of machinery and/or equipment	採購機器及／或設備	(v)	148,208	114,170
Purchase of electronic accessories	採購電子配件	(v)#	1,893	109
Purchase of other intangible assets	採購其他無形資產	(v)#	129	553
Hotel expenses	酒店費用	(vi)#	2,236	3,169
Acquisition cost for Guangdong Lingsheng	廣東領盛之收購成本	(vii)	39,117	-
Rental expenses paid to directors	向董事支付的租金開支	(viii)#	159	1,839
Non-connected transactions	非關連交易			
Purchase of goods and/or equipment from associates	向聯營公司採購貨品及／或設備	(ix)	188,352	168,485
Design and maintenance services from a joint venture	合營企業提供的設計及維修服務	(x)	3,600	3,600

40. 關聯人士交易及結餘

(A) 年內本集團與關聯人士的重大交易

40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**(A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR (Continued)**

Note:

- (i) Sale of goods, services and others to related companies were made with reference to the prices and conditions offered by the Group to third-party customers. Utilities were provided by related companies at cost.
- (ii) Rental income from related parties were made with reference to the prices and conditions offered by the Group to the third-party customers.
- (iii) Rental expenses were based on mutually agreed terms.
- (iv) Purchase of materials from related companies were made based on mutually agreed terms.
- (v) Purchase of machinery, equipment, electronic accessories and other intangible assets from related companies were made with reference to the prices and conditions offered by the related companies to their third-party customers.
- (vi) Hotel expenses were based on mutually agreed terms.
- (vii) The consideration was determined after arm's length negotiation with reference to (i) the appraised value of the total equity interest in Guangdong Lingsheng as at 30 September 2020, amounting to RMB71,119,000, as set out in the valuation report prepared by Foshan Dingxing Asset Appraisal Firm, an independent asset appraisal firm, and (ii) the proportion of equity interest being acquired by the Group under the acquisition. For details, please refer to the Company's announcement on connected transaction in relation to the acquisition of Guangdong Lingsheng dated 5 and 6 November 2020.
- (viii) Properties including office premises, cafeteria, workshops, warehouses and yacht were leased to the Group based on mutually agreed terms.
- (ix) Purchase of goods and equipment from associates were made on normal commercial terms negotiated on an arm's length basis by the parties with reference to the prevailing market prices.
- (x) Services were provided by a joint venture based on mutually agreed terms.
- # These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules but are exempted from complying with the disclosure requirements under the Listing Rules.

40. 關聯人士交易及結餘(續)**(A) 年內本集團與關聯人士的重大交易(續)**

附註：

- (i) 向關聯公司銷售貨品、服務及其他乃以本集團向第三方客戶開出的價格及條件為參照進行。公用事業乃按成本由關聯公司提供。
- (ii) 來自關聯方的租金收益乃以本集團向第三方客戶開出的價格及條件為參照進行。
- (iii) 租金開支乃按雙方協定的條款計算。
- (iv) 材料乃按雙方協定的條款向關聯公司購買。
- (v) 機器、設備、電子配件和其他無形資產乃經參考關聯公司向第三方客戶開出的價格及條件後向關聯公司購買。
- (vi) 酒店費用乃按雙方協定的條款計算。
- (vii) 代價乃參照(i)由獨立資產評估事務所佛山市鼎興資產評估事務所編製的估值報告所載的廣東領盛於2020年9月30日評估的股本權益總額估值人民幣71,119,000元及(ii)收購事項下本集團所收購的股本權益比例後經公平磋商釐定。詳情請參閱本公司於2020年11月5日及6日有關收購廣東領盛的關連交易之公告。
- (viii) 物業包括辦公室、食堂、車間、倉庫及遊艇，乃按雙方協定的條款租予本集團。
- (ix) 貨品及設備乃按雙方參考當前市場價格經公平磋商協定的正常商業條款向聯營公司購買。
- (x) 合營企業乃按雙方協定的條款提供服務。
- # 該等關聯人士交易亦構成上市規則第14A章所界定的關連交易或持續關連交易，惟豁免遵守上市規則的披露規定。

40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

40. 關聯人士交易及結餘(續)

(B) BALANCES WITH RELATED PARTIES

(B) 與關聯人士的結餘

		Note	2020	2019
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Balances with companies under the common control of a director arising from:	於多間共同受一位董事控制的公司的結餘來自：			
Deposits paid for the purchases of machinery and/or equipment	購買機器及/或設備所支付的按金	(i)	128,056	109,205
Purchase of machinery and/or equipment	採購機器及/或設備	(ii)	42,844	50,033
Sales of module, utilities and others	銷售模塊、公用事業及其他	(iii)	8,551	–
Balances with associates arising from:	於聯營公司的結餘來自：			
Purchase of goods and/or equipment	購買貨品及/或設備	(ii)	93,312	36,598

Note:

- (i) The balances are included in the Group's deposits paid for the purchase of land, property, plant and equipment.
- (ii) The balances are included in the Group's trade payables and other payables and accruals.
- (iii) The balances are included in the Group's trade receivables and other receivables.

附註：

- (i) 結餘計入本集團購買土地、物業、廠房及設備所支付的按金。
- (ii) 結餘計入本集團的貿易應付款項和其他應付款項及應計費用。
- (iii) 結餘計入本集團的貿易應收款項和其他應收款項。

40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**(C) COMMITMENTS WITH RELATED PARTIES**

Certain of the Group's subsidiaries have entered into lease agreements with a director and a company under the common control of a director to lease properties for operations, and sale and purchase agreements with a company under the common control of a director to purchase machinery and/or equipment for production. The capital commitments of RMB100,619,000 (2019: RMB115,013,000) have been included in note 39 to the consolidated financial statements.

(D) COMPENSATION OF THE GROUP'S KEY MANAGEMENT PERSONNEL

The remuneration of the Company's directors and the senior management was as follows:

40. 關聯人士交易及結餘(續)**(C) 與關聯人士的承諾事項**

本集團若干附屬公司為租賃物業作經營用途與一名董事及一間共同受一位董事控制的公司訂立租賃協議，並為購買機器及／或設備作生產用途與一間共同受一位董事控制的公司訂立買賣協議。人民幣100,619,000元(2019年：人民幣115,013,000元)的資本承擔包含於綜合財務報表附註39。

(D) 本集團主要管理人員薪酬

本公司董事及高級管理層的薪酬如下：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term employee benefits	短期僱員福利	20,004	19,971
Post-employment benefits	退休後福利	258	253
		20,262	20,224

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

41. 金融工具的公允價值計量

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

(A) 金融工具類別

於報告期末，各類金融工具的賬面值如下：

		Note	2020	2019
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Financial assets	金融資產			
<i>Financial assets at amortised cost:</i>	<i>按攤銷成本列賬的金融資產：</i>			
Loans receivables	應收借款	20	1,014,650	376,286
Contract assets	合約資產	23	547,952	361,014
Trade and bills receivables	貿易應收款項及票據	24	3,850,194	3,259,456
Financial assets included in other receivables	計入其他應收款項的金融資產		166,551	138,299
Other long-term receivables	其他長期應收款項	21	21,985	4,093
Cash and bank deposits	現金及銀行存款	26	7,447,436	7,604,221
			13,048,768	11,743,369
<i>Financial assets at FVTOCI:</i>	<i>按公允價值計入其他全面收益的金融資產：</i>			
Debt instruments at FVTOCI	按公允價值計入其他全面收益的債務工具	19	54,639	564,933
Equity instruments at FVTOCI	按公允價值計入其他全面收益的股本工具	19	1,890,415	1,136,280
			1,945,054	1,701,213
<i>Financial assets at FVTPL:</i>	<i>按公允價值計入損益的金融資產：</i>			
Equity instruments at FVTPL	按公允價值計入損益的股本工具	19	742,137	56,344
Funds at FVTPL	按公允價值計入損益的基金	19	18,730	21,926
			760,867	78,270
			15,754,689	13,522,852

