



ZHENGYE
INTERNATIONAL

正業國際控股有限公司

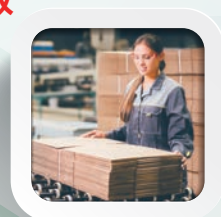
ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED

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

Stock Code 股份代號：3363.HK

www.zhengye-cn.com

Annual Report 2021年報



VISION 願景

Strive to become

China's leading environmentally
friendly paper packaging enterprise

致力成為

中國領先環保
紙類包裝企業



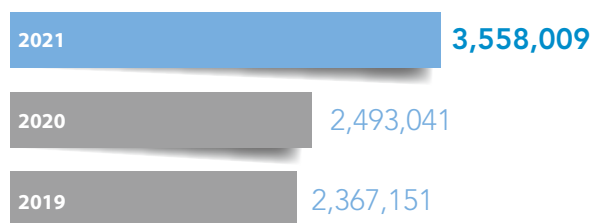
Financial Highlights

財務摘要

		For the year ended 31 December 截至十二月三十一日止年度	
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue	收入	3,558,009	2,493,041
Profit attributable to the Owners of the Company	本公司擁有人年內應佔全面收益總額	160,841	54,772
		RMB (cents) 人民幣(分)	RMB (cents) 人民幣(分)
Dividend per Share	每股股息	9.00	3.00
Return on Equity Attributable to the Owners of the Company	本公司擁有人應佔權益回報率	14.47%	5.67%

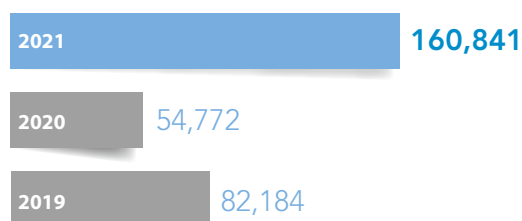
REVENUE 收入

RMB'000
人民幣千元



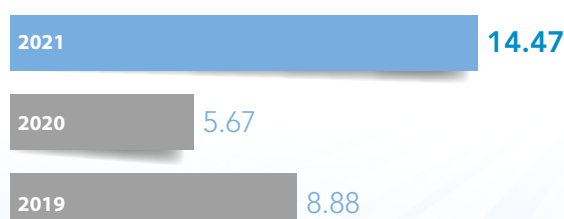
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY 本公司擁有人年內應佔全面收益總額

RMB'000
人民幣千元



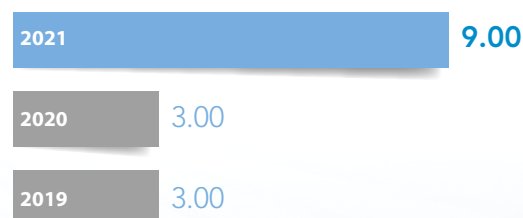
RETURN ON EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY 本公司擁有人應佔權益回報率

%
百分比



DIVIDEND PER SHARE 每股股息

RMB (cents)
人民幣(分)



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Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. Hu Zheng (*Chairman*)
Mr. Hu Hancheng (*Co-Chairman*)
(Mr. Hu Jianjun as his alternate)
Mr. Hu Hanchao
(Mr. Tan Xijian as his alternate)
Mr. Hu Jianpeng (appointed on 8 February 2022)

Non-Executive Director

Mr. Chen Riyue

Independent Non-Executive Directors

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

Chief Executive Officer

Mr. Hu Jianpeng (resigned on 8 February 2022)
Ms. Chen Wei (appointed on 18 January 2022)

Company Secretary

Mr. Li Kin Wai

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

董事會

執行董事

胡正先生(*董事長*)
胡漢程先生(*聯席董事長*)
(胡健君先生為其候補董事)
胡漢朝先生
(譚錫健先生為其候補董事)
胡健鵬先生(於二零二二年二月八日獲委任)

非執行董事

陳日月先生

獨立非執行董事

鍾國武先生
劉懷鏡先生
冼易先生

行政總裁

胡健鵬先生(於二零二二年二月八日辭任)
陳威女士(於二零二二年一月十八日獲委任)

公司秘書

李健威先生

審核委員會

鍾國武先生(*主席*)
劉懷鏡先生
冼易先生

薪酬委員會

冼易先生(*主席*)
鍾國武先生
劉懷鏡先生
胡正先生

提名委員會

胡正先生(*主席*)
鍾國武先生
劉懷鏡先生
冼易先生

Corporate Information

公司資料

Risk Management Committee

Mr. Liew Fui Kiang (*Chairman*)
Mr. Chung Kwok Mo John
Mr. Shin Yick Fabian
Mr. Hu Zheng
Mr. Hu Jianpeng (appointed on 8 February 2022)

Budget Management Committee

Mr. Hu Hanchao (*Chairman*)
Mr. Hu Zheng
Mr. Hu Hancheng
Mr. Hu Jianpeng (appointed on 8 February 2022)

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Headquarters and Principal Place of Business in China

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

Principal Place of Business in Hong Kong

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

Authorized Representatives

Mr. Hu Zheng
Mr. Li Kin Wai

Legal Adviser

As to *Hong Kong law*
Loeb & Loeb LLP

As to *Bermuda law*
Conyers Dill & Pearman

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

風險管理委員會

劉懷鏡先生(*主席*)
鍾國武先生
冼易先生
胡正先生
胡健鵬先生(於二零二二年二月八日獲委任)

預算管理委員會

胡漢朝先生(*主席*)
胡正先生
胡漢程先生
胡健鵬先生(於二零二二年二月八日獲委任)

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

中國總公司及主要營業地點

中華人民共和國
廣東省中山市
東區博愛六路28號
遠洋廣場2幢20樓

香港主要營業地點

香港
灣仔
謝斐道414-424號
中望商業中心
25樓2502室

授權代表

胡正先生
李健威先生

法律顧問

香港法律
樂博律師事務所

百慕達法律
Conyers Dill & Pearman

核數師

德勤•關黃陳方會計師行
執業會計師
註冊公眾利益實體核數師

Corporate Information

公司資料

Principal Share Registrar and Transfer Office in Bermuda

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

Branch Share Registrar and Transfer Office in Hong Kong

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

Principal Bankers

Bank of China
Industrial Bank Company Limited
China Guangfa Bank

Share Information

Stock code: 3363

Company's Official Website Address

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

百慕達主要股份過戶登記總處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心54樓

主要往來銀行

中國銀行
興業銀行股份有限公司
中國廣發銀行

股份資料

股份編號：3363

本公司官方網站

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

Chairman's Statement

董事長報告

Dear Shareholders,

On behalf of the board of directors (the “**Board**”), I am pleased to present the annual report of Zhengye International Holdings Company Limited (the “**Company**” or “**Zhengye International**”, together with its subsidiaries, “**our Group**” or the “**Group**”) for the year ended 31 December 2021 (the “**Year**” or the “**Reporting Period**”).

2021 concluded with a general but imbalanced recovery of the global economy. Globalisation remained the transforming force of economic development across the world. Major economies relied on policies such as quantitative easing and financial relief (tax cuts or subsidies) to maintain a robust financial market and stimulate investment and consumption, in order to bring about economic recovery. In general, China's economy continued to express high resilience, strong potential and long-term positivity. During the Reporting Period, the Group benefited from significant growth in our paper making business volume, increase in sales unit prices and efficient costs control, resulting in the Company's positive operating performance.

For the 12 months ended 31 December 2021, the Group recorded a total turnover of approximately RMB3,558,009,000, which is a record high and represents an increase of 42.72% year-on-year (12 months ended 31 December 2020: RMB2,493,041,000). The Group's gross profit was RMB676,972,000 and gross profit margin was approximately 19.03%, representing a growth of 3.35 percentage points year-on-year. This was mainly due to an increase of 31.08% in production capacity upon the completion of switching from coal to LPG and comprehensive transformation of paper machines and production line equipment for the Group's two major paper making bases, as well as an increase of 18.68% in prices of paper products at the same time. Profit and total comprehensive income attributable to owners of the Company amounted to RMB160,841,000, representing a significant increase year-on-year. Basic earnings per share was approximately RMB32 cents. The Board has recommended the payment of a final dividend of RMB9 cents per share.

Prospects and Acknowledgement

In 2022, mounting uncertainties and complexity continues to be present in the global economy. Without fundamental pandemic recovery across the world, the pandemic continues to disrupt supply chains and maritime shipping, resulting in highly volatile bulk commodity prices, leading to greater uncertainties in the global economy. With gradual economic recovery and staggering inflation, developed economies in Europe and America will progressively tighten monetary policy. It is expected that countries across the world will face fiscal austerity in the second half of 2022.

致尊敬的股東：

本人謹此代表董事會(「**董事會**」)，向各位提呈正業國際控股有限公司(「**本公司**」或「**正業國際**」)，連同其附屬公司統稱(「**本集團**」)截至二零二一年十二月三十一日止十二個月(「**期內**」或「**回顧期**」)的年度業績。

二零二一年世界經濟在廣泛但不平衡的反彈中收官。世界經濟的發展格局朝著去全球化方向轉變，世界主要經濟體依靠貨幣寬鬆、財政讓利(減稅或補貼)的手段營造金融市場繁榮，提升投資和消費意願，以此帶來經濟復蘇。二零二一年中國經濟發展和疫情防控保持全球領先，高品質發展取得新成效。中國經濟韌性強、潛力足、長期向好的基本面沒有改變。報告期內，本集團得益於造紙業務量大幅增長、銷售單價上升，成本控制效益顯著，公司經營取得良好業績。

截至二零二一年十二月三十一日止十二個月，本集團總體營業額約達人民幣3,558,009,000元，創歷史新高，同比上升42.72%(二零二零年十二月三十一日止十二個月：人民幣2,493,041,000元)。本集團的毛利為人民幣676,972,000元，毛利率約19.03%，同比上升3.35百分點。這主要是由於集團兩個主要造紙基地完成「煤改氣」以及對紙機生產線設備進行全面提速改造後產能增長31.08%，同時，紙產品價格同比上升18.68%所致。本公司擁有人應佔期內溢利及全面收益額為人民幣160,841,000元，同比大幅增長。每股基本盈利約為人民幣32分。董事會已建議派付末期股息每股人民幣9分。

展望與致謝

二零二二年，世界經濟的不確定性和複雜性仍在上升，國外的疫情始終沒有得到根本的好轉，疫情對供應鏈和海運的破壞性影響，使得大宗商品價格出現劇烈波動，使世界經濟的不確定性進一步增強。隨著經濟逐漸復蘇與通貨膨脹的居高不下，歐美等發達國家將分步驟、逐漸收縮貨幣政策，預計二零二二年下半年開始各國都將面臨財政緊縮的境況。

Chairman's Statement

董事長報告

The external environment will be increasingly complex, harsh and uncertain in 2022. Although China's economy is facing strong pressure from weakening demand, supply shocks and anticipated slowdown, it remains on a robust positive track. Through negotiating free trade agreements, establishing negative lists and win-win cooperation, China will continue to develop the "Belt and Road", on which humanity's common future rests. China will continue to share the fruits of its development with countries across the world, taking risks together, creating opportunities together, and sharing value together.

Despite operating in a complex and fast-changing environment, Zhengye International remains committed to development in the paper packaging industry. Taking advantage of the strong and fast development of the IT electronics industry, the pharmaceuticals industry, the cosmetics industry and the "Big Health" industry, we increased investment in smart production facilities for paper packaging, building smart factories to expand production capacity and reduce costs while enhancing product quality and services. In future, we will gradually progress towards offering paper packaging solutions to achieve sustained robust growth of our paper packaging operation.

In recent years, China's national and local governments have continued to increase policy support for the paper industry, expressing the need to actively implement low-carbon, green, sustainable development of the paper industry. Taking advantage of the circular economy feature of the paper industry and the low-carbon green attributes of waste paper feedstock, Zhengye International will make use of technological advancement and innovative development models to accelerate enterprise transformation and upgrade, optimise our manufacturing system and commence construction of our model base for green industry, in order to build an ecological paper making enterprise with greater sustainability.

Zhengye International will continue to work closely with our customers and grow together in fulfilling our social responsibility for environmental protection. I hereby express my sincere gratitude to the Company's customers, suppliers, shareholders and entire staff for their continued support.

Hu Zheng
Chairman

Hong Kong, China
25 March 2022

二零二二年外部環境更趨複雜嚴峻和不確定，雖然中國經濟正面臨需求收縮、供給衝擊、預期轉弱的三重壓力，但穩中向好的趨勢沒有改變。通過自由貿易協定的談判以及負面清單的制訂，通過合作共贏，打造通往人類命運共同體的「一帶一路」，與各國共同分享中國發展的紅利。中國將和世界一起共擔風險，共創商機，共用價值。

在此複雜多變的外部環境中，正業國際依然堅持在紙包裝行業的持續耕耘，抓住IT電子類產品、醫藥行業、美妝行業、大健康產業的快速迅猛發展，加大對紙包裝智慧化生產設施的投資，打造智慧工廠，擴張產能，降低成本，提高產品品質以及服務，未來逐步向紙包裝解決方案方向邁進，實現紙包裝業務持續穩定增長。

近年來，國家和各級地方政府不斷加大對造紙行業的政策支持力度，提出要積極推進造紙行業的綠色低碳、可持續發展。正業國際亦充分發揮造紙業務迴圈經濟的特點和廢紙原料的綠色低碳屬性，依靠技術進步，創新發展模式，加快企業的改造升級，完善製造體系、開展綠色產業示範基地建設，打造更具可持續發展的造紙生態企業。

正業國際將繼續與客戶在環境保護的社會責任上攜手並進，共同發展。感謝本公司客戶、供應商、股東及全體員工的不懈支持！

董事長
胡正

中國香港
二零二二年三月二十五日

Management Discussion and Analysis

管理層討論與分析

Business Review

The Group offers integrated packaging solutions to notable domestic and foreign manufacturers, including those of home appliances, fast-moving consumer goods, electronic products, by providing mainly supporting paper packaging products and comprehensive customer services such as designing, printing, and logistics. In addition, we have extended our operation to the back-end of the industrial chain, utilizing recycled waste paper as raw materials to produce corrugated paper, craft paper, and other paper items for used as materials for the Group's paper packaging products and products for external sales.

We are committed to becoming one of the world's leading eco-friendly packaging companies.

Our products mainly include craft cartons, color printing cartons, honeycomb paper-based products, corrugated medium paper and craft paper.

Consisting currently of 9 wholly-owned subsidiaries and 2 non wholly-owned subsidiaries in different regions of China, our Group provides quality services to customers.

Our paper-based packaging products have been widely used in the packaging of home appliances, fast-moving consumer goods ("FMCG"), electronic products for many years, which is why we have won the trust of many well-known domestic and foreign brands and have built a stable relationship with our customer base for over a decade.

Our corrugated medium paper and craft paper products have won the recognition of customers for their consistent quality and innovative design in the segmented market.

業務回顧

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

本集團致力成為全球領先的環保包裝生態企業之一。

本集團的產品主要包括牛卡紙箱、彩印紙箱、蜂窩紙製品、瓦楞芯紙、牛卡紙。

本集團現於中國不同地區共有9家全資子公司、2家非全資子公司開展經營業務並為客戶提供優質服務。

本集團紙製包裝產品在家電包裝、快消品包裝以及電子產品包裝等細分領域深耕多年，得到多個國內外知名品牌信任，擁有一批建立了長達十年以上穩定關係的客戶群。

本集團生產的瓦楞芯紙、牛卡紙產品在細分市場以品質穩定、服務創新贏得客戶青睞。

Management Discussion and Analysis

管理層討論與分析

In 2021, orders for our packaging factory in Shijiazhuang dropped sharply due to the continuous impact of the COVID-19 pandemic. As the economic development of China's Greater Bay Area has made it a leader in the field of paper-based packaging, the management of the Group has decided to make the Greater Bay Area its target area for implementing the development strategy of its packaging business. During the Year, the Group has been building a new production facility for exquisite color box packaging in our factory in Zhongshan, which is expected to come into operation in June 2022. During the Year, the factory in Shijiazhuang has been liquidated and has resulted in a loss of approximately RMB4,469,000. Driven by the gradual improvement in the domestic epidemic situation and the increase in orders from downstream clients, our packaging segment achieved a total operating revenue of RMB924,606,000 during the period, representing a year-on-year (YoY) increase of 15.55% as compared to RMB800,193,000 in the corresponding period last year. However, due to the substantial increase in raw paper prices, profit was 39.93% lower than the previous year.