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued) **41. 金融工具的公允價值計量(續)**

(A) CATEGORIES OF FINANCIAL INSTRUMENTS (Continued)

(A) 金融工具類別(續)

		Note	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Financial liabilities	金融負債			
<i>Financial liabilities at amortised cost:</i>	<i>按攤銷成本列賬的金融負債：</i>			
Trade and bills payables	貿易應付款項及票據	27	5,678,208	5,829,534
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	28	871,037	990,615
Borrowings	借款	29	15,446,485	12,678,380
Convertible loans	可換股貸款	30	627,362	652,595
Lease liabilities	租賃負債	13B	162,316	206,124
Other long-term payables	其他長期應付款項		16,953	106,093
			22,802,361	20,463,341
<i>Financial liabilities at FVTPL:</i>	<i>按公允價值計入損益的金融負債：</i>			
Other financial liabilities	其他金融負債	31	81,226	14,360
			22,883,587	20,477,701

(B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE

(B) 按公允價值計量的金融工具的公允價值

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of the reporting period:

以下為於報告期末金融工具估值的重大不可觀察輸入數據連同定量敏感度分析的概要：

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察輸入數據	Sensitivity of fair value to the input 公允價值對輸入數據的敏感度
Equity instruments at FVTOCI 按公允價值計入其他全面收益的股本工具	Net asset value approach 資產淨值法	Net asset values 資產淨值	N/A 不適用
	Recent transaction approach 最近交易法	Recent transaction prices 最近交易價格	N/A 不適用
Funds at FVTPL 按公允價值計入損益的基金	Net fund value approach 基金淨值法	Net asset values of the funds, determined with reference to observable (quoted) prices of underlying investment portfolio 基金的資產淨值(經參考相關投資組合的可觀察報價)	N/A 不適用

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

41. 金融工具的公允價值計量(續)

(B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE (Continued)

(B) 按公允價值計量的金融工具的公允價值(續)

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察輸入數據	Sensitivity of fair value to the input 公允價值對輸入數據的敏感度
Equity instruments at FVTPL 按公允價值計入損益的股本工具	Black-Scholes model and discounted cash flow model 布萊克—舒爾斯模型及貼現現金流量模型	Discount rate of 18.5% 18.5%貼現率	1% increase in discount rate would result in decrease in fair value by RMB2,882,000 貼現率上升1%將導致公允價值減少人民幣2,882,000元 1% decrease in discount rate would result in increase in fair value by RMB3,536,000 貼現率下跌1%將導致公允價值增加人民幣3,536,000元
Other financial liabilities 其他金融負債	Monte Carlo method and discounted cash flow model 蒙特卡羅方法及貼現現金流量模型	Discount rate of 12.0% 12.0%貼現率	1% increase in discount rate would result in increase in fair value by RMB8,370,000 貼現率上升1%將導致公允價值增加人民幣8,370,000元 1% decrease in discount rate would result in decrease in fair value by RMB8,370,000 貼現率下跌1%將導致公允價值減少人民幣8,370,000元
	Monte Carlo method 蒙特卡羅方法	Equity price fluctuation rate of 50% 50%股本價格波動率	1% increase in equity price fluctuation rate would result in increase in fair value by RMB773,000 股本價格波動率上升1%將導致公允價值增加人民幣773,000元 1% decrease in equity price fluctuation rate would result in decrease in fair value by RMB800,000 股本價格波動率下跌1%將導致公允價值減少人民幣800,000元

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

缺乏市場流動性的折讓乃指本集團所釐定市場參與者會於投資定價時考慮的溢價及折讓金額。

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

41. 金融工具的公允價值計量(續)

(B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE (Continued)

(B) 按公允價值計量的金融工具的公允價值(續)

Assets measured at fair value:

按公允價值計量的資產：

		2020			
		Fair value hierarchy			
		公允價值架構			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other financial assets	其他金融資產				
Debt instruments at FVTOCI	按公允價值計入其他全面收益的債務工具	–	54,639	–	54,639
Equity instruments at FVTOCI	按公允價值計入其他全面收益的股本工具	1,405,096	179,686	305,633	1,890,415
Equity instruments at FVTPL	按公允價值計入損益的股本工具	688,179	–	53,958	742,137
Funds at FVTPL	按公允價值計入損益的基金	–	18,730	–	18,730
		2,093,275	253,055	359,591	2,705,921

		2019			
		Fair value hierarchy			
		公允價值架構			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other financial assets	其他金融資產				
Debt instruments at FVTOCI	按公允價值計入其他全面收益的債務工具	–	564,933	–	564,933
Equity instruments at FVTOCI	按公允價值計入其他全面收益的股本工具	626,347	496,374	13,559	1,136,280
Equity instruments at FVTPL	按公允價值計入損益的股本工具	–	–	56,344	56,344
Funds at FVTPL	按公允價值計入損益的基金	–	21,926	–	21,926
		626,347	1,083,233	69,903	1,779,483

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	69,903	96,530
Additions	添置	297,231	2,970
Unrealised gain recognised in profit or loss	於損益內確認的未實現利益	1,076	1,529
Disposal loss included in profit or loss	損益內之出售虧損	-	(275)
Disposal gain included in other comprehensive income	其他全面收益內之出售利益	12,873	-
Disposal	出售	(18,000)	(32,099)
Exchange realignment	匯兌調整	(3,492)	1,248
At 31 December	於12月31日	359,591	69,903

41. 金融工具的公允價值計量(續)

(B) 按公允價值計量的金融工具的公允價值(續)

年內第三級內的公允價值計量變動如下：

Liabilities measured at fair value:

按公允價值計量的負債：

		2020			
		Fair value hierarchy			
		公允價值架構			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other financial liabilities	其他金融負債	-	-	81,226	81,226

		2019			
		Fair value hierarchy			
		公允價值架構			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other financial liabilities	其他金融負債	-	-	14,360	14,360

During the year, certain equity instruments measured at FVTOCI were transferred from Level 2 to Level 1 due to the success of IPO (2019: Nil). There were no transfers into or out of Level 3 for both financial assets and financial liabilities (2019: Nil).

年內，由於首次公開發售成功，按公允價值計入其他全面收益計量的若干股本工具由第二級轉入第一級(2019年：無)。並無轉入或轉出第三級的金融資產及金融負債(2019年：無)。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise borrowings and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

INTEREST RATE RISK

In respect of the floating interest rate instruments, the Group is subject to the cash flow interest rate risk, while for the fixed interest rate instruments, the Group is subject to fair value interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax by assuming the floating rate borrowings outstanding at the end of the reporting period were outstanding for the whole year.