Regarding our paper production segment, due to the completion of the "coal-to-gas" project in the two paper-making bases in Guangdong and the speed-up transformation of our paper production equipment, the production and sales volumes of our products in the segment achieved a significant YoY growth of 31.08%. Meanwhile, product prices also increased 18.68% YoY. In 2021, the operating revenue of our paper production segment reached a record high of RMB2,633,403,000, representing a significant increase of 55.56% compared to RMB1,692,848,000 in the corresponding period last year.

Products Review

Paper-based packaging products

Our paper-based packaging products are mainly made of craft paper and corrugated paper and include craft cartons, color printing cartons, and honeycomb paper-based products. The sales revenue of our paper-based packaging products was RMB924,606,000 in 2021, increasing by 15.55% as compared with RMB800,193,000 in 2020 and accounting for approximately 25.99% of the Group's sales. The gross margin of paper-based packaging products in 2021 was approximately 18.82%.

Craft cartons

Our craft cartons are mostly used in the packaging of home appliances, FMCG and electronic products. The Group continues to ensure high-quality product supply and after-sales service to gain the trust of our clients, who remained supportive of our services and maintained a long-term and stable cooperative relationship with us.

二零二一年，集團包裝板塊的石家庄工廠受新冠疫情持續的影響，訂單銳減，而中國大灣區的經濟發展使得該地區在紙製品包裝領域處於絕對領先地位，集團管理層決定將包裝業務增長戰略集中在大灣區，本年度內，集團在位於中山的工廠內新建彩盒紙箱項目，預計在二零二二年六月正式投產，集團包裝業務將進一步向精美彩盒包裝業務拓展，以期在未來為集團盈利增長做出更大貢獻。同時，於年內，集團將石家庄工廠進行停產清算，清算損失約人民幣4,469,000元。在國內疫情逐漸向好以及下游客戶訂單好轉的帶動下，集團包裝板塊期內共實現營業收入人民幣924,606,000元，較去年同期人民幣800,193,000元增長15.55%，但由於受到原紙價格大幅上漲的影響，盈利卻較去年減少39.93%。

本集團造紙板塊，由於完成了廣東兩個造紙基地的「煤改氣」以及紙機生產設備的全面提速技術改造，造紙板塊產品產、銷量同比大幅增長31.08%，同時，產品價格亦同比增長18.68%，二零二一年，集團造紙板塊期內營業收入創出新高，達到人民幣2,633,403,000元，較去年同期人民幣1,692,848,000元大幅增長55.56%。

產品回顧

紙製包裝產品

本集團的紙製包裝產品採用牛卡紙、瓦楞芯紙作為主要生產原料，產品包括牛卡紙箱、彩印紙箱及蜂窩紙製品。二零二一年，本集團紙製包裝產品銷售收入人民幣924,606,000元，較二零二零年人民幣800,193,000元增加15.55%，佔集團銷售約25.99%。二零二一年紙製包裝產品毛利率約為18.82%。

牛卡紙箱

本集團牛卡紙箱主要用於家電包裝、快消品包裝、電子產品包裝等，本集團持續確保較高品質產品供應與優質的售後服務，提高客戶信賴程度，獲得多家品牌客戶青睞並保持長期穩定合作。

Management Discussion and Analysis

管理層討論與分析

Color printing cartons

The Group also provides quality color printing cartons for the packaging of home appliances, FMCG, electronic products and other products in order to meet our customers' requirements for packaging different products. During the Year, the Group added new color printing machinery for the active and continuous expansion of its color printing carton business in the future. In 2021, the revenue for color printing cartons was RMB145,695,000.

Honeycomb paper-based products

Honeycomb paper-based products produced by the Group mainly serve as a replacement for plastic cushioning materials and foam cushioning products originally used for protective purposes in cartons. They are lightweight, smooth-surfaced, non-deformable, environmentally-friendly and energy-saving materials with outstanding cushioning performance and are widely used in various industries for cushioning. Honeycomb paper-based products currently produced by the Group are primarily used along with our craft cartons and color printing cartons.

Corrugated medium paper

The Group produces 48 g/m² to 140 g/m² high-strength corrugated paper and liner paper products. While some of these are used as raw materials for our paper-based packaging products, they are mostly sold to cardboard manufacturers and carton packaging manufacturers in the Pearl River Delta region of Guangdong. Customers of the Group's paper-making business segment spread across Guangdong, Jiangxi, Fujian, Chaoshan, and other regions; the total number of which is currently over 363. Our craft paper products launched this year swiftly entered the market, increasing the variety of our paper products and establishing a solid foundation for business expansion. Benefiting from the increase in production volume and price of our corrugated paper and craft paper products, the sales revenue of paper products during the period was RMB2,633,403,000, with the gross margin reaching 19.10%.

彩印紙箱

本集團為滿足客戶對於不同產品包裝品質的要求亦提供優質的用於家電包裝、快消品包裝、電子產品包裝等行業的彩印紙箱，本集團於年內新增彩印生產設備，以期未來持續積極拓展彩印紙箱業務，二零二一年彩印紙箱收入人民幣145,695,000元。

蜂窩紙製品

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

瓦楞芯紙

本集團生產48克/平方米至140克/平方米高強度瓦楞芯紙以及牛卡紙產品，除部分為本集團生產紙製包裝產品作為原材料外，主要向廣東珠三角地區紙板生產廠家、以及紙箱包裝廠家銷售，集團造紙客戶分佈於廣東、江西、福建、潮汕等地區，現集團造紙板塊服務的客戶總數量超過363家。集團於年內推出的牛卡紙產品迅速進入市場，增加了集團紙產品的品種，為業務的拓展奠定了堅實基礎，同時，得益於本集團瓦楞芯紙、牛卡紙產品的量、價齊升，期內紙產品銷售收入人民幣2,633,403,000元，毛利率達到19.10%。

Management Discussion and Analysis

管理層討論與分析

Breakdown of the Group's principal activities

本集團主營業務明細

		2021 二零二一年			2020 二零二零年		
		Turnover	Percentage of total revenue	Gross profit margin	Turnover	Percentage of total revenue	Gross profit margin
		營業額 RMB'000 人民幣千元	佔總額 百分比 %	毛利率 %	營業額 RMB'000 人民幣千元	佔總額 百分比 %	毛利率 %
			(%)	(%)		(%)	(%)
Corrugated medium paper	瓦楞芯紙						
AA grade	AA級	2,455,576	69.02		1,684,546	67.57	
C grade	C級	1,013	0.03		8,302	0.33	
Craft paper	牛卡紙	176,814	4.97		-	-	
Subtotal	小計	2,633,403	74.02	19.10	1,692,848	67.90	13.72
Paper-based packaging products	紙製包裝產品						
Craft cartons	牛卡印紙箱	629,385	17.69		538,250	21.59	
Colour printing cartons	彩色紙箱	145,695	4.09		145,275	5.83	
Honeycomb paper-based products	蜂窩紙製品	149,526	4.20		116,668	4.68	
Subtotal	小計	924,606	25.98	18.82	800,193	32.10	19.82
TOTAL	總計	3,558,009	100.00	19.03	2,493,041	100.00	15.68

Management Discussion and Analysis

管理層討論與分析

Turnover by customer for paper-based packaging products

紙製裝產品營業額按客戶分析

		2021 二零二一年		2020 二零二零年	
		Percentage of total Turnover		Percentage of total Turnover	
		佔總額 營業額 RMB'000 人民幣千元		佔總額 營業額 RMB'000 人民幣千元	
		%		%	
		(%)		(%)	
Home appliance packaging	家電包裝生產商	650,435	70.35	602,100	75.24
FMCG Packaging	快消品包裝	202,599	21.91	189,409	23.67
Other	其他	71,572	7.74	8,684	1.09
TOTAL	總計	924,606	100.00	800,193	100.00

Capacity and Capacity Utilisation Rate

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

產能及產能使用率

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

Management Discussion and Analysis

管理層討論與分析

Corrugated Medium Paper

The main production base of corrugated medium paper is located in Zhongshan. For the year ended 31 December 2021, the Group had 8 corrugated medium paper production lines with a total designed annual capacity of 900,000 tons, making the Group one of the leading corrugated paper producers in Guangdong region. The Group always attached emphasis on improvement of production efficiency and optimization of plant management. During the Year, the Group adopted the performance indicator approach to manage the corrugated medium paper production lines, successfully improving production volume and capacity utilisation rate.

瓦楞芯紙

瓦楞芯紙的主要生產基地位於中山市及江西省，截至二零二一年十二月三十一日止年度，本集團擁有八條瓦楞芯紙生產線，總設計年產能達900,000噸，為廣東地區領先的瓦楞芯紙生產商之一。集團一直重視提升生產效率及優化廠房管理的工作，於年內，集團成功採用了績效指標有效管理瓦楞芯紙生產線，提高了產量以及產能使用率。

		2021 二零二一年			2020 二零二零年		
		Planned operation (hours) 計劃運行 (小時)	Actual operation (hours) 實際運行 (小時)	Effective rate (%) 有效率 (%)	Planned operation (hours) 計劃運行 (小時)	Actual operation (hours) 實際運行 (小時)	Effective rate (%) 有效率 (%)
Zhongshan Yong Fa	中山永發						
No. 1 paper machine	1 號造紙機	8,760	7,971	90.99	8,784	7,130	81.17
No. 2 paper machine	2 號造紙機	8,760	6,444	73.56	8,784	7,471	85.05
No. 3 paper machine	3 號造紙機	8,760	8,011	91.45	8,784	6,511	74.12
No. 5 paper machine	5 號造紙機	8,760	7,915	90.35	8,784	6,784	77.23
Hung Hing	鴻興						
No. 1 paper machine	1 號造紙機	8,521	8,117	95.26	7,360	6,863	93.25
No. 2 paper machine	2 號造紙機	8,357	7,779	93.08	7,058	6,534	92.58
No. 3 paper machine	3 號造紙機	8,511	8,068	94.79	7,326	6,862	93.67
Zhengyi	正億						
No. 1 paper machine	1 號造紙機	8,760	6,993	79.83	7,344	6,372	86.76

Paper-Based Packaging Products

For the year ended 31 December 2021, the Group had a total of 11 production lines (including 7 corrugated cartons production lines (2 production line is under optimization) and 4 honeycomb paper-based products production lines) which are mainly located in four cities including Zhongshan, Zhuhai, Wuhan and Shijiazhuang. The Group's planned annual capacity for corrugated cartons reached 211,132,000 square meters; whereas that yearly planned capacity for honeycomb paper-based products was 15,649,000 square meters. The Group made persistent efforts to improve production deployment, and carried out upgrading and transformation on certain production facilities during the Year, effectively improving the production volume and capacity utilisation rate, which in turn enhanced the overall operational efficiency of the Group.

紙製包裝產品

截至二零二一年十二月三十一日止年度，本集團共有十一條生產線（包括七條瓦楞紙箱生產線（其中兩條生產線進行優化工程）及四條蜂窩紙製品生產線），生產基地主要分佈於中山、珠海、武漢、石家莊共四個城市。本集團瓦楞紙箱總年計劃產能達211,132,000平方米；蜂窩紙製品年計劃產能達15,649,000平方米。集團完善的生產佈局，使集團在生產成本、產業鏈整合、以及客戶服務上都能夠產生協同效應，在整體營運效益上發揮優勢。

Management Discussion and Analysis

管理層討論與分析

		Numbers of equipment 設備數量	Design Capacity 設計產能 '000 sq.m. 千平方米	2021 二零二一年		Capacity utilization 產能使用率 (%)	Design Capacity 設計產能 '000 sq.m. 千平方米	2020 二零二零年		Capacity utilization 產能使用率 (%)
				Yearly Planned Capacity 年計劃產能 '000 sq.m. 千平方米	Actual Capacity 實際產能 '000 sq.m. 千平方米			Yearly Planned Capacity 年計劃產能 '000 sq.m. 千平方米	Actual Capacity 實際產能 '000 sq.m. 千平方米	
1. Paper plate process	一、紙版工序									
Zhongshan	中山									
No. 1 corrugated cartons production line	1號瓦楞紙箱生產線	1	38,880	14,601	12,524	85.78	38,880	14,602	13,118	89.84
No. 3 corrugated cartons production line*	3號瓦楞紙箱生產線*	1	38,880	11,325	6,315	55.77	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
New No. 2 corrugated cartons production line	新2號瓦楞紙箱生產線	1	184,140	78,174	71,235	91.12	184,140	69,751	56,640	81.2
Zhuhai	珠海									
No. 5 corrugated cartons production line ^a	5號瓦楞紙箱生產線 ^a	1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	72,900	17,297	7,104	41.07
No. 11 corrugated cartons production line	11號瓦楞紙箱生產線	1	150,660	98,842	93,293	94.39	150,660	98,842	83,010	83.98
No. 15 corrugated cartons production line*	15號瓦楞紙箱生產線*	1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Shijiazhuang	石家莊									
No. 9 corrugated cartons production line ^b	9號瓦楞紙箱生產線 ^b	1	90,396	8,190	6,004	73.32	90,396	14,040	7,634	54.37
2. Printing process	二、印刷工序									
Watermark printers	水印印刷機									
Zhongshan	中山	11	N/A 不適用	60,878	54,487	89.5	N/A 不適用	60,878	47,743	78.42
Zhuhai	珠海	10	N/A 不適用	101,964	82,283	80.7	N/A 不適用	101,964	79,375	77.85
Shijiazhuang	石家莊	2	N/A 不適用	5,824	5,696	97.81	N/A 不適用	9,984	8,017	80.3
Colormark printers	彩印印刷機									
Zhongshan	中山	3	N/A 不適用	16,858	15,037	89.2	N/A 不適用	16,109	15,668	97.26
3. Production of honeycomb packaging products	三、生產蜂窩包裝產品									
Zhongshan	中山									
No. 7 honeycomb paper-based product production line	7號蜂窩紙箱生產線	1	4,312	4,312	1,391	32.26	4,312	3,953	3,407	86.18
No. 8 honeycomb paper-based product production line	8號蜂窩紙箱生產線	1	3,525	3,525	2,549	72.32	3,525	3,231	3,103	96.03
Shijiazhuang	石家莊									
No. 10 honeycomb paper-based product production line ^a	10號蜂窩紙製品生產線 ^a	1	6,696	1,116	405	36.29	6,696	5,580	2,026	36.31
Wuhan	武漢									
No. 14 honeycomb paper-based product production line	14號蜂窩紙製品生產線	1	6,696	6,696	4,817	71.93	6,696	5,022	3,697	73.62
TOTAL	總計									
cartons packaging products	紙箱包裝產品									
corrugated cartons production lines	瓦楞紙箱生產線	5	502,956	211,132	189,371	89.69	582,336	214,531	167,506	78.08
water mark printers	水印印刷機	23	N/A 不適用	168,666	142,466	84.47	N/A 不適用	172,826	135,135	78.19
color mark printers	彩印印刷機	3	N/A 不適用	16,858	15,037	89.2	N/A 不適用	16,109	15,668	97.26
honeycomb paper-based product	蜂窩紙製品									
honeycomb paper-based product production lines	蜂窩紙製品生產線	4	21,229	15,649	9,162	58.55	25,581	18,874	12,698	67.28

Management Discussion and Analysis

管理層討論與分析

- # No. 3 production line merged with No. 1 production line after optimization.
- △ No. 5 production lines merged with No. 11 production line after optimization.
- * No. 15 production lines is under optimization.
- & Shijiazhuang subsidiary stopped production in 2021, and its No. 9 and 10 honeycomb paper product production line were moved to Zhongshan factory.

- # 3號生產線優化併入1號生產線。
- △ 5號生產線已優化併入11號生產線。
- * 15號生產線正進行優化工程。
- & 石家莊附屬公司於二零二一年停產清算，其9號生產線、10號蜂窩紙製品生產線搬至中山工廠。

Financial Review

For the year ended 31 December 2021, the revenue of the Group was approximately RMB3,558,009,000 (2020: RMB2,493,041,000), representing a significant increase of approximately RMB1,064,968,000 or 42.72%, mainly due to the increase in sales and prices of the Group's paper-based packaging products. The sales volume of products in the paper-making sector increased by 31.08% compared with last year, and the sales unit price increased by approximately 18.68%, while the sales volume and sales unit price of the packaging sector increased by approximately 10.34% and 4.72% respectively. The Group's gross profit margin in 2021 was 19.03% (2020: approximately 15.68%), an increase of 3.35 percentage points as compared with the same period of last year.

For the year ended 31 December 2021, the profit and total comprehensive income for the Year attributable to owners of the Company was RMB160,841,000 (2020: RMB54,772,000), representing a significant increase of RMB106,069,000, the main reason is that the volume and price of the Group's paper-making segment have increased, and the revenue has increased significantly while the control of various costs has been achieved, and the Group's gross profit has increased substantially.

Group's PProfit

For the year ended 31 December 2021, the Group's profit before tax was approximately RMB237,316,000 (2020: RMB64,931,000), representing a significant increase of RMB172,385,000 as compared with the same period last year.

The income tax expense was approximately RMB29,038,000 (2020: RMB2,371,000), representing an increase of RMB26,667,000 as compared with the same period last year.

財務回顧

截至二零二一年十二月三十一日止年度，得益於本集團包裝紙產品量、價齊升，本集團的收入創新高達到約人民幣3,558,009,000元（二零二零年：人民幣2,493,041,000元），大幅上升約人民幣1,064,968,000元或42.72%，其中造紙板塊產品銷售數量較去年增長31.08%、銷售單價增長約18.68%，而包裝板塊的銷售數量及銷售單價均增長分別約10.34%及4.72%。二零二一年集團毛利率19.03%（二零二零年，約15.68%），較去年同期上升3.35個百分點。

截至二零二一年十二月三十一日止年度，本公司擁有人應佔淨利潤約人民幣160,841,000元（二零二零年：人民幣54,772,000元），較去年同期大幅增長人民幣106,069,000元，主要原因是集團造紙板塊量、價齊升，收入大幅增長的同時實現了對各項成本的管控，集團毛利額得以大幅提升。

集團盈利

截至二零二一年十二月三十一日止年度，本集團所得稅前利潤約為人民幣237,316,000元（二零二零年：人民幣64,931,000元），較去年同期大幅增加人民幣172,385,000元。

所得稅項開支約人民幣29,038,000元（二零二零年：人民幣2,371,000元），較去年同期上升人民幣26,667,000元。

Management Discussion and Analysis

管理層討論與分析

Prospects

In 2022, despite the complex and volatile external environment, the recurring COVID-19 outbreaks in China, and the anticipated slowdown of China's economy, China will remain a major economy leading the growth of the global economy. The determination of the Chinese government to maintain a steady and speedy economic development remains unchanged. China remains a global leader in pandemic control as well as an important base for global production and supply. The government has been accelerating the construction of a new development scheme and increasing domestic demand, resulting in a gradually recovering consumer market to form a "virtuous circle".

In 2022, the Group will continue to integrate our strengths and resources to develop its core business of packaging and paper production.

In terms of our packaging business, with the increasing demand for packaging and printing products from our downstream high-end clients, we have been upgrading our carton products into medium to high-end products. In response to changing demand, the Group has also increased its investment in manufacturing equipment of exquisite color box packaging as well as new products and business segments. We are also exploring new directions for the development of the paper packaging industry, introducing an automated production system and smart upgrades to our factories in order to significantly improve the profitability of paper packaging products and further expand market share.

Regarding our paper production business, the rising cost of waste paper after the waste ban of imported waste paper and the recent rise in oil, natural gas, coal, and other energy prices have led to a sharp increase in the cost of paper products. In response to this market change, the Group will also increase its research and development of new products and implement energy-saving measures proactively to increase production capacity and efficiency and stabilize our business performance.

The Group also pays close attention to investment projects with notable prospects. The Group will achieve a steady development on the basis of maintaining a reasonable capital structure and strive to create higher returns for shareholders.

展望

二零二二年，儘管外部環境複雜多變、國內疫情反覆、國內經濟預期放緩，但中國仍是全球經濟增長的主要經濟體，政府維護國內經濟持續穩定發展和提高發展品質的決心不變，國內疫情防控仍保持全球領先地位，中國依舊是全球生產供應的重要基地。同時，政府加快構建新發展格局，實施擴大內需戰略，消費市場也正逐步回暖，形成「良性迴圈」的結構。

二零二二年，集團仍將整合優勢資源，大力發展核心的包裝及造紙業務。

包裝業務方面，隨著下游高端客戶對包裝印刷要求的不斷提升，紙箱產品不斷向中、高檔化發展，順應此需求變化，集團亦加大精美彩盒包裝生產設備、以及新產品、新業務方面的投入，探索紙包裝行業新的發展方向，以大幅提升紙製包裝產品的盈利能力，同時引進自動化生產系統，升級智慧化工廠，以期進一步擴大市場份額。

造紙業務方面，面對進口廢紙「禁廢令」後廢紙成本的攀升，近期石油、天然氣、煤等能源成本的上升，使得紙產品成本大幅上升，為應對此市場變化，集團亦將加強新產品研發、大力推行節能降耗措施，積極應對，以期擴大產能，提升效率，穩定業績。

同時，集團亦留意並關注有發展前景之投資項目，在保持合理資本結構的基礎上穩步發展，努力為股東創造更高回報。

Management Discussion and Analysis

管理層討論與分析

Partial Financial Statements Analysis

Cost of sales

The Group's cost of sales increased from RMB2,102,176,000 in 2020 to RMB2,881,037,000 in 2021, representing an increase of 37.05%.

Corrugated medium paper

The cost of sales of corrugated medium paper were RMB2,130,398,000 in 2021 (2020: RMB1,460,558,000), representing an increase of 45.86%, it was mainly due to the increase in the sales of the two paper-making bases.

Paper-based packaging products

The cost of sales of paper-based packaging products were RMB750,639,000 in 2021 (2020: RMB641,618,000), representing an increase of 16.99%.

Gross Profit and Gross Profit Margin

For the Year, the gross profit recorded RMB676,972,000, representing an increase of 73.20% as compared with RMB390,865,000 in 2020. The average gross profit margin increased from 15.68% in 2020 to 19.03% for the Year.

Corrugated medium paper

The gross profit from corrugated medium paper was RMB503,005,000 in 2021 (2020: RMB232,290,000), representing an increase of 116.54%. The overall gross profit margin for 2021 was 19.10% (2020: 13.72%), increased by 5.38 percentage points.

Paper-based packaging products

The gross profit from paper-based packaging products was RMB173,967,000 (2020: RMB158,575,000) in 2021, representing an increase of 9.70%. The overall gross profit margin for 2021 was 18.82% (2020: 19.82%), decreased by 1.00 percentage points.

Other income, other gains and losses

Other income, other gains and losses mainly included income from interest of RMB4,573,000 (2020: RMB5,153,000), government subsidies of RMB41,603,000 (2020: RMB18,390,000) and net amount of exchange losses of RMB2,670,000 (2020: net amount of exchange gains RMB1,294,000).

Distribution and selling expenses

The distribution and selling expenses of the Group increased by approximately 35.67% from RMB72,651,000 for 2020 to RMB98,569,000 for 2021. During the Year, the distribution and selling expenses mainly included staff wages, transportation costs and business promotion expenses. The increase in distribution and selling expenses was attributable to the substantial increase in the Group's sales during the year.

部份財務報表分析

銷售成本

本集團的銷售成本由二零二零年度人民幣2,102,176,000元增加至二零二一年度人民幣2,881,037,000元，增幅37.05%。

瓦楞芯紙

瓦楞芯紙二零二一年度銷售成本為人民幣2,130,398,000元(二零二零年：人民幣1,460,558,000元)，增加45.86%，主要是兩個造紙基地銷售大幅增加所致。

紙製包裝產品

紙製包裝產品二零二一年度銷售成本為人民幣750,639,000元(二零二零年：人民幣641,618,000元)，增加16.99%。

毛利及毛利率

本年度之毛利為人民幣676,972,000元，較二零二零年度同期的人民幣390,865,000元增加73.20%。平均毛利率由二零二零年度的15.68%上升至本年度的19.03%。

瓦楞芯紙

瓦楞芯紙二零二一年度之毛利為人民幣503,005,000元(二零二零年：人民幣232,290,000元)，增加116.54%。二零二一年度整體毛利率為19.10%(二零二零年：13.72%)，增加5.38百分點。

紙製包裝產品

紙製包裝產品二零二一年度毛利為人民幣173,967,000元(二零二零年：人民幣158,575,000元)，增加9.7%。二零二一年度整體毛利率為18.82%(二零二零年：19.82%)，減少1.00百分點。

其他收入、其他收益及虧損

其他收入、其他收益及虧損主要包括利息收入人民幣4,573,000元(二零二零年：人民幣5,153,000元)、政府補貼人民幣41,603,000元(二零二零年：人民幣18,390,000元)及匯兌虧損淨額人民幣2,670,000元(二零二零年：匯兌收益淨額人民幣1,294,000元)。

分銷及銷售費用

本集團分銷及銷售費用由二零二零年度的人人民幣72,651,000元上升至二零二一年度的人人民幣98,569,000元，升幅約為35.67%。於本年度內，分銷及銷售費用主要是人員工資、運輸成本及業務推廣等費用。分銷及銷售費用上升原因是由於本集團年內銷售大幅增長所致。

Management Discussion and Analysis

管理層討論與分析

Administrative expenses

Administrative expenses of the Group increased by approximately 20.16% from RMB141,327,000 for 2020 to RMB169,821,000 for 2021. The administrative and other expenses mainly included salaries of management, staff welfare, rent and depreciation.

Finance costs

Finance costs of the Group increased by approximately 26.64% from RMB49,615,000 for 2020 to RMB62,831,000 for 2021, mainly due to the increase in the Group's new fixed assets and bank borrowings during the year.

Research and development expenses

Research and development expenses of the Group increased from RMB79,446,000 (about 3.19% of sales revenue) for 2020 to RMB131,116,000 (about 3.69% of sales revenue) for 2021. The Group invests 3%–4% of its sales revenue in research and development expenses, mainly for the development of new products and the research and development of new technology and new process to enhance production efficiency and product quality.

Profit and total comprehensive income

During the Year, the Group's profit and total comprehensive income was RMB208,278,000. The profit and total comprehensive income for the year attributable to owners of the Company was RMB160,841,000, representing an increase of 193.66% as compared with RMB54,772,000 to the profit and total comprehensive income attributable to owners of the Company for Year 2020.

Dividend Policy

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

Dividends

The Board has recommended, subject to the approval of the Shareholders at the Annual General Meeting (the "AGM") on Thursday, 23 June 2022, the payment of a final dividend of RMB9.00 cents (equivalent to HKD10.9197 cents) per Share for the Year (2020: a final dividend of RMB3.00 cents per Share) to those Shareholders whose names appear on the register of members of the Company on Wednesday, 29 June 2022. The proposed final dividend will be paid in Hong Kong dollars. The RMB to Hong Kong dollar exchange rate for the final dividend is calculated using the opening indicative counter buying telegraphic transfer rate for off-shore RMB of The Hong Kong Association of Banks announced on 25 March 2022. The final dividend is expected to be paid on or around Tuesday, 12 July 2022.

行政開支

本集團行政開支由二零二零年度的人民幣141,327,000元上升至二零二一年度的人民幣169,821,000元，增幅約為20.16%，行政開支主要是管理人員工資、福利費用、租金及折舊等費用。

融資成本

本集團融資成本由二零二零年度的人民幣49,615,000元上升至二零二一年度的人民幣62,831,000元，增幅約26.64%，這主要是本集團年內新增固定資產以至銀行借款增加所致。

研發支出

本集團的研發支出由二零二零年度的人民幣79,446,000元(佔銷售收入約3.19%)增加至二零二一年度的人民幣131,116,000元(佔銷售收入約3.69%)，本集團按銷售收入3%–4%投入研發開支，主要是為了進行新產品的開發及新技術、新工藝的研發以提升生產效率及產品品質。

溢利及全面收益

於年內，本集團溢利及全面收益總額為人民幣208,278,000元。本公司擁有人應佔年度溢利及全面收益為人民幣160,841,000元，較二零二零年度本公司擁有人應佔年度全面收益的人民幣54,772,000元，上升193.66%。

股息政策

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

股息

董事會建議向於二零二二年六月二十九日(星期三)名列本公司股東名冊上的股東支付本年度的末期股息每股人民幣9.00分，相當於每股港幣10.9197仙(二零二零年：末期股息每股人民幣3.00分)，惟須獲股東於二零二二年六月二十三日(星期四)舉行之應屆股東週年大會(「股東週年大會」)上批准，方可作實。如在股東週年大會上獲批准，建議之末期股息將以港幣支付。末期股息的人民幣/港幣兌換率按香港銀行公會於二零二二年三月二十五日公佈之開市參考牌價的離岸人民幣電匯購入價計算。末期股息將於二零二二年七月十二日(星期二)或前後向股東派發。

Management Discussion and Analysis

管理層討論與分析

Liquidity, Financial Resources and Capital Structure

In 2021, the Group's main sources of funding were cash generated from operating activities and bank loans.

流動資金、財政資源及資本結構

於二零二一年度本集團的資金來源主要為經營活動所產生的現金及銀行貸款。

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Net assets	資產淨額	1,381,952	1,189,574
Bank balances and cash	銀行結餘及現金	229,581	185,367
Total borrowings	借款總額	1,191,454	1,111,343
Equity attributable to the owners of the Company	本公司擁有人應佔權益	1,111,522	965,681
Current ratios	流動比率	1.19	1.06
Net gearing ratio*	淨資產負債比率*	78.23%	84.87%

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

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

Cash flow

As at 31 December 2021, the Group had a net cash inflow of RMB44,214,000.

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

現金流量

於二零二一年十二月三十一日，本集團現金淨額流入人民幣44,214,000元。

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

Management Discussion and Analysis

管理層討論與分析

For the year ended 31 December 2021, the net cash used in operating activities would have been decreased by approximately RMB376,286,000 (2020: RMB279,779,000) and the net cash from financing activities would have been decreased by RMB376,286,000 (2020: RMB279,779,000), if the Group has not applied the accounting policies.

The following table is prepared by the Management showing what the consolidated statement of cash flows for the year ended 31 December 2021 and 2020 would have been if the Group has not applied the accounting policies.