		Increase/ (decrease) in basis points 基準點 增加/(減少)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
Year ended 31 December 2020	截至2020年12月31日止年度	50	(64,480)
Year ended 31 December 2020	截至2020年12月31日止年度	(50)	64,480
Year ended 31 December 2019	截至2019年12月31日止年度	50	(52,965)
Year ended 31 December 2019	截至2019年12月31日止年度	(50)	52,965

42. 金融風險管理目標及政策

本集團的主要金融工具包括借款以及現金及短期存款。該等金融工具的主要用途乃為本集團的營運籌集資金。本集團亦有其他由業務直接產生的不同金融資產及負債，例如貿易應收款項及其他應收款項和貿易應付款項及其他應付款項。

本集團金融工具產生的主要風險為利率風險、外幣風險、信貸風險、流動資金風險及股本價格風險。由於本集團所承擔的該等風險維持於最低水平，本集團並無使用任何衍生工具及其他工具以作對沖之用。本集團並無持有或發行衍生金融工具以作買賣之用。董事會已審閱並同意該等風險管理的政策，茲概述如下。

利率風險

浮動利率工具將導致本集團面臨現金流量利率風險，而固定利率工具將導致本集團面臨公允價值利率風險。

下表顯示假設於報告期末尚未償還的浮動利率借款於全年仍未償還，且所有其他變數保持不變，本集團除稅前溢利對合理可能的利率變動的敏感度。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

FOREIGN CURRENCY RISK

The Group's main businesses are located in mainland China and most of the transactions are conducted in Renminbi. Most of the Group's assets and liabilities are denominated in Renminbi, except for certain cash and bank deposits, trade and bills receivables and borrowings denominated in HK dollar and US dollar. The Group has not hedged its foreign exchange rate risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate of Renminbi against the relevant currencies, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and loans).

		Increase/ (decrease) in HK\$/US\$ rate 港元/美元 匯率上升/ (下跌)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
		%	
2020			
If the RMB weakens against the US\$	倘人民幣兌美元貶值	5	3,380
If the RMB strengthens against the US\$	倘人民幣兌美元升值	(5)	(3,380)
If the RMB weakens against the HK\$	倘人民幣兌港元貶值	5	(56,202)
If the RMB strengthens against the HK\$	倘人民幣兌港元升值	(5)	56,202
2019			
If the RMB weakens against the US\$	倘人民幣兌美元貶值	5	8,006
If the RMB strengthens against the US\$	倘人民幣兌美元升值	(5)	(8,006)
If the RMB weakens against the HK\$	倘人民幣兌港元貶值	5	(35,964)
If the RMB strengthens against the HK\$	倘人民幣兌港元升值	(5)	35,964

42. 金融風險管理目標及政策(續)

外幣風險

本集團的主要業務均位於中國內地，而大部分交易均以人民幣進行。本集團大部分資產及負債以人民幣計值，惟若干現金及銀行存款、貿易應收款項及票據和借款以港元及美元計值。本集團並無為其匯率風險進行對沖。

下表顯示於報告期末，在所有其他變數保持不變的情況下，本集團除稅前溢利對人民幣兌其他有關貨幣匯率的合理可能變動(由於貨幣性資產及貸款的公允價值變動所致)的敏感度。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**CREDIT RISK**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk in relation to its trade and bills receivables, contract assets, loan receivables, other receivables, debt instruments at FVTOCI and cash and bank deposits.

The concession operating right of the Group represent sewage treatment service concession financial receivables in respect of Build-operate-transfer (“BOT”) arrangements. Since the parties to BOT arrangements are local government authorities in the PRC, the Group considers the credit risk is low at the end of the reporting period. The Group does not hold any collateral over these balances.

In relation to the Group’s financial services business, the Group has a credit team which is responsible for the evaluation of customers’ credit ratings, financial background and repayment abilities. The Group only provides credit to customers with creditworthiness and collateral is normally required. The risk of default in payment by these customers is considered not significant.

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade and bills receivables and contract assets to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

For other receivables, an impairment analysis is performed by management at the end of each reporting period by considering historical settlement records, past experience and future economic conditions. The directors of the Company believe that there is no material credit risk inherent in the Group’s outstanding balance of other receivables.

42. 金融風險管理目標及政策 (續)**信貸風險**

信貸風險指因交易對手無法履行其於金融工具或客戶合約項下責任而蒙受財務虧損的風險。本集團所面臨的信貸風險與其貿易應收款項及票據、合約資產、應收借款、其他應收款項、按公允價值計入其他全面收益的債務工具以及現金及銀行存款有關。

本集團的特許經營權指有關建造、營運及移交(「建造、營運及移交」)安排的特許污水處理服務的金融應收款項。於報告期末，鑑於建造、營運及移交安排的訂約方均為中國地方政府機關，故本集團認為信貸風險偏低。本集團並無就有關結餘持有任何抵押品。

有關本集團的金融服務業務，本集團擁有信貸團隊負責評估客戶的信貸評級、財務背景及償還能力。本集團僅向信譽良好的客戶提供信貸及一般須提供抵押品。該等客戶的付款拖欠風險並不重大。

本集團訂有政策以確保向擁有穩健財政實力及可支付適當百分比之首期付款的買方作出銷售，亦設有其他監控程序以確保採取跟進行動收回逾期債務。此外，本集團定期審閱各項個別貿易應收款項及票據和合約資產的可收回金額，以確保就不可收回金額作出足夠的減值虧損。本集團的信貸風險源自多名交易對手及客戶，故並無重大信貸風險集中的情況。

就其他應收款項而言，管理層透過考慮歷史結算記錄、過往經驗及將來經濟狀況於各報告期末進行減值分析。本公司董事認為，本集團其他應收款項的未償還結餘並無重大固有信貸風險。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CREDIT RISK (Continued)

The Group's debt instruments at FVTOCI comprised solely of quoted bonds that are graded in the top investment category and, therefore, are considered to be low credit risk investments.

Bank deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions.

The Group considers the probability of default upon initial recognition of financial assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on invoice date unless other information is available without undue cost or effort, and year-end staging classification as at the end of each reporting period. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

42. 金融風險管理目標及政策(續)

信貸風險(續)

本集團按公允價值計入其他全面收益的債務工具僅由獲評為最高投資級別的上市債券組成，因而被視為低信貸風險投資。

銀行存款主要存放於國有金融機構及信譽良好的銀行(均為具有高信貸質素的金融機構)。

本集團於初始確認金融資產時考慮違約或然率，並考慮各報告期內的信貸風險有否持續顯著增加。為評估信貸風險是否顯著增加，本集團將於報告日期資產發生違約的風險與於初始確認日期的違約風險進行比較。本集團考慮可獲得的合理支持性前瞻資料。

最高風險及年末階段分類

下表載列基於本集團信貸政策的信貸質素與最高信貸風險承擔(除非毋須付出不必要成本或努力即可獲得其他資料，否則主要以發票日期為基準)及各報告期末的年末階段分類。所呈列的金額為金融資產的總賬面值及財務擔保合約的信貸風險承擔。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) **42. 金融風險管理目標及政策 (續)**

CREDIT RISK (Continued)

信貸風險 (續)

Maximum exposure and year-end staging (Continued)

最高風險及年末階段分類 (續)

		2020				
		12-month ECLs	Lifetime ECLs			Total
		12個月預期信貸虧損	整個存續期預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	Total
		第一階段	第二階段	第三階段	簡化方法	
		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
Loan receivables	應收借款	1,014,650	-	-	-	1,014,650
Contract assets [#]	合約資產 [#]	-	-	-	547,952	547,952
Trade and bills receivables [#]	貿易應收款項及票據 [#]	-	-	-	3,850,194	3,850,194
		1,014,650	-	-	4,398,146	5,412,796

		2019				
		12-month ECLs	Lifetime ECLs			Total
		12個月預期信貸虧損	整個存續期預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	Total
		第一階段	第二階段	第三階段	簡化方法	
		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
Loan receivables	應收借款	376,286	-	-	-	376,286
Contract assets [#]	合約資產 [#]	-	-	-	361,014	361,014
Trade and bills receivables [#]	貿易應收款項及票據 [#]	-	-	-	3,259,456	3,259,456
		376,286	-	-	3,620,470	3,996,756

[#] For contract assets and trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 23 and 24 to the consolidated financial statements, respectively.

[#] 就本集團採用簡化方法估算減值的合約資產和貿易應收款項及票據而言，基於撥備矩陣的資料分別披露於綜合財務報表附註23及24。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

LIQUIDITY RISK

The Group aims to maintain sufficient cash and cash equivalents and available funding through various sources of finances to meet its commitments.

The maturity profile of the Group's financial liabilities at the end of each of the reporting periods, based on the contractual undiscounted payments, is as follows:

		2020			
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	Over 2 years 2年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及票據	5,678,208	–	–	5,678,208
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	871,037	–	–	871,037
Borrowings	借款	7,586,976	626,315	7,942,817	16,156,108
Convertible loans	可換股貸款	19,646	683,181	–	702,827
Lease liabilities	租賃負債	53,448	32,480	87,266	173,194
Other long-term payables	其他長期應付款項	–	–	16,953	16,953
		14,209,315	1,341,976	8,047,036	23,598,327

		2019			
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	Over 2 years 2年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及票據	5,829,534	–	–	5,829,534
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	990,615	–	–	990,615
Borrowings	借款	11,665,378	1,255,366	1,257,077	14,177,821
Convertible loans	可換股貸款	20,909	20,909	713,707	755,525
Lease liabilities	租賃負債	88,843	61,103	66,933	216,879
Other long-term payables	其他長期應付款項	–	1,665	104,428	106,093
		18,595,279	1,339,043	2,142,145	22,076,467

42. 金融風險管理目標及政策(續)

流動資金風險

本集團致力維持充裕的現金及現金等價物，並透過不同渠道為其承擔獲得資金。

以合約未折讓付款為基準，本集團於各報告期末的金融負債到期情況如下：

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**EQUITY PRICE RISK**

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from equity instruments at FVTOCI and equity instruments at FVTPL (note 19) as at 31 December 2020. The Group's listed investments are listed on the PRC, Hong Kong and United Kingdom stock exchanges and are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity instruments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity instruments at FVTOCI, the impact is deemed to be on the fair value reserve.

42. 金融風險管理目標及政策 (續)**股本價格風險**

股本價格風險指股本指數水平及個別證券價值變動而導致的股本證券公允價值下跌的風險。於2020年12月31日，本集團面臨由按公允價值計入其他全面收益的股本工具及按公允價值計入損益的股本工具(附註19)引致的股價風險。本集團的上市投資於中國、香港及英國上市，並於報告期末按所報市價計值。

下表列示在所有其他變數保持不變及任何除稅影響前之情況下，按報告期末之賬面值計算，股本工具之公允價值每變動5%之敏感度。就本分析而言，對按公允價值計入其他全面收益的股本工具的影響被視為對公允價值儲備的影響。

		Carrying amount of equity instruments	Change in profit before tax	Change in equity*
		股本工具的賬面值	除稅前溢利變動	權益變動*
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
2020				
Equity securities listed in PRC	於中國上市股本證券	1,299,772	22,310	42,679
Equity securities listed in Hong Kong	於香港上市股本證券	551,520	-	27,576
Equity securities listed in United Kingdom	於英國上市股本證券	241,983	12,099	-
Unlisted equity securities at fair value	非上市股本證券 (按公允價值列值)	539,277	2,698	24,266
2019				
Equity securities listed in PRC	於中國上市股本證券	231,536	-	11,577
Equity securities listed in Hong Kong	於香港上市股本證券	394,811	-	19,741
Perpetual capital securities listed in Hong Kong	於香港上市永久資本證券	8,780	-	439
Unlisted equity securities at fair value	非上市股本證券 (按公允價值列值)	557,497	2,817	25,058

* Excluding retained profits

* 不包括保留溢利

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as going concern and to maintain reasonable capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to optimise the debt and equity balance, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or new debts or the redemption of existing debts. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a net debt to equity ratio, which is net debt divided by capital. Net debt includes borrowings, convertible loans and lease liabilities less cash and bank deposits. Capital represents the total equity.

The Group's strategy is to maintain the net debt to equity ratio at a healthy level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The net debt to equity ratios, at the end of the reporting period are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Borrowings	借款	15,446,485	12,678,380
Convertible loans	可換股貸款	627,362	652,595
Lease liabilities	租賃負債	162,316	206,124
Less: Cash and bank deposits	減：現金及銀行存款	(7,447,436)	(7,604,221)
Net debt	債務淨額	8,788,727	5,932,878
Total equity	權益總額	20,354,122	17,094,396
Net debt to equity ratio	債務淨額對權益比率	43%	35%

42. 金融風險管理目標及政策(續)

資本管理

本集團資本管理的主要目標為保障本集團繼續以持續基準經營的能力，以及維持合理的資本比率支持其業務，以及將股東的價值提升至最高。

本集團根據經濟狀況變動管理其資本架構及作出調整。為優化債務及權益結餘，本集團可調整支付予股東的股息、向股東退回資本、發行新股或新債或贖回現有債務。年內，管理資本的目標、政策或過程並無變動。

本集團以債務淨額對權益比率監控資本，該比率為債務淨額除以資本。債務淨額包括借款、可換股貸款及租賃負債減現金及銀行存款。資本乃指權益總額。

本集團的策略為維持債務淨額對權益比率在健康水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量需求及支付到期債務的能力，保持可用銀行融資在合理水平及調整投資計劃及融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。於報告期末的債務淨額對權益比率如下：

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(A) MAJOR NON-CASH TRANSACTIONS

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB41,678,000 and RMB41,678,000, respectively, in respect of lease arrangements (2019: RMB1,689,086,000 and RMB368,752,000).

(B) RECONCILIATIONS OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The tables below detail 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.

43. 綜合現金流量表附註

(A) 主要非現金交易

年內，就租賃安排而言，本集團使用權資產及租賃負債的非現金增加分別為人民幣41,678,000元及人民幣41,678,000元（2019年：人民幣1,689,086,000元及人民幣368,752,000元）。

(B) 融資活動產生的負債對賬

下表詳述本集團融資活動所產生的負債變動（包括現金及非現金變動）。融資活動所產生之負債為現金流量曾於或將於本集團綜合現金流量表內分類為融資活動現金流量的負債。

		2020						
		Non-cash changes 非現金變動						
		1 January	Cash flow	Lease liabilities	Amortisation of borrowings arrangement fee	Foreign exchange movement	Other changes	31 December
		1月1日	現金流量	租賃負債	借款安排費用攤銷	外匯變動	其他變動	12月31日
		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
Borrowings	借款	12,678,380	3,242,770	-	21,563	(676,617)	180,389	15,446,485
Lease liabilities	租賃負債	206,124	(85,649)	41,678	-	(7,943)	8,106	162,316
Convertible loans	可換股貸款	652,595	-	-	-	(40,246)	15,013	627,362
Interest payable	應付利息	25,602	(421,032)	-	-	-	421,463	26,033
Dividends payable to owners of the Company	應付本公司擁有人股息	-	(1,095,414)	-	-	-	1,095,414	-
Dividends payable to non-controlling interests	應付非控制權益股息	-	(118)	-	-	-	118	-
Payables for acquisition of non-controlling interests included in other payables	計入其他應付款項的收購非控制權益應付款項	-	(157,305)	-	-	-	157,305	-
Total liabilities from financing activities	融資活動的負債總額	13,562,701	1,483,252	41,678	21,563	(724,806)	1,877,808	16,262,196