倘本集團並無應用該等會計政策，則截至二零二一年十二月三十一日止年度的經營業務所用現金會減少約人民幣376,286,000元(二零二零年：人民幣279,779,000元)，及融資業務所用現金淨額會減少人民幣376,286,000元(二零二零年：人民幣279,779,000元)。

管理層已編製下表，顯示倘本集團並無應用該等會計政策，截至二零二一年及二零二零年十二月三十一日止年度綜合現金流量表的情況。

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	237,316	64,931
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	62,831	49,615
Interest income	利息收入	(4,573)	(5,153)
Impairment losses recognised on trade and other receivables	已確認貿易及其他應收款項減值虧損	1,288	5,055
Depreciation of property, plant and equipment	物業、廠房及設備折舊	96,105	91,508*
Depreciation of right-of-use assets	使用權資產折舊	20,331	21,034
Amortisation of intangible assets	無形資產的攤銷	602	-
Impairment loss recognised on property, plant and equipment	已確認物業、廠房及設備減值虧損	22,229	1,215
Covid-19-related rent concessions	Covid-19相關租金優惠	-	(1,411)
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損淨額	1,377	2,280
Exchange gain on borrowings	借款產生的匯兌收益	(930)	(3,486)
Government grants amortised from deferred income	以遞延收入攤銷的政府補貼	(4,488)	(4,100)
Operating cash flows before movements in working capital	營運資本變動前經營現金流量	432,088	221,488
Increase in inventories	存貨增加	(54,869)	(14,952)
Increase in trade and other receivables	貿易及其他應收款項增加	(371,482)	(178,011)*
Increase in borrowings relating to discounted bills receivables	有關已貼現應收票據之借款增加	92,585	99,100
Decrease (increase) in contract assets	合約資產減少(增加)	3,078	(1,671)
Increase (decrease) in trade and other payables	貿易及其他應付款項增加(減少)	101,833	(49,285)*
Increase in contract liabilities	合約負債增加	4,442	1,368
(Decrease) increase in amounts due to directors	應付董事款項(減少)增加	(64)	153
Cash generated from operations	經營業務所得現金	207,611	78,190
Income tax paid	已付所得稅	(26,309)	(585)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	181,302	77,605

Management Discussion and Analysis

管理層討論與分析

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資業務		
Interest received	已收利息	5,556	5,057
Proceeds on disposals of property, plant and equipment	出售物業、廠房及設備所得款項	26,289	2,812
Purchases of property, plant and equipment	購置物業、廠房及設備	(206,226)	(132,763)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備所付按金	(29,499)	(30,137)
Purchases of intangible assets	購買無形資產	(562)	(1,498)*
Net cash outflow on acquisition of a subsidiary	收購附屬公司現金流出淨額	-	(18,211)
Consideration paid for acquisition of a subsidiary	收購附屬公司所付代價	(12,130)	-
Placement of pledged bank deposits	存入已抵押銀行存款	(200,339)	(311,775)
Withdrawal of pledged bank deposits	取出已抵押銀行存款	214,372	345,278
Receipt of government grant relating to non-current assets	收取有關非流動資產之政府補貼	5,105	2,200
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額	(197,434)	(139,037)
FINANCING ACTIVITIES	融資業務		
Interest paid	已付利息	(62,033)	(48,413)*
Dividend paid	已付股息	(15,000)	(15,000)
Dividend paid to a non-controlling interest	已付非控股股東股息	(900)	-
Repayment of bank and other borrowings	償還銀行及其他借款	(852,547)	(602,142)
Repayments of lease liabilities	償還租賃負債	(15,391)	(14,026)*
Capital contribution from a non-controlling interest	附屬公司非控股股東投入資本	-	3,200
Repayment of amount due to a non-controlling interest	償還非控股股東款項	-	(21,468)
New bank and other borrowings raised	新造得銀行及其他借款	1,006,217	713,559
NET CASH FROM FINANCING ACTIVITIES	融資業務所得現金淨額	60,346	15,710
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	44,214	(45,722)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等價物	185,367	231,089
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日的現金及現金等價物 即銀行結餘及現金	229,581	185,367

* Note: Comparative figures had been reclassified to conform with the current year presentation.

* 附註：比較數字已重新分類以符合本年度的呈報。

Management Discussion and Analysis

管理層討論與分析

Inventories

As at 31 December 2021, the inventories of the Group increased by 31.54% to RMB223,283,000 as compared to the inventories balance of RMB169,750,000 as at 31 December 2020. During the Year, the inventory turnover day was approximately 25 days (2020: 26 days), remaining at a normal level.

Trade receivables not backed by bills

As at 31 December 2021, the trade receivables not backed by bills amounted to RMB585,425,000 (as at 31 December 2020: RMB506,620,000). The Group generally granted credit period of 30 to 120 days to our paper-based packaging products customers and credit period of 30 to 75 days to our wrapping paper customers. The trade receivables turnover days was approximately 56 days (2020: 75 days).

Trade receivables backed by bills

As at 31 December 2021, the trade receivables backed by bills receivables amounted to RMB465,399,000 (31 December 2020: RMB372,379,000).

Trade payables

As at 31 December 2021, the trade payables amounted to RMB114,341,000 (as at 31 December 2020: RMB139,194,000). The Group managed to obtain a credit period of 30 to 120 days from the majority of its suppliers. The trade payables turnover days was shortened to 16 days (2020: 25 days).

Borrowings

As at 31 December 2021, the Group's bank and other borrowings balance amounted to RMB1,191,454,000 (as at 31 December 2020: RMB1,111,343,000).

Gearing ratio

As at 31 December 2021, the gross gearing ratio was approximately 39.27% (as at 31 December 2020: 41.43%), which was calculated on the basis of the total amount of bank and other borrowings as a percentage of the total assets. The net gearing ratio was 78.23%, which was calculated on the basis of the amount of bank and other borrowings less pledged bank deposits and cash and bank balances as a percentage of the shareholders' equity (as at 31 December 2020: 84.87%).

Pledge of assets

As at 31 December 2021, the Group pledged certain assets with carrying value of RMB940,077,000 as collateral for the Group's borrowings (as at 31 December 2020: RMB836,290,000).

存貨

於二零二一年十二月三十一日，本集團的存貨上升31.54%至人民幣223,283,000元，對比二零二零年十二月三十一日存貨餘額則為人民幣169,750,000元。於本年度，存貨周轉天數約25天(二零二零年：26天)，屬正常水準。

無票據為後盾的貿易應收款項

於二零二一年十二月三十一日，無票據為後盾的貿易應收款項為人民幣585,425,000元(於二零二零年十二月三十一日：人民幣506,620,000元)。本集團向包裝紙製品客戶授予介乎30天至120天的信用期，並向包裝紙客戶授予30天至75天的信用期。貿易應收款項的周轉天數約56天(二零二零年：75天)。

以票據為後盾的貿易應收款項

於二零二一年十二月三十一日，以票據為後盾的貿易應收款項為人民幣465,399,000元(二零二零年十二月三十一日：人民幣372,379,000元)。

貿易應付款項

於二零二一年十二月三十一日，貿易應付款項為人民幣114,341,000元(二零二零年十二月三十一日：人民幣139,194,000元)。大部分供應商向本集團授予介乎30天至120天的信用期。貿易應付款項的周轉天數縮短至16天(二零二零年：25天)。

借款

於二零二一年十二月三十一日，本集團銀行借款及其他借款結餘人民幣1,191,454,000元(於二零二零年十二月三十一日：人民幣1,111,343,000元)。

資產負債比率

於二零二一年十二月三十一日，總資產負債比率約為39.27%(於二零二零年十二月三十一日：41.43%)，此乃按銀行借款及其他借款金額佔總資產百分比計算。淨資產負債比率為78.23%(於二零二零年十二月三十一日：84.87%)，此乃按銀行借款及其他借款金額減已抵押銀行存款及現金及銀行結餘後，佔股東權益百分比計算。

資產抵押

於二零二一年十二月三十一日，本集團抵押若干賬面值人民幣940,077,000元(於二零二零年十二月三十一日：人民幣836,290,000元)的資產，作為本集團借貸的抵押品。

Management Discussion and Analysis

管理層討論與分析

Capital commitments

As at 31 December 2021, the Group's capital commitments (including the engaged and authorized capital commitments) were RMB212,752,000 (as at 31 December 2020: RMB22,484,000). All the capital commitments were related to purchase of properties, plants and equipment, and commitment to acquire Zhongshan City Zheng Ye Leasing Company Limited ("Zheng Ye Leasing") for RMB186,000,000.

Contingent liabilities

As at 31 December 2021, the Group had no significant contingent liabilities or litigation or arbitration of material importance.

Foreign currency exposure

Majority of the Group's revenue and expenses are denominated in RMB. The Group conducts certain transactions denominated in foreign currencies, mainly USD and HKD, which have low exposure to exchange rate fluctuations. The Group currently does not have a foreign currency hedging policy. The Board, however, will monitor foreign exchange rate closely and consider entering into foreign currency hedging arrangement should the need arise.

Human Resource Management

The Group had 2,812 employees as at 31 December 2021 (as at 31 December 2020: 2,833 employees), in which approximately 481 were engineers and technical staff or employees with higher education backgrounds. The staff costs amounted to RMB323,577,000 for the year ended 31 December 2021 (for the year ended 31 December 2020: RMB229,764,000). The table below shows the number of employees of the Group by function as at 31 December 2021:

Function	職能	Number of employees	Percentage of total number of employees
		僱員數目	佔僱員總數的百分比
Management and Administration	管理及行政	358	12.73%
Sales and Marketing	銷售及營銷	109	3.88%
Research and Development in Technology and Engineering	研發技術及工程	321	11.42%
Production and Quality Control	生產及質量控制	2,024	71.98%
Total	合計	2,812	100.00%

資本承擔

於二零二一年十二月三十一日，本集團資本承擔(包括已訂約及授權的資本承擔)為人民幣212,752,000元(於二零二零年十二月三十一日：人民幣22,484,000元)，所有資本承擔為收購物業、廠房及設備，和承諾收購中山市正業租賃有限公司(「正業租賃」)人民幣186,000,000元。

或有負債

於二零二一年十二月三十一日，本集團並無重大或有負債或重大訴訟或仲裁。

匯率風險

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

人力資源管理

於二零二一年十二月三十一日，本集團僱用2,812名員工(於二零二零年十二月三十一日：2,833名員工)，當中481名為工程師及技術人員或具有高等教育背景的僱員。截至二零二一年十二月三十一日止年度的總員工成本達人民幣323,577,000元(截至二零二零年十二月三十一日止年度：人民幣229,764,000元)。下表載列於二零二一年十二月三十一日本集團按職能劃分的僱員數目：

Management Discussion and Analysis

管理層討論與分析

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

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

Major Risks and Uncertainties

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

1. Operational risks from macroeconomic control:

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

2. Business risks arising from fluctuations in raw material prices:

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

3. Risks from market competition:

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

4. Quality risks:

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

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

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

重大風險及不確定性

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

1. 宏觀調控帶來的經營風險：

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

2. 原材料價格波動帶來的經營風險：

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

3. 市場競爭風險：

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

4. 質量風險：

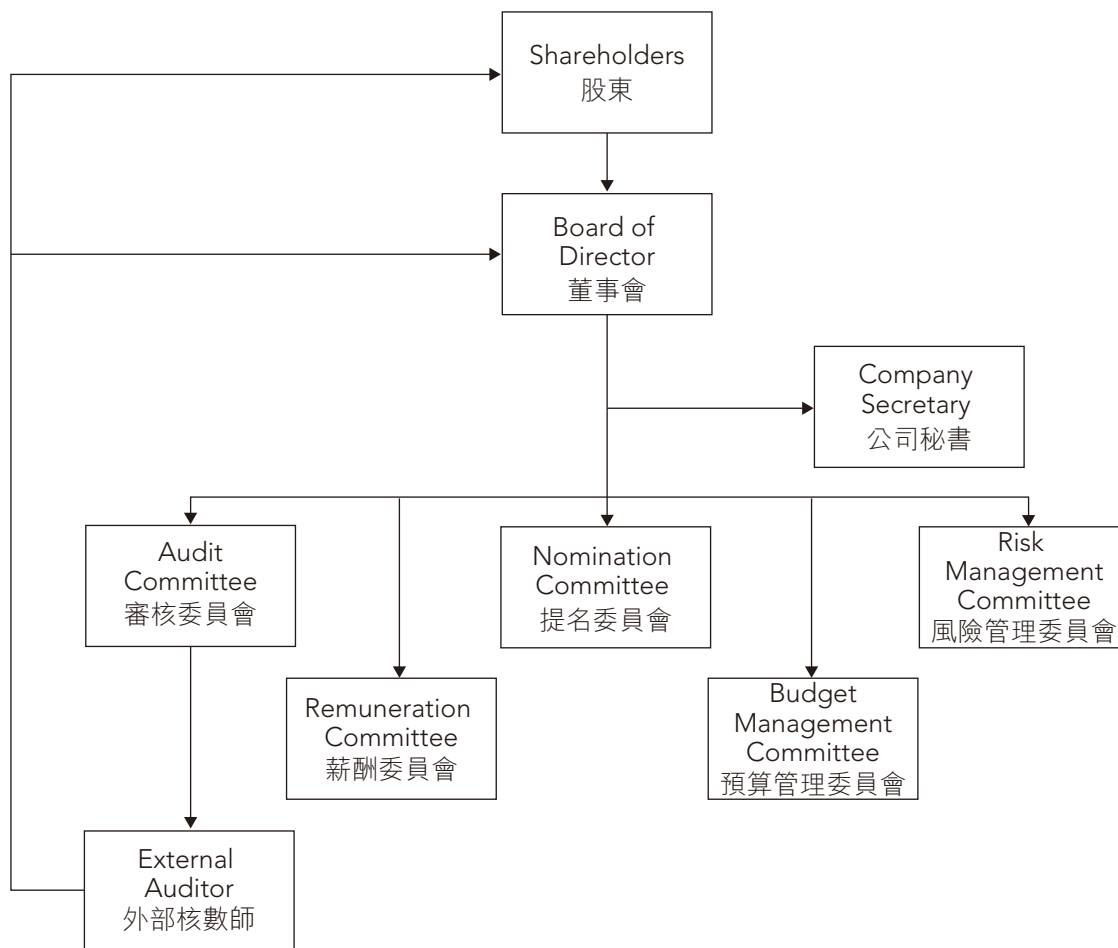
由於不能達到行業內的产品品質標準，不能滿足客戶需求造成的批量質量問題，產生批量的廢品或庫存，造成損失。

Corporate Governance Report

企業管治報告

Corporate Governance Structure

企業管治架構



The directors of the Company (the “**Directors**”) are pleased to present the corporate governance report in the annual report of the Company for the year ended 31 December 2021 (the “**Year**”).

本公司董事(「**董事**」)欣然提呈本公司於截至二零二一年十二月三十一日止年度(「**本年度**」或「**年內**」)報告的企業管治報告。

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

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

The Company has complied with the code provisions set out in the Code as stated in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in force throughout the year ended 31 December 2021.

本公司於截至二零二一年十二月三十一日止年度已遵守香港聯交所證券上市規則(「**上市規則**」)附錄十四所載之守則中所有現行守則條文。

Corporate Governance Report

企業管治報告

Board of Directors

The board of directors (the “Board”) of the Company has a balance of skill and experience and a balanced composition of Executive and Non-executive Directors, the overall management of the Company’s business was vested in the Board. The Board has delegated the day-to-day management of the Company’s business to the executive management team, and focuses its attention on matters affecting the Company’s overall strategic policies, finances and shareholders. As at 31 December 2021, the Board comprised seven members, consisting of three Executive Directors namely, Mr. Hu Zheng (Chairman), Mr. Hu Hancheng (Co-Chairman) and Mr. Hu Hanchao, one Non-Executive Director namely, Mr. Chen Riyue and three Independent Non-executive Directors namely, Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian. The Directors are well-versed in respective areas such as knowledge and technical know-how of paper-making and packaging industries, accounting and finance and business management. The Board as a whole has achieved an appropriate balance of skills and experience. The profiles of all directors and the relationship among members of the Board (including financial, business, family or other material or relevant relationships, if any) are set out on pages 38 to 44.

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

Four Board meetings were held during the financial year. All the Directors actively participated in each meeting in person, via telephone or videoconferencing. They received reports on the activities of the operating divisions and which required the Board approval. Board approval also be obtained through voting at the Board meetings.

The dates of the 2021 regular Board meetings, of which 14 days notice was given, were determined according to the requirement of the Bye-laws and any amendments to this schedule were notified to all the Directors at least 14 days before the meeting. Suitable arrangements were in place to allow the Directors to include items in the agenda for regular Board meetings.