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) 43. 綜合現金流量表附註(續)

(B) RECONCILIATIONS OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

(B) 融資活動產生的負債對賬(續)

		2019								
				Non-cash changes 非現金變動						
		1 January	Cash flow	Effect of adoption of HKFRS 16 採用香港財務報告準則第16號的影響	Equity component of convertible loans 可換股貸款的權益部分	Lease liabilities 租賃負債	Amortisation of borrowings arrangement fee 借款安排費用攤銷	Foreign exchange movement 外匯變動	Other changes 其他變動	31 December
		1月1日	現金流量	的影響	權益部分	租賃負債	費用攤銷	外匯變動	其他變動	12月31日
		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
Borrowings	借款	11,731,058	539,178	-	-	-	17,915	219,330	170,899	12,678,380
Lease liabilities	租賃負債	-	(92,406)	368,752	-	(95,490)	-	1,112	24,156	206,124
Convertible loans	可換股貸款	-	667,718	-	(27,605)	-	-	6,852	5,630	652,595
Interest payable	應付利息	4,736	(530,490)	-	-	-	-	-	551,356	25,602
Dividends payable to owners of the Company	應付本公司擁有人股息	-	(866,871)	-	-	-	-	-	866,871	-
Payables for acquisition of non-controlling interests included in other payables	計入其他應付款項的收購非控制權益應付款項	19,102	(15,058)	-	-	-	-	-	(4,044)	-
Total liabilities from financing activities	融資活動的負債總額	11,754,896	(297,929)	368,752	(27,605)	(95,490)	17,915	227,294	1,614,868	13,562,701

(C) TOTAL CASH OUTFLOW FOR LEASES

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

(C) 租賃現金流出總額

包括在綜合現金流量表的租賃現金流出總額如下：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within operating activities	經營活動內	11,986	32,949
Within investing activities	投資活動內	453,875	109,425
Within financing activities	融資活動內	85,649	92,406
		551,510	234,780

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

44. 主要附屬公司的詳情

Particulars of the Company's principal subsidiaries are as follows:

本公司主要附屬公司的詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊 及營業地點	Issued ordinary share/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 本公司應佔權益比率 直接	Indirect 間接	
Liansu Group Company Limited	Hong Kong	HK\$13,000,000	-	100%	Investment holding and sale of building materials and interior decoration products
聯塑集團有限公司	香港	13,000,000 港元	-	100%	投資控股及銷售建材及家居產品
Guangdong Liansu Technology Industrial Co., Ltd. ^{*(a)}	PRC	HK\$2,800,000,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
廣東聯塑科技實業有限公司 ^(a)	中國	2,800,000,000 港元	-	100%	製造及銷售塑料管道及管件
Heshan Lesso Industrial Development Co., Ltd. ^{*(b)}	PRC	HK\$269,930,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
鶴山聯塑實業發展有限公司 ^(b)	中國	269,930,000 港元	-	100%	製造及銷售塑料管道及管件
Lesso Technology Development (Wuhan) Co., Ltd. ^{*(b)}	PRC	HK\$111,000,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
聯塑科技發展(武漢)有限公司 ^(b)	中國	111,000,000 港元	-	100%	製造及銷售塑料管道及管件
Lesso Technology Development (Guiyang) Co., Ltd. ^{*(b)}	PRC	HK\$115,000,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
聯塑科技發展(貴陽)有限公司 ^(b)	中國	115,000,000 港元	-	100%	製造及銷售塑料管道及管件
Nanjing Lesso Technology Industrial Co., Ltd. ^{*(b)}	PRC	US\$26,750,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
南京聯塑科技實業有限公司 ^(b)	中國	26,750,000 美元	-	100%	製造及銷售塑料管道及管件
Lesso Municipal Pipe (Hebei) Co., Ltd. ^{*(b)}	PRC	US\$32,790,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
聯塑市政管道(河北)有限公司 ^(b)	中國	32,790,000 美元	-	100%	製造及銷售塑料管道及管件
Henan Lesso Industrial Co., Ltd. ^{*(c)}	PRC	RMB200,000,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
河南聯塑實業有限公司 ^(c)	中國	人民幣 200,000,000 元	-	100%	製造及銷售塑料管道及管件
Hainan Lesso Technology Industrial Co., Ltd. ^{*(c)}	PRC	RMB150,000,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
海南聯塑科技實業有限公司 ^(c)	中國	人民幣 150,000,000 元	-	100%	製造及銷售塑料管道及管件
Yunnan Lesso Technology Development Co., Ltd. ^{*(c)}	PRC	RMB200,000,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
雲南聯塑科技發展有限公司 ^(c)	中國	人民幣 200,000,000 元	-	100%	製造及銷售塑料管道及管件
Hunan Lesso Technology Industrial Co., Ltd. ^{*(c)}	PRC	RMB100,000,000	-	100%	Manufacture and sale of plastic pipes and pipe fittings
湖南聯塑科技實業有限公司 ^(c)	中國	人民幣 100,000,000 元	-	100%	製造及銷售塑料管道及管件

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(Continued)

44. 主要附屬公司的詳情(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊 及營業地點	Issued ordinary share/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 本公司應佔權益比率 直接	Indirect 間接	
Guangdong Shunde Lesso Management Co., Ltd. ^(a) 廣東順德領尚物業管理有限公司 ^(c)	PRC 中國	RMB450,000,000 人民幣450,000,000元	-	100%	Properties investment 物業投資
Lesso Mall Development (Long Island), Inc. ^(d) 領尚商城發展(長島)有限公司 ^(d)	United States 美國	US\$104,000,000 104,000,000美元	-	100%	Properties investment 物業投資
Lesso Mall Development (Jurupa Valley) Limited ^(d) 領尚商城發展(朱魯帕谷)有限公司 ^(d)	United States 美國	US\$1,000 1,000美元	-	100%	Properties investment 物業投資

^(a) Registered as a wholly-foreign-owned enterprise under the laws of PRC

^(a) 根據中國法律註冊為一間外商獨資企業

^(b) Registered as an equity joint venture under the laws of PRC

^(b) 根據中國法律註冊為一間合資企業

^(c) Registered as a limited liability company under the laws of PRC

^(c) 根據中國法律註冊為一間有限公司

^(d) Registered as a limited liability company under the laws of United States

^(d) 根據美國法律註冊為一間有限公司

The above table lists the Company's subsidiaries which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the Group's net assets. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