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

董事會

本公司董事會(「董事會」)成員擁有全面之專長及經驗，且執行董事及非執行董事之組合亦有均衡合理。本公司業務的整體管理由董事會負責。董事會已指派行政管理團隊負責管理本公司日常業務，從而集中處理本公司的整體戰略、財務及股東事宜。於二零二一年十二月三十一日，董事會由七名成員組成，包括三名執行董事即胡正先生(董事長)、胡漢程先生(聯席董事長)及胡漢朝先生，一名非執行董事即陳日月先生及三名獨立非執行董事即鍾國武先生、劉懷鏡先生及冼易先生。董事在造紙及包裝工作的知識與技能、會計與財務及業務管理等各範疇擁有深入精闢之認識。董事會整體更具備各方面之適當技能與經驗。所有董事的履歷以及董事會成員的關係(包括財務、業務、親屬或其他重大或相關關係(如有))於第38至44頁作出披露。

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

本公司於年內共舉行四次董事會會議。所有董事積極親身、透過電話或視訊會議參與各會議。他們收發有關業務分部活動且須獲董事會批准的報告，董事會會議上以投票方式批准有關事項。

本公司已根據細則定下二零二一年董事會定期會議的舉行日期，並給予十四天通知，所有日期改動均在最少十四天前通知各董事。本公司備有適當安排，讓董事提出商討事項以納入董事會定期會議議程內。

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

Corporate Governance Report

企業管治報告

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

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

Name of directors 董事姓名	Meetings Attended/Meetings Held 出席會議/舉行會議次數							AGM 股東週年大會
	Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Risk Management Committee 風險管理委員會	Budget Management Committee 預算管理委員會		
Executive Directors	執行董事							
Mr. Hu Zheng	胡正先生	4/4	N/A不適用	1/1	1/1	2/2	1/1	1/1
Mr. Hu Hancheng	胡漢程先生	4/4	N/A不適用	N/A不適用	N/A不適用	N/A不適用	1/1	1/1
Mr. Hu Hanchao	胡漢朝先生	4/4	N/A不適用	N/A不適用	N/A不適用	N/A不適用	1/1	1/1
Mr. Hu Jianpeng (appointed on 8 February 2022)	胡健鵬先生 (於二零二二年 二月八日委任)	N/A不適用	N/A不適用	N/A不適用	N/A不適用	N/A不適用	N/A不適用	N/A不適用
Non-Executive Director	非執行董事							
Mr. Chen Riyue	陳日月先生	4/4	N/A不適用	N/A不適用	N/A不適用	N/A不適用	N/A不適用	1/1
Independent Non-Executive Directors	獨立非執行董事							
Mr. Chung Kwok Mo John	鍾國武先生	4/4	2/2	1/1	1/1	2/2	N/A不適用	1/1
Mr. Liew Fui Kiang	劉懷鏡先生	4/4	2/2	1/1	1/1	2/2	N/A不適用	1/1
Mr. Shin Yick Fabian	冼易先生	4/4	2/2	1/1	1/1	2/2	N/A不適用	1/1

All Directors had access to the services of the company secretary who regularly updated the Board on governance and regulatory matters. Any Director, if consider necessary in discharging their responsibility, might take independent professional advice (through the Chairman) at the Company's expense. The availability of professional advice extended to the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Budget Management Committee.

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

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

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

Corporate Governance Report

企業管治報告

Board Diversity Policy

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

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

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

Board Committees

The Board has established five committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Budget Management Committee, throughout the year ended 31 December 2021. During the year, these committees adhered to their principles, procedures and arrangements set out below. The respective committee secretary or designated person took full minutes of the meetings of these committees and the work of these committees was reported to the Board regularly.

Chairman and Chief Executive Officer (“CEO”)

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

During the year, Mr. Hu Zheng was the Chairman, Ms. Chen Wei was the CEO of the Company for purpose of maintaining and a more balanced basis for judgments and decisions. The Board considered that, under the leadership of Mr. Hu Zheng, as the Chairman of the Company, takes up the role of leadership for the Board and ensures that the Board works effectively and discharges its responsibility properly. He also ensure that the Board acts in the best interests of the Company and the Group.

董事會成員多元化政策

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

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

董事會明白到，董事會多元化可以提升董事會的有效運作和企業管治之受益。當確認合適的候選人成為董事會成員，提名委員會考慮本政策若干因素，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、行業經驗、技能、知識及服務任期。董事會將考慮對本公司業務營運及發展而言合適而平衡多元的組合。本公司也會不定時考慮到其自身的商業模式和具體需要，以確定董事會最佳組合。本公司將定期檢閱本政策，確保其持續有效運作。

董事委員會

於截至二零二一年十二月三十一日止年度內，董事會已成立五個委員會，即審核委員會、薪酬委員會、提名委員會、風險管理委員會及預算管理委員會。該等委員會於年內均已遵守下列相關原則、程序及安排。委員會相關秘書或委派人士負責為該等委員會撰寫完整的會議記錄，而委員會則定期向董事會作出工作匯報。

董事長及行政總裁

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

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

Corporate Governance Report

企業管治報告

Ms. Chen Wei, as CEO of the Company, was delegated with the authority and responsibility to operate the Group's business and day-to-day operation, and implemented the Group's strategy in achieving the business objectives with the assistance of the Executive Directors and the senior management.

Responsibilities of and Delegation by the Board

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

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

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

Non-Executive Directors

Each of Independent Non-executive Directors and Non-executive Director was appointed with specific terms. Each of them had signed a letter of appointment with the Company for a term of 1 year commencing from 1 January 2021, and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company (the "Bye-laws").

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, the Company confirms that all Directors have complied with the required standards set out in the Model Code throughout the year ended 31 December 2021.

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

董事會的職責及授權職責

董事會負責本集團的整體領導、監督本集團的策略決定及監察業務與表現。

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

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

非執行董事

各獨立非執行董事及非執行董事皆以特定年期獲委任。各自己簽訂委任函，任期為一年，自二零二一年一月一日起計，並需根據本公司的細則(「細則」)在本公司股東週年大會上輪席退任及膺選連任。

董事進行證券交易

本公司已採納上市公司董事進行證券交易的標準守則(「標準守則」)為其有關董事進行證券交易的守則。經向所有董事作出查詢後，本公司認為所有董事截至二零二一年十二月三十一日止年度均已遵守標準守則所規定的標準。

Corporate Governance Report

企業管治報告

Directors and Officers Liability Insurance

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

Corporate Governance Functions

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

- (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 to ensure compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the code provisions set out in the Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules and its disclosure requirements in the Corporate Governance Report.

The work performed by the Board on corporate governance functions during the year ended 31 December 2021 included developing and reviewing the Company's policies on corporate governance and making relevant recommendations.

Continuous Professional Development

Under A.6.1 and A.6.5 of the Code in relation to Directors' training. All Directors namely Mr. Hu Zheng, Mr. Hu Hancheng, Mr. Hu Hanchao, Mr. Chen Riyue, Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian have completed continuous professional development training by attending the 19th Tricor Seminar on the theme of "Driving Sustainability Through Digital Governance" organized by Tricor Group. The attended Directors have provided a training record to the Company.

董事及高級管理人員責任保險

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

企業管治職能

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

- (a) 制定及檢討本公司企業管治政策及常規；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監察本公司政策及常規，以遵守法律及監管規定；
- (d) 制定、檢討及監察適用於僱員及董事的操守準則及合規手冊(如有)；及
- (e) 檢討本公司有否遵守上市規則附錄十四的企業管治守則及企業管治報告有關守規條文的情況及在企業管治報告內的披露要求。

截至二零二一年十二月三十一日止年度，董事會已履行了企業管治職能的工作包括制定及檢討本公司的企業管治政策及提出了建議。

持續專業發展培訓

按照守則A.6.1及A.6.5條有關董事培訓。所有董事，即胡正先生、胡漢程先生、胡漢朝先生、陳日月先生、鍾國武先生、劉懷鏡先生及冼易先生均已出席由卓佳集團所舉辦有關「數字化治理推動企業可持續發展」的第19屆卓佳年度論壇持續專業發展培訓。已出席的董事已向本公司提供培訓記錄。

Corporate Governance Report

企業管治報告

Remuneration Committee

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

The Remuneration Committee presently comprises one Executive Director, namely Mr. Hu Zheng and three Independent Non-executive Directors, namely Mr. Chung Kwok Mo John, Mr. Liew Fui Kiang and Mr. Shin Yick Fabian. The chairman of the Committee is Mr. Shin Yick Fabian. The Remuneration Committee held one meeting during the year and details of attendance are shown in the table on page 26 of this annual report. The work performed by the Remuneration Committee during the year ended 31 December 2021 included the following matters:

- make recommendations to the Board of the remuneration of Executive and Non-executive Directors for the years ended 31 December 2022. The Remuneration Committee has considered factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- review and approve remuneration and performance-based remuneration scheme of Executive Directors from time to time by reference to corporate goals and objectives resolved by the Board from time to time; and
- ensure that no Director or any of respective associates is involved in deciding their respective remuneration.

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

薪酬委員會

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

薪酬委員會現由一名執行董事胡正先生及三名獨立非執行董事即鍾國武先生、劉懷鏡先生及冼易先生組成。該委員會主席由冼易先生擔任。薪酬委員會於本年度內舉行了一次會議，會議出席詳情如本年報第26頁的表格所示。薪酬委員會於截至二零二一年十二月三十一日止年度的工作包括如下事項：

- 就截至二零二二年十二月三十一日止年度的非執行董事及執行董事的薪酬向董事會提供建議。薪酬委員會已考慮同類公司支付的薪金、董事須付出的時間及職責、本集團內其他職位的僱傭條件及是否按表現釐定的薪酬等多個因素；
- 透過參照董事會不時通過的公司目標及目的，不時檢討及批准執行董事的薪酬及按表現釐定的薪酬方案；及
- 確保任何董事或其任何聯繫人不可參與決定其各自薪酬。

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

Corporate Governance Report

企業管治報告

The Company has adopted a share option scheme (the “**Option Scheme**”) whereby the Board may at its discretion grant options to such eligible participants (as defined in the Option Scheme) to subscribe for shares in the Company. The principal terms of the Option Scheme are set out in Appendix V to the prospectus of the Company dated 24 May 2011. As at 31 December 2021, all granted share options were cancelled or lapsed.

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

Nomination Committee

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

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

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

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

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

本公司已採納一項購股權計劃(「**購股權計劃**」)，據此董事會可酌情向相關合資格參與者(定義見計劃)授出購股權，以認購本公司股份。購股權計劃的主要條款載於本公司日期為二零一一年五月二十四日的招股章程附錄五中。截至二零二一年十二月三十一日，所有已授出的購股權均已註銷或失效。

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

提名委員會

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

本公司已成立提名委員會，藉以向董事會就董事的委任提供建議。

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

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

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

Corporate Governance Report

企業管治報告

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

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

Three Executive Directors, namely, Mr. Hu Zheng, Mr. Hu Hancheng and Mr. Hu Hanchao had entered into a service contract with the Company for a period of three years commencing from 1 January 2021, unless terminated in accordance with the terms of the service contract. The Non-executive Director and each of the Independent Non-executive Directors had signed a letter of appointment with the Company for a term of one year commencing from 1 January 2021 and is renewable upon its expiration and may be terminated in accordance with the terms of the letter of appointment. During the financial year ended 31 December 2021, there was one meeting held by the Nomination Committee. Details of attendance are shown in the table on page 26.

The work of the Nomination Committee during the year ended 31 December 2021 included the following matters:

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

Auditors' Remuneration

For the year ended 31 December 2021, the fees charged by the Company's auditors in respect of audit amounted to approximately RMB1,950,000. There is no remuneration paid to the Auditor in respect of non-audit services.

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

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

三名執行董事即胡漢朝先生、胡漢程先生及胡正先生已與本公司訂立三年的服務協議，由二零二一年一月一日起計，惟根據服務協議的條款終止者除外。非執行董事及各獨立非執行董事已與本公司簽訂委任函，任期由二零二一年一月一日起為期一年，並在期滿後從新續任，且可根據委任函的條款予以終止。於截至二零二一年十二月三十一日止財政年度期間，提名委員會舉行一次會議。會議出席詳情如第26頁的表格所示。

截至二零二一年十二月三十一日止年度，提名委員會的工作事項如下：

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

核數師薪酬

截至二零二一年十二月三十一日止年度，本公司核數師就提供審核服務所得酬金約為人民幣1,950,000元。核數師並無就提供非審核服務獲取任何酬金。

Corporate Governance Report

企業管治報告

Audit Committee

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

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

The Audit Committee held two meetings during the year and details of attendance are shown in the table on page 26. The work of the Audit Committee during the year ended 31 December 2021 included of the following matters:

- provide recommendation to the Board on the reappointment of external auditors, and approve the audit fee and terms of engagement of the external auditors;
- review and monitor external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and discuss with external auditors before audit commences, the nature and scope of the audit and reporting obligations;
- monitor integrity of financial statements, interim report and annual report, and review significant financial reporting judgments contained in them;
- review financial controls, internal controls and risk management systems;
- discuss with management regarding the system of internal controls and ensure that management has discharged its duty to have an effective internal control system including adequacy of resources, qualifications and experience of staff of accounting and financial reporting function, and their training programmes and budget;
- ensure co-ordination between internal and external auditors, and to ensure that internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of internal audit function;
- review financial and accounting policies and practices; and
- review external auditors' management letter, any material queries raised by auditors to management in respect of accounting records, financial accounts or systems of control and management's response.

審核委員會

本公司已成立審核委員會，藉以檢討及監察本公司的財務報告程序及內部監控制度。

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

審核委員會於本年度內舉行了兩次會議，會議出席詳情如第26頁的表格所示。審核委員會於截至二零二一年十二月三十一日止年度的工作包括如下事項：

- 就外部核數師的重新委任向董事會提供建議，及批准外部核數師的酬金及聘用條款；
- 按適用的標準檢討及監察外部核數師的獨立性及客觀性，以及核數程序的有效性；並與外部核數師在核數工作開始前預先討論核數工作的性質及範疇以及有關申報責任；
- 監察財務報表、中期報告及年度報告的完整性，並審閱其中所載有關財務申報判斷的重大意見；
- 檢討財務監控、內部監控及風險管理系統；
- 與管理層討論內部監控系統，並確保管理層已履行職責建立有效的內部監控系統，包括會計及財務報告方面資源、相關同事的資歷及經驗是否充足，及其所接受培訓課程及有關預算是否充足；
- 確保內部與外部核數師的工作得到協調，並確保內部審核功能在本公司內部有足夠資源運作，並且有適當的地位，並檢討及監察內部審核功能的成效；
- 檢討財務及會計政策及實務；及
- 檢查外部核數師給予管理層的《審核情況說明函件》、核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應。

Corporate Governance Report

企業管治報告

Directors' and Auditors' Responsibilities for Accounts

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

Going Concern

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

Internal Controls

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

Risk Management Committee

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

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

For the year ended 31 December 2021, the Risk Management Committee held two meetings and discussed and reviewed areas including but not limited to the key risks faced by the Group, risk management policy and practice annually as well as the appointment of senior managements in taxation and information technology as members of the Committee.

董事及核數師對賬目的責任

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

持續經營

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

內部監控

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

風險管理委員會

風險管理委員會於二零一五年十二月十八日成立，目前包括十一名成員，包括二名執行董事胡正先生及胡健鵬先生；三名獨立非執行董事，分別為鍾國武先生、劉懷鏡先生及冼易先生，以為六名高層管理人員，分別為陳威女士、侯鷺絲女士、蔡琰女士、葉寧飛先生、張正女士及梁念林先生。該委員會主席由劉懷鏡先生擔任。

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

截至二零二一年十二月三十一日止年度，風險管理委員會召開兩次會議討論(包括但不限於)本集團面對的主要風險、風險管理政策及常規的年度檢視，以及增加稅務及資訊科技的高層管理人員為委員會成員。

Corporate Governance Report

企業管治報告

Risk Management and Internal Control Systems

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the strategic objectives of the Group and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems.