董事認為，上表所載列的本公司附屬公司對本年度的業績具重大影響力或構成本集團資產淨值的重大部分。董事認為倘詳列其他附屬公司的資料，將會使有關資料過於冗長。

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

45. 本公司財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

於報告期末，有關本公司財務狀況表的資料如下：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	5,005,446	8,672,337
Other financial assets	其他金融資產	613,624	152,763
Total non-current assets	非流動資產總額	5,619,070	8,825,100
CURRENT ASSETS	流動資產		
Other receivables	其他應收款項	1,677,279	1,164,477
Other financial assets	其他金融資產	24,915	8,363
Cash and bank deposits	現金及銀行存款	435,719	19,050
Total current assets	流動資產總額	2,137,913	1,191,890
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	725,474	596,187
Amounts due to subsidiaries	應付附屬公司款項	2,988,365	5,568,158
Borrowings	借款	119,996	844,480
Total current liabilities	流動負債總額	3,833,835	7,008,825
NET CURRENT LIABILITIES	流動負債淨額	(1,695,922)	(5,816,935)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	3,923,148	3,008,165
NON-CURRENT LIABILITIES	非流動負債		
Borrowings	借款	471,495	–
Other financial liabilities	其他金融負債	64,855	–
Total non-current liabilities	非流動負債總額	536,350	–
Net assets	資產淨額	3,386,798	3,008,165
EQUITY	權益		
Share capital	股本	135,344	135,344
Reserves (note)	儲備(附註)	3,251,454	2,872,821
Total equity	權益總額	3,386,798	3,008,165

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

45. 本公司財務狀況表(續)

Note:

附註：

A summary of the Company's reserves is as follows:

本公司的儲備概要如下：

		Share premium	Shares held for share award scheme	Fair value reserve	Exchange fluctuation reserve	Retained profits	Total
		股份溢價	股份獎勵計劃所持股份	公允價值儲備	匯率波動儲備	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	1,905,618	-	(36,383)	17,669	653,639	2,540,543
Total comprehensive income for the year	年內全面收益總額	-	-	31,678	5,601	1,247,310	1,284,589
Dividends recognised as distributions to owners	確認為向擁有人分派的股息	-	-	-	-	(866,871)	(866,871)
Transfer of fair value reserve upon the disposal of equity instruments at FVTOCI	出售按公允價值計入其他全面收益的股本工具後轉讓至公允價值儲備	-	-	(20,274)	-	20,274	-
Shares purchased for share award scheme	就股份獎勵計劃購入股份	-	(85,440)	-	-	-	(85,440)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	1,905,618	(85,440)	(24,979)	23,270	1,054,352	2,872,821
Total comprehensive income for the year	年內全面收益總額	-	-	(19,662)	80,184	1,413,525	1,474,047
Dividends recognised as distributions to owners	確認為向擁有人分派的股息	-	-	-	-	(1,095,414)	(1,095,414)
Transfer of fair value reserve upon the disposal of equity instruments at FVTOCI	出售按公允價值計入其他全面收益的股本工具後轉讓至公允價值儲備	-	-	(144)	-	144	-
At 31 December 2020	於2020年12月31日	1,905,618	(85,440)	(44,785)	103,454	1,372,607	3,251,454

46. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

46. 批准綜合財務報表

The consolidated financial statements were approved and authorised for issue by the Board on 29 March 2021.

綜合財務報表於2021年3月29日獲董事會批准及授權刊發。

SUMMARY OF MAJOR INVESTMENT PROPERTIES

主要投資物業概要

As at 31 December 2020

於2020年12月31日

Details of the Group's investment properties at the end of the reporting period are as follows: 於報告期末，本集團投資物業的詳情如下：

Location 地點	Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 sq. ft. 平方呎	Lease term 租期	Stage of completion 完成階段
Lots 50, 51 & 52 in Deposited Plan 1144623, Lots 6-10 in Deposited Plan 801210, Lots 163, 168-182 & 216 DP8716, Lots 4, 5 & 6 in Deposited Plan 226294, Lots 2 in Deposited Plan 516449, Lots 218 & 219 in Deposited Plan 457024, Lot 2151 in Deposited Plan 135859, Lot 1 in Deposited Plan 119616 and Lot 7 in Deposited Plan 803359, Augusta Street, Huntingwood East, New South Wales	Australia	IL	2,320,699	Freehold Planning stage
Lots 50, 51 & 52 in Deposited Plan 1144623, Lots 6-10 in Deposited Plan 801210, Lots 163, 168-182 & 216 DP8716, Lots 4, 5 & 6 in Deposited Plan 226294, Lots 2 in Deposited Plan 516449, Lots 218 & 219 in Deposited Plan 457024, Lot 2151 in Deposited Plan 135859, Lot 1 in Deposited Plan 119616 and Lot 7 in Deposited Plan 803359, Augusta Street, Huntingwood East, New South Wales	澳洲	IL	2,320,699	永久業權 籌劃階段
79-99 St Hilliers Road, Auburn, Cumberland, Sydney, New South Wales	Australia	IB	298,191 [#]	Freehold Existing
79-99 St Hilliers Road, Auburn, Cumberland, Sydney, New South Wales	澳洲	IB	298,191 [#]	永久業權 現有
Part of lots 23 & 24, Markham, Concession 3, Part 1 on Plan 65R-30576	Canada	IL	1,994,351	Freehold Planning stage
Part of lots 23 & 24, Markham, Concession 3, Part 1 on Plan 65R-30576	加拿大	IL	1,994,351	永久業權 籌劃階段

SUMMARY OF MAJOR INVESTMENT PROPERTIES

主要投資物業概要

As at 31 December 2020

於2020年12月31日

Location 地點		Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 sq. ft. 平方呎	Lease term 租用期	Stage of completion 完成階段
5789, 5933, 5945, 5811, 5951 Steeles Avenue East, Toronto, Ontario	Canada	CL	1,793,949	Freehold	Planning stage
5789, 5933, 5945, 5811, 5951 Steeles Avenue East, Toronto, Ontario	加拿大	CL	1,793,949	永久業權	籌劃階段
5631-5671 Steeles Avenue East, Toronto, Ontario	Canada	CB	138,982 [#]	Freehold	Existing
5631-5671 Steeles Avenue East, Toronto, Ontario	加拿大	CB	138,982 [#]	永久業權	現有
South of Longzhou West Road, East of Dengdong Road, Longjiang town, Shunde District, Foshan City, Guangdong	China	CL	265,301	Leasehold	Under development
廣東省佛山市順德區龍江鎮 龍洲西路南側與登東路東側交叉口	中國	CL	265,301	租賃業權	發展中
West of Foshan-Kaiping highway, North of Longgao Road, Longjiang town, Shunde District, Foshan City, Guangdong	China	CL	1,665,991	Leasehold	Under development
廣東省佛山市順德區龍江鎮 佛開高速以西、龍高路以北	中國	CL	1,665,991	租賃業權	發展中
633 Heshun Road, Heshan Industrial Center, Heshan City, Guangdong	China	IL	1,902,051	Leasehold	Existing
廣東省鶴山市鶴山工業城 和順路633號	中國	IL	1,902,051	租賃業權	現有
SHGB 889, 890, 891, 894, 895, 1317, 1318, 1319, 1321, 1322 J1 Suvarna Sutura Boulevard No 19 Unit B1 Wana Kerta Sindang Jaya - Tangerang, Indonesia 15560	Indonesia	CX	827,368	Freehold	Under development
SHGB 889, 890, 891, 894, 895, 1317, 1318, 1319, 1321, 1322 J1 Suvarna Sutura Boulevard No 19 Unit B1 Wana Kerta Sindang Jaya - Tangerang, Indonesia 15560	印度尼西亞	CX	827,368	永久業權	發展中