The Group's risk management framework sets out the process of identification, evaluation and management of the principal risks affecting the business. The Group has adopted a set of internal control measures to address various potential operational, financial and legal risk identified in relation to the operation, including but not limited to procurement management, inventory management, information disclosure control, IT management and other various financial control and monitor procedures.

The Board is responsible for reviewing the effectiveness of the Group's risk management and internal control systems through regular meetings with the management. In addition, the Audit Committee with professional advices and opinions from the external internal control consultant of the Company is responsible for ensuring the sufficiency and effectiveness of the Group's risk management and internal control systems through regular inspection and monitoring. The compliance officer is responsible for reviewing the compliance policies and procedures of the Group annually. The compliance officer will also be responsible for updating the compliance policies and procedures of the Group to ensure that they are up to date in accordance with the applicable regulatory requirements. The Group's risk management and internal control systems will be reviewed annually for the past financial year.

The Group has in place an anti-bribery and anti-corruption policy to safeguard against any corruption within the Group. The policy explains potential bribery and corruption conduct and the Group's anti-bribery and anti-corruption measures. The Group makes its internal reporting channel open and available for its employees to report any bribery and corruption acts, and its employees can also make anonymous reports to the compliance officer. The Group's compliance officer is reporting for investigating the reported incidents and taking appropriate measures in response to the relevant incidents, if any. To strengthen internal control of the Group in relation to anti-bribery and anti-corruption, the Group has also started to provide trainings of anti-bribery and anti-corruption to all its employees every year.

風險管理及內部監控系統

董事會負責評估及釐定在達致本集團策略目標時願意承擔之風險性質及程度，以及確保本集團建立及設置適當而有效之風險管理及內部監控系統。

本集團之風險管理框架載有識別、評估及管理影響業務之主要風險之流程。本集團已採納一套內部監控措施，以處理各種被識別為與營運有關之潛在經營、財務及法律風險，包括但不限於採購管理、存貨管理、資料披露監控、IT管理以及其他不同財務監控及監察程序。

董事會負責透過與管理層定期會面，審閱本集團風險管理及內部監控系統之成效。此外，參考本公司聘用內部監控顧問之專業建議及意見，審核委員會負責透過定期調查及監察，確保本集團之風險管理及內部監控系統充分而有效。合規顧問負責每年審閱本集團之合規政策及程序。合規顧問負責更新本集團之合規政策及程序，以確保該等政策及程序緊貼最新之適用監管規定。本集團每年會檢討上一個財政年度之風險管理及內部監控系統。

本集團已制定反賄賂及反貪污政策，以防止本集團內部貪污。該政策描述潛在賄賂及貪污行為以及本集團之反賄賂及反貪污措施。本集團亦已開通內部舉報渠道，讓僱員舉報任何賄賂及貪污行為，而僱員亦可向合規主任作出匿名舉報。本集團之合規主任將調查舉報個案、編製報告，並針對相關事件採取適當措施(如有)。為鞏固本集團有關反賄賂及反貪污之內部監控，本集團亦開始每年向全體僱員提供反賄賂及反貪污培訓。

Corporate Governance Report

企業管治報告

The risk management framework, coupled with the internal controls, ensures that the risk associated with different divisions of the Group are effectively controlled and in line with the Group's appetite. However, the Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objective, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has conducted a review of the effectiveness of the internal control system for the year ended 31 December 2021 and considered the internal control system effective and adequate and no significant areas of concern which might affect shareholders were identified.

Handling and Dissemination of Inside Information

With respect to the handling and dissemination of inside information, the Group has adopted various procedures and measures on disclosure of inside information with an aim to ensure that the insiders abide by the confidentiality requirements and that inside information is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. Such procedures include, among others, notification of regular blackout period and securities dealing restrictions to the Directors and employees, dissemination of information to specified persons on a need to-know basis and use of identify projects.

Budget Management Committee

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

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

Company Secretary

Mr. Li Kin Wai has been appointed by the Company as the company secretary since 1 April 2021, his biographical details are set out in the section headed "Profiles of Directors and Senior Management" in this annual report. Mr. Li has complied with the requirement under Rule 3.29 of the Listing Rules during the year. He worked and communicated closely with Ms. Chen Wei, a chief executive officer of the Company.

風險管理框架連同內部監控確保與本集團不同部門有關之風險得到有效控制，且符合本集團所能承擔者。然而，本集團風險管理及內部監控系統之設計旨在管理而非消除未能達致業務目標之風險，且僅能為免受重大失實陳述或損失提供合理而非絕對之保證。

董事會已檢討截至二零二一年十二月三十一日止年度之內部監控系統成效，並認為內部監控系統有效而充分，且並無識別出可能影響股東之重大關注範疇。

處理及發佈內幕消息

處理及發佈內幕消息方面，本集團已採取各項有關披露內幕消息之程序及措施，旨在確保知情人士遵守保密規定，以及內幕消息按照適用法律及規例以平等適時地向公眾人士發佈。有關程序包括(其中包括)定期向董事及僱員發出禁售期及證券交易限制之通知、按須知基準向特定人士發佈消息以及使用代號識別項目。

預算管理委員會

預算管理委員會於二零一八年九月一日成立，目前成員包括四名執行董事，即胡漢朝先生、胡正先生、胡漢程先生及胡健鵬先生，由胡漢朝先生擔任主席。

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

公司秘書

本公司自二零二一年四月一日起委任李健威先生為本公司公司秘書，其簡歷載於本年報「董事及高級管理層履歷」一節。李先生已於本年度達到上市規則第3.29條的規定。彼與本公司行政總裁陳威女士緊密合作及聯繫。

Corporate Governance Report

企業管治報告

Communication with Shareholders

The Company endeavors to maintain an on-going dialogue with its shareholders, and in particular through annual general meetings or other general meetings to communicate with the shareholders and encourage their participation. The Chairman of the Board will make himself available at the forthcoming annual general meeting to be held on Thursday, 23 June 2022 to answer any questions from shareholders.

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

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

Shareholders' Rights

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

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

Right to Put Forward Enquiries to the Board

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

Constitutional Documents

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

與股東溝通

本公司致力於與股東保持持續的交流，尤其透過股東週年大會或其他股東大會與股東進行溝通，並鼓勵股東積極參與。董事長將出席於二零二二年六月二十三日(星期四)舉行的應屆股東週年大會，以解答股東的疑問。

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

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

股東權利

召開股東特別大會及於股東大會上提出議案權利

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

向董事會作出查詢權利

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

憲章文件

於本年度，本公司之憲章文件並無任何重大變動。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Directors

Executive Directors

Mr. Hu Zheng (胡正), aged 59, he is the Chairman and executive Director and one of the founders. Furthermore, Mr. Hu Zheng is the chairman of the nomination committee and members of the remuneration committee, risk management committee and budget management committee. Mr. Hu Zheng is responsible for overseeing the overall corporate management, operation and development planning and had over 30 years of experience in the paper-making and packaging industries. Prior to founding our Group, Mr. Hu Zheng worked as a technician and as assistant engineer at a then state-owned paper factory since 1983 then he was a director of a PRC paper and packaging products manufacturing factory, responsible for the management of daily operation and strategic planning from 1990 to 2003. In October 1981, Mr. Hu Zheng graduated from Guangdong Foshan Vocational College (廣東佛山職業技術學院) (formerly known as Guangdong Foshan Region Agricultural Mechanical College (廣東省佛山地區農業機械化學校)) and completed a Master of Business Administration at the Macau University of Science and Technology in August 2001. Mr. Hu Zheng is the brother of Mr. Hu Hancheng (an executive Director and a substantial shareholder of the Company (the “Shareholder”) through his interests in Golden Century Assets Limited) and Mr. Hu Hanchao (an executive Director and a substantial Shareholder of the Company through his interests in Leading Innovation Worldwide Corporation).

Mr. Hu Hancheng (胡漢程), aged 62, has been appointed an executive Director since 4 March 2011. He is also the Co-Chairman of the Company, and also a member of budget management committee. He is responsible for the comprehensive operation management of the Group. He joined the Group in 2003 and has been the legal representative of Zheng Ye Packaging (Zhongshan) Company Limited, an indirectly wholly-owned subsidiary of the Company, between December 2007 and January 2017. Mr. Hu Hancheng is in charge of the management and operation of the packaging business division of the Group. Prior to joining the Group, Mr. Hu Hancheng was the general manager of a PRC packaging products manufacturing factory from 1997 to 2003 responsible for the overall operational management of the business. Mr. Hu Hancheng is currently the vice president of Zhongshan Association of Packaging Industry. In January 1995, Mr. Hu Hancheng completed an economic management program at the Guangdong Polytechnic College (廣東省工程職業技術學院) formerly known as Guangdong Province Adult Technology University (廣東省成人科技大學). Mr. Hu Hancheng is brother of Mr. Hanchao (an executive Director and a substantial Shareholder of the Company) and Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company through his interests in Gorgeous Rich Development Limited).

董事

執行董事

胡正先生，59歲，胡正先生於本集團擔任董事長兼執行董事，為本集團的創辦人之一，亦為提名委員會主席及薪酬委員會、風險管理委員會和預算管理委員會成員。胡正先生負責監察整體企業管理、營運以及發展規劃，從事造紙及包裝業有30多年。創辦本集團之前，胡正先生自一九八三年起在當時國營造紙廠擔任技術員及助理工程師；隨後於一九九零年至二零零三年期間，擔任一家中國紙類及包裝產品工廠的廠長，負責日常營運管理與戰略規劃。彼於一九八一年十月畢業於廣東佛山職業技術學院（前稱為廣東省佛山地區農業機械化學校），二零零一年八月在澳門科技大學完成工商管理碩士學位。胡正先生為執行董事及本公司主要股東（「股東」）胡漢程先生（其權益透過Golden Century Assets Limited持有）和執行董事及本公司主要股東胡漢朝先生（其權益透過Leading Innovation Worldwide Corporation持有）的親兄弟。

胡漢程先生，62歲，自二零一一年三月四日委任為執行董事。彼同時為本公司聯席董事長，亦為預算管理委員會成員。彼負責本集團全面管理工作。彼於二零零三年加入本集團，並自二零零七年十二月至二零一七年一月期間，出任本公司間接全資附屬公司正業包裝(中山)有限公司的法人代表。胡漢程先生主要負責本集團包裝事業部的管理運作。加盟本集團之前，胡漢程先生於一九九七年至二零零三年擔任一家中國包裝產品製造廠廠長，負責整體業務營運管理。胡漢程先生現為中山市包裝協會副會長。彼於一九九五年一月在廣東省工程職業技術學院（前稱為廣東省成人科技大學）完成經濟管理專業課程。胡漢程先生為執行董事及本公司主要股東胡漢朝先生和執行董事及本公司控制股東胡正先生（其權益透過Gorgeous Rich Development Limited持有）的親兄弟。

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

Mr. Hu Hanchao (胡漢朝), aged 64, an executive Director of the Company, he is also the chairman of budget management committee. He joined our Group in 2003 and he was appointed as a Director in September 2010 then was designated as an executive Director in March 2011 and appointed as Vice Chairman in November 2012. Mr. Hu Hanchao is responsible for the daily operations management of the Group and supervised the daily comprehensive operation management in corrugated medium paper division. He has been involved in corporate management for more than 28 years. Prior to joining the Group, Mr. Hu Hanchao was the deputy general manager at Zhongshan City Zhong Fa Equipment Rental Company Limited from 2000 to 2003 responsible for the overall operational management of the business and before that he was the assistant manager of Xinhua Bookshop from 1985 to 1994. In August 1985, Mr. Hu Hanchao graduated from Zhongshan Municipal Communist Party Cadre School (中山市幹部學校). Mr. Hu Hanchao is the brother of Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company) and Mr. Hu Hancheng (an executive Director and a substantial Shareholder of the Company).

Mr. Hu Jianpeng (胡健鵬), aged 35, joined the Group in 2014. Mr. Hu Jianpeng is an executive Director of the Group. Mr. Hu Jianpeng held the post of the Group's general manager in procurement between 2014 and 2017, was responsible for the supply chain management and procurement strategy formulation in the Group. In 2018, Mr. Hu Jianpeng served as the chief operating officer of the Group and responsible for the overall operation and management in sales, raw materials and procurement of the Group. Mr. Hu Jianpeng obtained double Master degrees in finance and marketing awarded by the University of Sydney in 2013. Mr. Hu Jianpeng is a son of Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company). Also, Mr. Hu Jianpeng is a nephew of Mr. Hu Hanchao (an Executive Director and a substantial Shareholder of the Company) and Mr. Hu Hancheng (an Executive Director and a substantial Shareholder of the Company).

胡漢朝先生，64歲，本公司執行董事，亦為預算管理委員會主席。胡漢朝先生於二零零三年加入本集團，最初於二零一零年九月獲委任為董事，隨後於二零一一年三月擔任執行董事，並於二零一二年十一月委任為副董事長。胡漢朝先生負責本集團日常的營運管理並分管造紙板塊的全面管理工作，從事企業管理工作超過28年。加盟本集團之前，胡漢朝先生於二零零零年至二零零三年擔任中山市中發設備租賃有限公司副總經理，負責整體業務營運管理，在此之前由一九八五年至一九九四年擔任新華書店的助理經理。胡漢朝先生於一九八五年八月畢業於中山市幹部學校。胡漢朝先生為執行董事及本公司控制股東胡正先生和執行董事及本公司主要股東胡漢程先生的親兄弟。

胡健鵬先生，35歲，於二零一四年加入本集團。胡健鵬先生為執行董事。彼在二零一四年至二零一七年期間擔任本集團採購總經理職務，負責本集團供應鏈管理、採購策略制定。於二零一八年，胡健鵬先生擔任本集團營運總裁，負責本集團銷售、原料及採購全面營運管理。胡健鵬先生於二零一三年獲取由悉尼大學頒發的金融學和市場學雙碩士學位。胡健鵬先生為執行董事及本公司控制股東胡正先生的兒子；同時為執行董事及本公司主要股東胡漢朝先生和執行董事及本公司主要股東胡漢程先生的侄兒。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Non-Executive Director

Mr. Chen Riyue (陳日月), aged 43, joined our Group in 31 May 2019. He served as Guangdong Industry Polytechnic and is currently an associate professor. He obtained a bachelor's degree in engineering from Wuhan University of Technology in 2001. He also obtained a master's degree in engineering from China University of Geosciences (Wuhan) in 2012. Mr. Chan is a niece-in-law of Mr. Hu Hanchao (an executive Director and a substantial Shareholder of the Company), Mr. Hu Hancheng (an executive Director and a substantial Shareholder of the Company) and Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company).

Independent Non-Executive Directors

Mr. Chung Kwok Mo John (鍾國武), aged 53, joined the Company on 4 March 2011 as an independent non-executive Director. He is also the Chairman of audit committee, remuneration committee and risk management committee and also a member of nomination committee of the Company. Mr. Chung graduated from Macquarie University, Australia in 1992 with a Bachelor of Economics degree, then became a member of CPA Australia in 1995 and that of Hong Kong Institute of Certified Public Accountants in 1996. Mr. Chung has over 20 years of experience in auditing, financial management and corporate finance. Mr. Chung was an auditor in an international accounting firm from 1992 to 1999. From 2000, Mr. Chung had held several senior management positions, including chief financial officer, executive director and independent non-executive director, in a number of listed companies in Hong Kong. Mr. Chung is presently a vice president of Yongsheng Advanced Materials Company Limited (a listed company on the Stock Exchange; stock code: 3608). Mr. Chung is also an independent non-executive Directors of BYD Electronic (International) Company Limited (a listed company on the Stock Exchange; stock code: 285), YTO Express (International) Holdings Limited (a listed company on the Stock Exchange; stock code: 6123), B & S International Holdings Limited (a listed company on the Stock Exchange; stock code: 1705) and Tokyo Chuo Auction Holdings Limited (a listed company on the Stock Exchange; stock code: 1939) since June 2013, December 2017, February and September 2018 respectively.