SUMMARY OF MAJOR INVESTMENT PROPERTIES

主要投資物業概要

As at 31 December 2020

於2020年12月31日

Location 地點	Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 sq. ft. 平方呎	Lease term 租期	Stage of completion 完成階段
Plot No 2, 4, 8, 9 Block 59 Zawtika Yeik Mon Housing, Dagon Seikkan Township, Yangon	Myanmar	CX	3,232,762	Leasehold Under development
Plot No 2, 4, 8, 9 Block 59 Zawtika Yeik Mon Housing, Dagon Seikkan Township, Yangon	緬甸	CX	3,232,762	租賃業權 發展中
120-122, 202, 204, 847, 848, 1413, 1425-1430, Tambol Bang Sao Thong, Amphoe Bang Sao Thong, and 375, Tambol Bang Bo, Amphoe Bang Bo, Samut Prakarn Province	Thailand	CX	3,557,955	Freehold Under development
120-122, 202, 204, 847, 848, 1413, 1425-1430, Tambol Bang Sao Thong, Amphoe Bang Sao Thong, 及 375, Tambol Bang Bo, Amphoe Bang Bo, Samut Prakarn Province	泰國	CX	3,557,955	永久業權 發展中
Plot 62189674, Warsan First, Dubai	United Arab Emirates	CL	570,487	Freehold Under development
Plot 62189674, Warsan First, Dubai	阿拉伯聯合 酋長國	CL	570,487	永久業權 發展中
SWC of Highway 380 & FM 26, South side of Highway 380 West of FM 26, Frisco, Texas	United States	CX	3,347,896	Freehold Planning stage
SWC of Highway 380 & FM 26, South side of Highway 380 West of FM 26, Frisco, Texas	美國	CX	3,347,896	永久業權 籌劃階段

SUMMARY OF MAJOR INVESTMENT PROPERTIES

主要投資物業概要

As at 31 December 2020

於2020年12月31日

Location 地點	Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 sq. ft. 平方呎	Lease term 租用期	Stage of completion 完成階段	
12071 Bellegrave Avenue, Jurupa Valley, California	United States	CX	4,755,918	Freehold	Planning stage
12071 Bellegrave Avenue, Jurupa Valley, California	美國	CX	4,755,918	永久業權	籌劃階段
1300 and 1504 Old Country Road, Westbury, Nassau County, Long Island, New York	United States	CB	723,302 [#]	Freehold	Existing
1300 and 1504 Old Country Road, Westbury, Nassau County, Long Island, New York	美國	CB	723,302 [#]	永久業權	現有

Note: CL Commercial land 商業用地
附註： CX Complex land 綜合用地
IL Industrial land 工業用地
CB Commercial building 商業樓宇
IB Industrial building 工業樓宇
[#] Represents gross floor area 指該物業總樓面面積

GLOSSARY

詞彙

“Board” 「董事會」	指	the board of directors of the Company 本公司董事會
“BVI” 「英屬維爾京群島」	指	the British Virgin Islands 英屬維爾京群島
“China” or “PRC” 「中國」	指	the People’s Republic of China, for the purpose of this report, excluding Hong Kong, Macau and Taiwan 中華人民共和國，就本報告而言，並不包括香港、澳門及台灣
“Code” 「守則」	指	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules 上市規則附錄 14 所載的企業管治守則
“Company” or “China Lesso” 「本公司」或「中國聯塑」	指	China Lesso Group Holdings Limited 中國聯塑集團控股有限公司
“Current Ratio” 「流動比率」	指	the ratio of current assets to current liabilities 流動資產除以流動負債的比率
“EBITDA” 「除息稅折攤前盈利」	指	earnings before interest, taxes, depreciation and amortisation 扣除利息、稅項、折舊及攤銷前盈利
“FVTOCI” 「按公允價值計入其他全面收益」	指	fair value through other comprehensive income 按公允價值計入其他全面收益
“FVTPL” 「按公允價值計入損益」	指	fair value through profit or loss 按公允價值計入損益
“Gearing Ratio” 「資產負債率」	指	the total debts divided by the sum of total debts and total equity 按債務總額除以債務總額加上權益總額的總和
“Group” 「本集團」	指	the Company and its subsidiaries 本公司及其附屬公司
“Guangdong Liansu Machinery” 「廣東聯塑機器」	指	Guangdong Liansu Machinery Manufacturing Co., Ltd.*, a company indirectly wholly-owned by Mr. Wong Luen Hei and a connected person of the Company as defined under the Listing Rules 廣東聯塑機器製造有限公司，黃聯禧先生間接全資擁有的公司，並為本公司的關連人士（定義見上市規則）
“HK\$” 「港元」	指	Hong Kong dollar, the lawful currency of Hong Kong 香港之法定貨幣 — 港元
“Hong Kong” or “HK” 「香港」	指	Hong Kong Special Administrative Region of the PRC 中國香港特別行政區

“IoT” 「物聯網」	指	Internet of things 物聯網
“Listing Rules” 「上市規則」	指	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Model Code” 「標準守則」	指	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄10所載的上市發行人董事進行證券交易的標準守則
“New Fortune” 「新富星」	指	New Fortune Star Limited, a company incorporated in the BVI New Fortune Star Limited，一間於英屬維爾京群島註冊成立之公司
“PE” 「PE」	指	polyethylene 聚乙烯
“PP-R” 「PP-R」	指	polypropylene random 無規共聚聚丙烯
“PVC” 「PVC」	指	polyvinyl chloride 聚氯乙烯
“Quick Ratio” 「速動比率」	指	the ratio of current assets less inventories to current liabilities 流動資產減存貨再除以流動負債的比率
“RMB” 「人民幣」	指	Renminbi, the lawful currency of the PRC 中國之法定貨幣 — 人民幣
“SFO” 「證券及期貨條例」	指	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong 香港法例第571章證券及期貨條例
“Share(s)” 「股份」	指	share(s) of a nominal value of HK\$0.05 each in the capital of the Company 本公司股本中每股面值0.05港元的股份
“Shareholder(s)” 「股東」	指	holder(s) of the Share(s) of the Company 本公司股份持有人
“Shunde Liansu Industrial” 「順德聯塑實業」	指	Foshan Shunde Liansu Industrial Co., Ltd.* 佛山市順德區聯塑實業有限公司
“sq.ft.” 「平方呎」	指	square feet 平方英尺
“Stock Exchange” 「聯交所」	指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司

GLOSSARY

詞彙

“tonne(s)” 「噸」	指	a unit measuring weight, equal to 1,000 kilograms 量度重量的單位，相等於1,000公斤
“US” 「美國」	指	the United States of America 美利堅合眾國
“US\$” 「美元」	指	US dollar, the lawful currency of US 美國之法定貨幣 — 美元
“Xi Xi Development” 「西溪發展」	指	Xi Xi Development Limited, a company incorporated in the BVI 西溪發展有限公司，一間於英屬維爾京群島註冊成立之公司
“%” 「%」	指	per cent 百分比

* The English or Chinese translations in this report, where indicated, denote for identification purposes only.

* 本報告的英文或中文翻譯(如註明)僅供識別。

**BOARD OF DIRECTORS
EXECUTIVE DIRECTORS**

Mr. Wong Luen Hei (*Chairman*)
 Mr. Zuo Manlun (*Chief executive*)
 Ms. Zuo Xiaoping
 Mr. Lai Zhiqiang
 Mr. Kong Zhaocong
 Mr. Chen Guonan
 Dr. Lin Shaoquan
 Mr. Huang Guirong
 Mr. Luo Jianfeng
 Mr. Lin Dewei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kwok Ho Jonathan
 Ms. Lan Fang
 Dr. Tao Zhigang
 Mr. Cheng Dickson
 Ms. Lu Jiandong

AUDIT COMMITTEE

Dr. Tao Zhigang (*Chairman*)
 Mr. Wong Kwok Ho Jonathan
 Mr. Cheng Dickson
 Ms. Lu Jiandong

REMUNERATION COMMITTEE

Dr. Tao Zhigang (*Chairman*)
 Mr. Wong Luen Hei
 Mr. Zuo Manlun
 Mr. Wong Kwok Ho Jonathan
 Ms. Lu Jiandong

NOMINATION COMMITTEE

Mr. Wong Luen Hei (*Chairman*)
 Mr. Zuo Manlun
 Mr. Wong Kwok Ho Jonathan
 Ms. Lan Fang
 Dr. Tao Zhigang

COMPANY SECRETARY

Mr. Kwan Chi Wai Samuel

AUTHORISED REPRESENTATIVES

Mr. Zuo Manlun
 Mr. Kwan Chi Wai Samuel

**董事會
執行董事**

黃聯禧先生 (*主席*)
 左滿倫先生 (*行政總裁*)
 左笑萍女士
 賴志強先生
 孔兆聰先生
 陳國南先生
 林少全博士
 黃貴榮先生
 羅建峰先生
 林德緯先生

獨立非執行董事

王國豪先生
 蘭芳女士
 陶志剛博士
 鄭迪舜先生
 呂建東女士

審核委員會

陶志剛博士 (*主席*)
 王國豪先生
 鄭迪舜先生
 呂建東女士

薪酬委員會

陶志剛博士 (*主席*)
 黃聯禧先生
 左滿倫先生
 王國豪先生
 呂建東女士

提名委員會

黃聯禧先生 (*主席*)
 左滿倫先生
 王國豪先生
 蘭芳女士
 陶志剛博士

公司秘書

關志偉先生

法定代表

左滿倫先生
 關志偉先生

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Liansu Industrial Estate
Longjiang Town
Shunde District
Foshan City
Guangdong Province 528318
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1A, 10th Floor, Tower 2
South Seas Centre
75 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

LISTING INFORMATION

Listing:
The Stock Exchange of Hong Kong Limited

Stock code:
2128

SHARE INFORMATION

As at 31 December 2020:
Share issued 3,102,418,400 shares
Market capitalisation HK\$37,663 million
Board lot size 1,000 shares

2020 DIVIDENDS

Interim dividend HK12 cents per share
Proposed final dividend HK38 cents per share
Dividend payout ratio 34.8%

註冊辦事處

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

中國總部及主要營業地點

中國
廣東省(郵編: 528318)
佛山市
順德區
龍江鎮
聯塑工業村

香港主要營業地點

香港九龍
尖沙咀東部
麼地道75號
南洋中心
第二座10樓1A室

上市資料

上市地點:
香港聯合交易所有限公司

股份代號:
2128

股份資料

於2020年12月31日:
已發行股份數目 3,102,418,400股
市值 376.63億港元
每手買賣單位 1,000股

2020年股息

中期股息 每股12港仙
擬派末期股息 每股38港仙
派息比率 34.8%

FINANCIAL CALENDAR

Annual results announcement:

29 March 2021

CLOSURE OF THE REGISTER OF MEMBERS:

- for determining the entitlement to attend and vote at annual general meeting from 10 to 15 June 2021 (both dates inclusive)
- for determining the entitlement to proposed final dividend from 23 to 25 June 2021 (both dates inclusive)

2021 annual general meeting:

15 June 2021

Payment of 2020 proposed final dividend*:

on or around 19 July 2021

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

BRANCH SHARE REGISTRAR

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

INVESTOR RELATIONS

iPR Ogilvy & Mather
40th Floor, China Online Centre
333 Lockhart Road, Wan Chai, Hong Kong
Tel: (852) 2136 6185
Fax: (852) 3170 6606
Email: ir@lesso.com

財務日誌

年度業績公告：

2021年3月29日

暫停辦理股份過戶登記手續：

- 確定出席股東週年大會並於會上投票的資格由2021年6月10至15日(包括首尾兩天)
- 確定收取擬派末期股息的資格由2021年6月23至25日(包括首尾兩天)

2021年股東週年大會：

2021年6月15日

派付2020年擬派末期股息*：

2021年7月19日或相近日子

股份過戶登記總處

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

股份過戶登記分處

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

投資者關係

iPR 奧美公關
香港灣仔駱克道333號
中國網絡中心40樓
電話：(852) 2136 6185
傳真：(852) 3170 6606
電郵：ir@lesso.com

+ Subject to approval by the Shareholders at the 2021 annual general meeting to be held on 15 June 2021.

+ 惟須待股東於2021年6月15日舉行的2021年股東週年大會上批准後，方可作實。

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
Hong Kong

SOLICITOR

Ropes & Gray

PRINCIPAL BANKERS

Agricultural Bank of China Limited
China Merchants Bank Co., Ltd.
CTBC Bank Co., Ltd., Hong Kong Branch
DBS Bank Ltd., Hong Kong Branch
Foshan Shunde Rural Commercial Bank Company Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited
Sumitomo Mitsui Banking Corporation
Taipei Fubon Commercial Bank Co., Ltd., Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

WEBSITE

<http://www.lesso.com>

核數師

安永會計師事務所
執業會計師
註冊公眾利益實體核數師
香港

律師

瑞格律師事務所

主要往來銀行

中國農業銀行股份有限公司
招商銀行股份有限公司
中國信託商業銀行股份有限公司香港分行
星展銀行有限公司香港分行
佛山順德農村商業銀行股份有限公司
恒生銀行有限公司
中國工商銀行(亞洲)有限公司
中國工商銀行股份有限公司
三井住友銀行
台北富邦商業銀行股份有限公司香港分行
香港上海滙豐銀行有限公司

網址

<http://www.lesso.com>

Forward-looking statements

This report contains forward-looking statements. These forward-looking statements include, without limitation, statements related to revenue and earnings. The words “believe”, “intend”, “expect”, “anticipate”, “forecast”, “estimate”, “predict”, “is confident”, “has confidence” and similar expressions are also intended to represent forward-looking statements. These forward-looking statements are not historical facts. Rather, the forward-looking statements are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of China Lesso about the businesses, industries and markets in which China Lesso operates.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Company’s control and are difficult to predict. Consequently, actual results could differ materially from those expressed, implied or forecasted in the forward-looking statements.

Reliance should not be placed on these forward-looking statements, which reflect only the views of the directors and management of China Lesso as at the date of this report only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after publication of this report.

前瞻聲明


本報告載有前瞻聲明。此等前瞻聲明包括但不限於有關收入及盈利的聲明，而「相信」、「計劃」、「預計」、「預期」、「預測」、「估計」、「推測」、「深信」、「抱有信心」及類似詞彙亦擬表示前瞻聲明。前瞻聲明是以中國聯塑董事及管理層根據業務、行業及中國聯塑所經營的市場而具備或作出的目前信念、假設、期望、估計及預測為基準，而並非歷史事實。


此等前瞻聲明並非就未來的業務表現作出保證，而是會因為風險、不明朗因素及其他因素而受影響，其中有些因素更非本公司所能控制，且難以預料。故此，實際結果可能與前瞻聲明所明示、暗示或預測的情況有重大差別。


上述前瞻聲明僅反映中國聯塑董事及管理層於本報告發表當日所持的觀點，任何人士一概不應依賴此等前瞻聲明。本公司並無責任公開修訂上述前瞻聲明，以反映本報告編印後所發生的事件或情況。

本報告的中英文如有任何歧義，概以英文本為準。

LESSO 联塑

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