非執行董事

陳日月先生，43歲，於二零一九年五月三十一日加入本集團，彼自二零零一年七月在廣東省輕工業技術學院任職，現為副教授級別。彼於二零零一年獲武漢理工大學的工程學士學位。彼亦於二零一二年獲中國地質大學(武漢)的工程碩士學位。陳先生為執行董事及本公司主要股東胡漢朝先生、執行董事及本公司主要股東胡漢程先生和執行董事兼本公司控制股東胡正先生的侄女婿。

獨立非執行董事

鍾國武先生，53歲，於二零一一年三月四日加入本公司成為獨立非執行董事，彼亦為本公司審核委員會、薪酬委員會及風險管理委員會的主席以及提名委員會的成員。鍾先生於一九九二年取得澳洲麥覺理大學經濟學學士學位，一九九五年成為澳洲會計師公會會員，一九九六年成為香港會計師公會會員。鍾先生於審計、財務管理及企業融資方面擁有超過20年經驗。鍾先生於一九九二年至一九九九年出任一家國際會計師事務所的審計師。自二零零零年起，鍾先生於多家香港上市公司擔任多個高級管理層職位，包括首席財務官、執行董事及獨立非執行董事。鍾先生現於永盛新材料有限公司(一家於聯交所上市的公司，股份代號：3608)擔任副總裁。鍾先生亦分別由二零一三年六月、二零一七年十二月及二零一八年二月及九月起分別擔任比亞迪電子(國際)有限公司(一家於聯交所上市的公司，股份代號：285)、圓通速遞(國際)控股有限公司(一家於聯交所上市的公司，股份代號：6123)、賓仕國際控股有限公司(一家於聯交所上市的公司，股份代號：1705)及東京中央拍賣控股有限公司(一家於聯交所上市的公司，股份代號：1939)的獨立非執行董事。

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

Mr. Liew Fui Kiang (劉懷鏡), aged 55, has been appointed as an independent non-executive Director of the Company since May 2019. He is a fellow of the Hong Kong Institute of Directors, a solicitor of England and Wales, and a solicitor of Hong Kong. Mr. Liew obtained a Bachelor of Laws (Tetley & Lupton scholar) from the University of Leeds in the United Kingdom and a Master of Business Administration from the Hull University Business School in the United Kingdom. Mr. Liew is currently an independent non-executive director of Shandong Gold Mining Company Limited (stock code: 1787 and Shanghai Stock Exchange stock code: 600547), China Apex Group Limited (stock code: 2011) and Zhongchang International Holdings Group Limited (stock code: 859) respectively. Mr. Liew was the chairman of the board of directors and executive director of PacRay International Holdings Limited (stock code: 1010) from 2017 to 2019. He was a non-executive director of Amber Hill Financial Holdings Limited (stock code: 33) in December 2019. Mr. Liew previously served as an independent director of Baoshan Iron & Steel Company Limited* (寶山鋼鐵股份有限公司, Shanghai Stock Exchange stock code: 600019), a Fortune Global 500 company.

Mr. Shin Yick Fabian (冼易), aged 53, joined the Company on 31 May 2019 as an independent non-executive Director. Mr. Shin graduated from the University of Birmingham in England with a bachelor's degree in commerce. After graduation, he worked in the audit department of Deloitte Touche Tohmatsu. He had also worked in a listed company in Hong Kong as group financial controller and company secretary. He is a fellow member of Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants, The Chartered Governance Institute and the Hong Kong Institute of Company Secretaries. Mr. Shin is a non-executive Director of Pak Tak International Limited (a listed company on the Stock Exchange; stock code: 2668) since February 2017. Mr. Shin is also an independent non-executive Directors of Lisi Group Holdings Limited (a listed company on the Stock Exchange; stock code: 526), Newton Resources Limited (a listed company on the Stock Exchange; stock code: 1231) and China Tianrui Automotive Interiors Company Limited (a listed company on the Stock Exchange; stock code: 6162) since January 2013, August 2015, and December 2018 respectively.

劉懷鏡先生，55歲，自二零一九年十一月起獲委任為本公司的獨立非執行董事。彼為香港董事學會資深會員、英格蘭和威爾斯律師以及中國香港律師。劉先生畢業於英國裡茲大學獲得法律學士學位(Tetley and Lupton獎學金學者)，並畢業於英國赫爾大學商學院獲得工商管理碩士學位。劉先生現為山東黃金礦業股份有限公司(股份代號：1787和上海證券交易所股份代號：600547)、中國恒泰集團有限公司(股份代號：2011)以及中昌國際控股集團有限公司(股份代號：859)的獨立非執行董事。劉先生曾於二零一七年至二零一九年擔任太睿國際控股有限公司(股份代號：1010)的董事會主席兼執行董事。彼於二零一九年十二月曾任安山金控股份有限公司(股份代號：33)的非執行董事。劉先生曾擔任《財富》全球500強企業寶山鋼鐵股份有限公司(上海證券交易所股份代號：600019)的獨立董事。

冼易先生，53歲，於二零一九年五月三十一日加入本公司成為獨立非執行董事，彼畢業於英國伯明翰大學，持有商學學士學位。於畢業後，彼曾供職於德勤會計師事務所之審核部門。彼亦曾任職於一間香港上市公司，擔任集團財務總監及公司秘書。彼為香港會計師公會、英國特許公認會計師公會、英國特許管治公會及香港公司秘書公會資深會員。冼先生自二零一七年二月起擔任百德國際有限公司(一家於聯交所上市的公司，股份代號：2668)的非執行董事；冼先生亦分別由二零一三年一月、二零一五年八月及二零一八年十二月起分別擔任利時集團(控股)有限公司(一家於聯交所上市的公司，股份代號：526)、新礦資源有限公司(一家於聯交所上市的公司，股份代號：1231)及中國天瑞汽車內飾件有限公司(一家於聯交所上市的公司，股份代號：6162)的獨立非執行董事。

* For identification purpose only

Biographical Details of Directors and Senior Management

董事及高級管理層履歷

Senior Management

Ms. Chen Wei (陳威), aged 46, joined our Group in 2007. Ms. Chen is the Chief Executive Officer of the Group and responsible for the management operations in finance, human resources, legal, internal audit, information systems and Hong Kong head quarter of the Group comprehensively. Ms. Chen has over 15 years of experience in financial management and tax services. She served as financial supervisor in several papermaking enterprises and group companies during the period from 1995 to 2001 and was in charge of accounting and financial management matters. Prior to joining our Group, Ms. Chen served as account manager and tax consultant in Zhongshan large-scale tax agent from 2005 to 2007. Ms. Chen completed the accounting course of Jinan University in December 2005 and obtained a undergraduate diploma. Thereafter, she was awarded the Master of Business Administration degree from the University of Wales in April 2011, and obtained the title of senior accountant awarded by Human Resources Bureau of Guangdong Province (廣東省人事廳) in December 2008. In September 2009, Ms. Chen obtained professional qualification as a senior international finance manager awarded by International Financial Management Association. She is the member of International Financial Management Association.

Mr. Hu Jianjun (胡健君), aged 37, joined the Group in 2010. Mr. Hu Jianjun is the Chief Operating Officer of the Group and is responsible for the operations, strategic planning in sales and raw paper procurement in packaging division and maintain customers relationships. Mr. Hu Jianjun obtained the undergraduate programme in design awarded by the Wuchang Shouyi University (former known as Huazhong University of Science and Technology (Wuchang campus)) in 2008. Mr. Hu Jianjun is a son of Mr. Hu Hancheng (an executive Director and a substantial Shareholder of the Company). Also, Mr. Hu Jianpeng is a nephew of Mr. Hu Hanchao (an executive Director and a substantial Shareholder of the Company) and Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company).

Mr. Tan Xijian (譚錫健), aged 37, joined the Group in 2014. Mr. Tan is the vice president of the Group and is responsible for the sales and raw materials operation management. Mr. Tan was the general manager in raw materials from 2014 to 2017 and was responsible for the formulation of raw materials management and procurement strategies of the Group. Prior to joining the Group, he had five years of project planning. Mr. Tan obtained a degree in Business Administration from Guangdong University of Technology in 2016. Mr. Tan Xijian is a son-in-law of Mr. Hu Hanchao (an executive Director and a substantial Shareholder of the Company). Also, Mr. Tan is a niece-in-law of Mr. Hu Hancheng (an executive Director and a substantial Shareholder of the Company) and Mr. Hu Zheng (an executive Director and a controlling Shareholder of the Company).

高級管理層

陳威女士，46歲，於二零零七年加入本集團，為本集團行政總裁，全面負責集團財務、人力資源、法律、審計、資訊系統及香港總部管理工作。陳女士擁有逾15年財務管理及稅務服務工作經驗。彼由一九九五年至二零零一年期間任職多家製造企業和集團公司的財務主管，負責會計及財務管理事宜。加盟本集團之前，陳女士於二零零五年至二零零七年任職中山大型稅務師事務所的客戶經理、稅務顧問。陳女士於二零零五年十二月完成暨南大學會計專業課程(本科學歷)，隨後於二零一一年四月完成英國威爾士大學工商管理碩士學位，於二零零八年十二月獲廣東省人事廳頒授高級會計師職稱，於二零零九年九月獲國際財務管理協會頒授高級國際財務管理師職業資格，為國際財務管理協會會員。

胡健君先生，37歲，於二零一零年加入本集團。胡健君先生為本集團營運總裁。負責包裝分部的銷售及原紙採購策劃和維繫客戶關係。胡健君先生於二零零八年獲取武昌首義學院(前稱華中科技大學武昌分校)頒發的設計學本科學位。胡健君先生為執行董事及本公司主要股東胡漢程先生的兒子；同時為執行董事及本公司主要股東胡漢朝先生和執行董事及本公司控制股東胡正先生的侄兒。

譚錫健先生，37歲，於二零一四年加入本集團。譚先生現擔任本集團營運副總裁，負責集團銷售、原料營運管理。譚先生在二零一四年至二零一七年間擔任本集團原料總經理，負責本集團原料管理、採購策略制定。自二零一八年起，加入本集團前，彼擁有五年的項目策劃工作。譚先生在二零一六年獲取由廣東工業大學頒發的工商管理學位。譚錫健先生為執行董事及本公司主要股東胡漢朝先生的女婿；同時為執行董事及本公司主要股東胡漢朝先生和執行董事兼本公司控制股東胡正先生的侄女婿。

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

Mr. Fu Guofa (傅國法), aged 49, joined the Group in 2017. Mr. Fu is the vice president of the Group, and is mainly responsible for the management of the papermaking sector, mainly in charge of the papermaking business department, the industrial paper raw material business department and other related management work. Mr. Fu has over 25 years of experience in the technical, production and management skills in paper industry. Prior to joining the Group, Mr. Fu worked as deputy general manager in one of subsidiary of Nine Dragons Paper (Holdings) Limited from 2010 to 2016 and was responsible for the overall production management. Mr. Fu obtained an undergraduate qualification majoring in pulp paper craft from Nanjing Forestry University in 1997.

Mr. Zeng Chunlai (曾春來), aged 47, joined the Group in 1999. Mr. Zeng currently serves as the managing vice president of the Group, and is responsible for the management of daily operations of the Group's packaging business as well as the marketing department. Mr. Zeng's previous positions in the Group include director of quality control, director of business, director of sales, deputy general manager of sales, and deputy general manager of operations, during which he led the establishment of the Company's quality control system and enhanced the Company's sales management system, sales costing and customer management system. He has been involved in the development of a customer base with various industry brands and has over 20 years of solid marketing management experience. In 2017, Mr. Zeng was awarded the Group's "Excellent Manager". Mr. Zeng graduated from the School of Mechanical and Electrical Engineering of Hunan University in 1996, majoring in applied electronics.

Mr. Zhu Dejun (朱德軍), aged 47, joined the Group in 2009. Mr. Zhu currently serves as the vice president of the Group, and is responsible for the management of the Group's packaging business division (base and packaging technology centre) of the packaging business. Mr. Zhu has over 20 years of experience in sales and production management in the packaging industry. Mr. Zhu's previous positions in the Group include base director of operations, base deputy manager of sales, base director of production, and base general manager. From 1999 to 2007, he served as sales director of a Group company, and was responsible for base sales management. In 2019, Mr. Zhu was awarded the Group's "Excellent Manager". Mr. Zhu graduated from Hubei Xiangfan Normal College in 1993.

傅國法先生，49歲，於二零一七年加入本集團，為本集團副總裁，主要負責分管造紙板塊管理工作，主要分管造紙事業部、工業紙原料事業部等相關管理工作。傅先生擁有逾25年的造紙業內技術、生產及管理工作經驗。加入本集團之前，傅先生於二零一零年至二零一六年在玖龍紙業(控股)有限公司一家附屬公司任職副總經理，負責全面生產管理工作。彼於一九九七年畢業於南京林業大學，主修製漿造紙專業。

曾春來先生，47歲，於一九九九年加入本集團，現為本集團副總裁，負責本集團包裝板塊日常管理工作，分管營銷事業部。加入本集團後歷任品質部長、業務部長、銷售總監、銷售副總經理、常務副總經理，在任期間主導建立了公司品質管理體系，完善公司銷售管理體系、銷售成本核算及客戶管理體系。期間參與開拓多個行業品牌客戶，擁有逾20年豐富的市場營銷管理經驗。二零一七年，曾獲評本集團「優秀經理人」。曾先生於一九九六年畢業於湖南大學機電系電子應用專業。

朱德軍先生，47歲，於二零零九年加入本集團，現為本集團副總裁，負責本集團包裝板塊包裝事業部(基地及包裝技術中心)管理工作。朱先生擁有逾20年包裝行業銷售及生產管理經驗。加入本集團後歷任基地經營部長、基地銷售副總經理、基地生產廠長、基地總經理。彼由一九九九年至二零零七年期間在集團公司任銷售主管，負責基地銷售管理工作。二零一九年，曾獲評本集團「優秀經理人」。朱先生於一九九三年畢業於湖北省襄樊師範學校。

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

Mr. Liu Haibo (劉海波), aged 51, joined our Group in 2018. Mr. Liu is the vice president of the Group, and is in charge of the sales of corrugated medium paper and raw material management. Mr. Liu has over 27 years of experience in paper products sales and participated in the marketing of paper products in various paper products enterprises. He graduated tertiary level in international trade and marketing at Shandong TV University and awarded the title of assistant economist.

Company Secretary

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

劉海波先生，51歲，於二零一八年加入本集團，現為本集團副總裁，負責造紙銷售和原料管理工作。劉先生有超過27年的紙品銷售業務經驗，並在多間紙製品企業參與營銷紙品的職位。彼畢業於山東廣播電視大學國際貿易及市場營銷專業，並取得助理經濟師職稱。

公司秘書

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

Directors' Report

董事會報告

The Directors are pleased to present to the shareholders their report together with audited consolidated financial statements of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2021.

Principal Activities

The Company is an investment holding company. The principal activities of the Group are manufacturing and sale of paper, paperboard and paper-based packaging products. The principal activities of the subsidiaries are set out in note 43 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2021 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 64 to 169 of this annual report.

The Directors now recommend the payment of a final dividend of RMB9.00 cents (equivalent to HKD10.9197 cents) per share to the shareholders on the register of members on 29 June 2022, amounting to approximately RMB45,000,000 and the retention of the profit for the year approximately RMB115,841,000.

The dividend will be payable in HKD. The exchange rate will be based on the opening indicative counter exchange rate (Buying TT for RMB) as on 25 March 2022 (the date of unaudited annual results' board meeting of the Company) disclosed by The Hong Kong Association of Banks.

Property, Plant and Equipment

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

Share Capital

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

Distributable Reserves

Distributable reserves of the Company as at 31 December 2021, calculated in accordance with the provision of the Bermuda Companies Act 1981, amounted to RMB139,000.

Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the latest five financial years is set out on page 170 of this annual report.

董事會欣然向股東提呈其報告以及本公司及其附屬公司（統稱「本集團」）於截至二零二一年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團的主要業務為製造及銷售紙、紙板及紙製包裝產品。該等附屬公司的主要業務載於綜合財務報表附註43。

業績及分派

本集團截至二零二一年十二月三十一日止年度的業績以及本公司及本集團於該日的財務狀況載於本年報第64至169頁的綜合財務報表。

董事會現建議向二零二二年六月二十九日名列於股東名冊上的股東派付每股人民幣9.00分，相當於港幣10.9197仙的末期股息，金額約為人民幣45,000,000元，並保留本年度餘下溢利約人民幣115,841,000元。

股息將會以港幣派發。匯率會按香港銀行公會於二零二二年三月二十五日（本公司未經審核年度業績董事會的舉行日期）之開市參考牌價（人民幣電匯購入價）為基礎。

物業、廠房及設備

本集團於回顧財政年度的物業、廠房及設備的變動詳情載於綜合財務報表附註17。

股本

本公司的股本變動詳情載於綜合財務報表附註32。

可供分派儲備

於二零二一年十二月三十一日，本公司按百慕達一九八一年公司法的條文計算的可供分派儲備為人民幣139,000元。

五年財務摘要

本集團於最近五個財政年度的業績及資產與負債的摘要載於本年報第170頁。

Directors' Report

董事會報告

Reserves

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

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities shares during the year ended 31 December 2021.

Pre-Emptive Rights

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

Tax Relief and Exemption

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

Management Contracts

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

Directors

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

Executive Directors

Mr. HU Zheng (*Chairman*)
Mr. HU Hancheng (*Co-Chairman*) (Mr. HU Jianjun as his alternate)
Mr. HU Hanchao (Mr. TAN Xijian as his alternate)
Mr. HU Jianpeng (appointed on 8 February 2022)

Non-Executive Director

Mr. CHEN Riyue

Independent Non-Executive Directors

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

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

儲備

本集團於年內的儲備變動詳情分別載於綜合權益變動表。

購買、贖回或出售本公司的上市證券

截至二零二一年十二月三十一日止，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

優先購買權

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

稅務減免

董事並不知悉因任何股東持有本公司證券而享有任何稅務減免。

管理合約

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

董事

於回顧期間及直至本報告日期止年度，本公司的董事為：

執行董事

胡正先生(*董事長*)
胡漢程先生(*聯席董事長*)(胡健君先生為其候補董事)
胡漢朝先生(譚錫健先生為其候補董事)
胡健鵬先生(於二零二二年二月八日獲委任)

非執行董事

陳日月先生

獨立非執行董事

鍾國武先生
劉懷鏡先生
冼易先生

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

Directors' Report

董事會報告

Pursuant to Bye-Law 108 and Bye-Law 112 of the Company's Bye-Laws, Mr. Hu Hanchao, Mr. Hu Jianpeng ("Mr. Hu"), Mr. Liew Fui Kiang ("Mr. Liew") and Mr. Shin Yick Fabian ("Mr. Shin") shall retire from office by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election as Directors at the AGM.

Directors and Senior Management

The biographical details of Directors and Senior Management are set and on pages 38 to 44 of this annual report.

Directors' Service Contracts

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

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

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

Permitted Indemnity Provision

As at the date of this report, all Directors of the Company were covered under the liability insurance purchased by the Company for its Directors.

根據本公司細則的細則第108條和細則112條，胡漢朝先生、胡健鵬先生(「胡先生」)、劉懷鏡先生(「劉先生」)及冼易先生(「冼先生」)將於股東週年大會上輪席告退，且彼等符合資格並願意於股東週年大會上膺選連任。

董事及高級管理層

董事及高級管理層的履歷詳情載於本年報第38至44頁。

董事服務合約

執行董事一胡正先生、胡漢程先生、胡漢朝先生及胡先生均已與本公司重新訂立服務合約，自二零二一年一月一日起計，為期三年。惟須由任何一方方向對方發出不少於三個月的書面通知予以終止。

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

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

獲准許的彌償條文

於本報告日期，本公司全體董事均已投保本公司為其董事購買的責任保險。

Directors' Report

董事會報告

Emolument Policy

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

The remuneration of the members of the senior management by band for the year ended 31 December 2021 was set out below:

Remuneration band (RMB)	薪酬組別(人民幣)	Number of individual 人數
0-500,000	0-500,000	3
500,001-1,000,000	500,001-1,000,000	19
1,000,001	1,000,001	8

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

Director's Interest in Contracts of Significance

Save as disclosed in the section headed "Continuing Connected Transactions" in this report and note 41 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party during the year under review.

Directors' Rights to Acquire Shares or Debentures

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

薪酬政策

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

於截至二零二一年十二月三十一日止年度按薪酬組別劃分之高級管理人員薪酬載列如下：

董事的薪酬及本集團五位最高薪人士的薪酬詳情載於綜合財務報表附註13及14。

董事於重大合約的權益

除本報告「持續關連交易」一節及綜合財務報表附註41所披露者外，董事概無直接或間接於本公司、其控股公司或其任何附屬公司或同系附屬公司於回顧年度內所訂立並對本集團業務屬重大的合約中擁有重大權益。

董事購買股份或債券證的權利

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

Directors' Report

董事會報告

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

As at 31 December 2021, the interests and short positions of the directors and chief executive(s) of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed issuers contained in the Listing Rules were as follows:

董事及主要行政人員於本公司或其相聯法團的證券中的權益

於二零二一年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見《證券及期貨條例》(「證券及期貨條例」)第XV部)的股份、相關股份及債券證擁有的權益及淡倉而須根據證券及期貨條例第352條記錄於本公司所存置登記冊內，或須根據上市規則所載的上市發行人董事進行證券交易的標準守則規定知會本公司及香港聯合交易所有限公司(「聯交所」)者如下：

Name of Directors and Chief Executive 董事及 主要行政人員姓名	Name of Group member/ associated corporation 本集團成員公司／相關法團名稱	Capacity/ Nature of interest 身份／權益性質	Number and class of securities (Note 1) 證券數目及類別(附註1)	Approximate percentage of shareholding 股權概約百分比
Mr. Hu Zheng 胡正先生	The Company 本公司	Interest of controlled corporation (Note 2) 受控制法團權益(附註 2)	191,250,000 ordinary shares of HK\$0.10 each 191,250,000 股每股面值 0.10 港元的普通股	38.25%
	Gorgeous Rich Development Limited ("Gorgeous Rich")	Beneficial owner 實益擁有人	1 ordinary share of US\$1.00 1 股面值 1.00 美元的普通股	100%
Mr. Hu Hancheng 胡漢程先生	The Company 本公司	Interest of controlled corporation (Note 3) 受控制法團權益(附註 3)	93,750,000 ordinary shares of HK\$0.10 each 93,750,000 股每股面值 0.10 港元的普通股	18.75%
	Golden Century Assets Limited ("Golden Century")	Beneficial owner 實益擁有人	1 ordinary share of US\$1.00 1 股面值 1.00 美元的普通股	100%
Mr. Hu Hanchao 胡漢朝先生	The Company 本公司	Interest of controlled corporation (Note 4) 受控制法團權益(附註 4)	75,000,000 ordinary shares of HK\$0.10 each 75,000,000 股每股面值 0.10 港元的普通股	15%
	Leading Innovation Worldwide Corporation ("Leading Innovation")	Beneficial owner 實益擁有人	1 ordinary share of US\$1.00 1 股面值 1.00 美元的普通股	100%
Mr. Chen Riyue 陳日月先生	The Company 本公司	Interest of controlled corporation (Note 5) 受控制法團權益(附註 5)	15,000,000 ordinary shares of HK\$0.10 each 15,000,000 股每股面值 0.10 港元的普通股	3%
	Fortune View Services Limited ("Fortune View")	Interest of spouse 配偶權益	1 ordinary share of US\$1.00 1 股面值 1.00 美元的普通股	100%
Ms. Chen Wei 陳威女士	The Company 本公司	Beneficial owner 實益擁有人	818,000 ordinary shares of HK\$0.10 each 818,000 股每股面值 0.10 港元的普通股	0.16%

Directors' Report

董事會報告

Notes:

1. All the interests stated above represent long positions. The percentage shown was the number of shares the relevant directors or chief executive was interested in expressed as a percentage of the number of issued shares as at 31 December 2021.
2. These shares were held by Gorgeous Rich, which was wholly owned by Mr. Hu Zheng. By virtue of the SFO, Mr. Hu Zheng was deemed to be interested in the shares held by Gorgeous Rich.
3. These shares were held by Golden Century, which was wholly owned by Mr. Hu Hancheng. By virtue of the SFO, Mr. Hu Hancheng was deemed to be interested in the shares held by Golden Century.
4. These shares were held by Leading Innovation, which was wholly owned by Mr. Hu Hanchao. By virtue of the SFO, Mr. Hu Hanchao was deemed to be interested in the shares held by Leading Innovation.
5. These shares were held by Fortune View, which was wholly owned by Ms. Hu Jianwen, a spouse of Mr. Chen Riyue. By virtue of the SFO, Mr. Chen Riyue was deemed to be interested in the shares held by Fortune View.

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

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

附註：

1. 上述所有權益均為好倉。所示百分比為相關董事或主要行政人員擁有權益的股份數目，以佔二零二一年十二月三十一日已發行股份數目百分比表示。
2. Gorgeous Rich持有該等股份，而胡正先生全資擁有Gorgeous Rich。根據證券及期貨條例，胡正先生被視為於Gorgeous Rich所持有的股份擁有權益。
3. Golden Century持有該等股份，而胡漢程先生全資擁有Golden Century。根據證券及期貨條例，胡漢程先生被視為於Golden Century所持有的股份擁有權益。
4. Leading Innovation持有該等股份，而胡漢朝先生全資擁有Leading Innovation。根據證券及期貨條例，胡漢朝先生被視為於Leading Innovation所持有的股份擁有權益。
5. Fortune View持有該等股份，而陳日月先生之配偶胡健雯女士全資擁有Fortune View。根據證券及期貨條例，陳日月先生被視為於Fortune View所持有的股份擁有權益。

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

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

Directors' Report

董事會報告

Substantial Shareholders' Interests in the Securities of the Company

As at 31 December 2021, so far as are known to any directors or chief executive(s) of the Company, the following parties (other than directors or chief executive(s) of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company.

主要股東於本公司證券的權益

於二零二一年十二月三十一日，就任何董事或本公司主要行政人員所知，下列人士（非董事及本公司主要行政人員）須根據證券及期貨條例第336條記錄於本公司所存置登記冊內，或因其他原因知會本公司其直接或間接擁有或被視為擁有本公司已發行股本5%或以上的權益。

Name of Shareholder 股東名稱	Capacity/ Nature of interest 身份／權益性質	Number and class of shares held in the Company percentage (Note 1) 所持本公司股份數目及類別(附註1)	Approximate shareholding percentage 股權概約百分比
Gorgeous Rich (Note 2) Gorgeous Rich(附註2)	Beneficial owner 實益擁有人	191,250,000 ordinary shares of HK\$0.10 each 191,250,000股每股面值0.10港元的普通股	38.25%
Ms. Li Lifan (Note 2) 李麗芬女士(附註2)	Interest of spouse 配偶權益	191,250,000 ordinary shares of HK\$0.10 each 191,250,000股每股面值0.10港元的普通股	38.25%
Golden Century (Note 3) Golden Century(附註3)	Beneficial owner 實益擁有人	93,750,000 ordinary shares of HK\$0.10 each 93,750,000股每股面值0.10港元的普通股	18.75%
Ms. Li Siyuan (Note 3) 李思媛(附註3)	Interest of spouse 配偶權益	93,750,000 ordinary shares of HK\$0.10 each 93,750,000股每股面值0.10港元的普通股	18.75%
Leading Innovation (Note 4) Leading Innovation(附註4)	Beneficial owner 實益擁有人	75,000,000 ordinary shares of HK\$0.10 each 75,000,000股每股面值0.10港元的普通股	15.00%
Ms. He Lijuan (Note 4) 何麗娟女士(附註4)	Interest of spouse 配偶權益	75,000,000 ordinary shares of HK\$0.10 each 75,000,000股每股面值0.10港元的普通股	15.00%
RAYS Capital Partners Limited (Note 5) RAYS Capital Partners Limited(附註5)	Investment manager/Beneficial owner/ Interest of controlled corporation 投資經理／實益擁有人／受控制法團 權益	47,542,000 ordinary shares of HK\$0.10 each 47,542,000股每股面值0.10港元的普通股	9.50%

Directors' Report

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

Notes:

附註：

- All the interests stated above represent long positions. The percentage shown was the number of shares in the Company that the relevant director of chief executive was interested in expressed as a percentage of the number of issued shares in the Company as at 31 December 2021.
- Gorgeous Rich is wholly-owned by Mr. Hu Zheng. By virtue of the SFO, Mr. Hu Zheng was deemed to be interested in the shares held by Gorgeous Rich. Ms. Li Lifan is the spouse of Mr. Hu Zheng. Under the SFO, Ms. Li Lifan was taken to be interested in the same number of shares in which Mr. Hu Zheng was interested.
- Golden Century is wholly-owned by Mr. Hu Hancheng. By virtue of the SFO, Mr. Hu Hancheng was deemed to be interested in the shares held by Golden Century. Ms. Li Si Yuan is the spouse of Mr. Hu Hancheng. Under the SFO, Ms. Li Si Yuan was taken to be interested in the same number of shares in which Mr. Hu Hancheng was interested.
- Leading Innovation is wholly-owned by Mr. Hu Hanchao. By virtue of the SFO, Mr. Hu Hanchao was deemed to be interested in the shares held by Leading Innovation. Ms. He Lijuan is the spouse of Mr. Hu Hanchao. Under the SFO, Ms. He Lijuan was taken to be interested in the same number of shares in which Mr. Hu Hanchao was interested.
- Asian Equity Special Opportunities Portfolio Master Fund Limited ("Asian Equity") is wholly-owned by RAYS Capital Partners Limited. Therefore, RAYS Capital Partners Limited is deemed to be interested in all the Shares held by Asian Equity.
- The shares in RAYS Capital Partners Limited is held by Ruan David Ching-chi. Therefore, he is deemed interested in all the Shares held by RAYS Capital Partners Limited.

- 上述所有權益均為好倉。所示百分比為相關股東擁有權益的本公司股份數目，以佔二零二一年十二月三十一日本公司已發行股份數目百分比表示。
- 胡正先生全資擁Gorgeous Rich。根據證券及期貨條例，胡正先生被視為於Gorgeous Rich所持有的股份擁有權益。李麗芬女士為胡正先生的配偶。根據證券及期貨條例，李麗芬女士被當作於胡正先生擁有權益的相同數目股份中擁有權益。
- 胡漢程先生全資擁有Golden Century。根據證券及期貨條例，胡漢程先生被視為於Golden Century所持有的股份擁有權益。李思媛女士為胡漢程先生的配偶。根據證券及期貨條例，李思媛女士被當作於胡漢程先生擁有權益的相同數目股份中擁有權益。
- 胡漢朝先生全資擁有Leading Innovation。根據證券及期貨條例，胡漢朝先生被視為於Leading Innovation所持有的股份擁有權益。何麗娟女士為胡漢朝先生的配偶。根據證券及期貨條例，何麗娟女士被當作於胡漢朝先生擁有權益的相同數目股份中擁有權益。
- Asian Equity Special Opportunities Portfolio Master Fund Limited(「Asian Equity」)由RAYS Capital Partners Limited全資擁有。因此，RAYS Capital Partners Limited視為擁有Asian Equity所持股份的全部權益。
- Ruan David Ching-chi先生持有RAYS Capital Partners Limited股份。因此，彼等視為擁有RAYS Capital Partners Limited所持股份的全部權益。

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

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

Directors' Report

董事會報告

Share Option Scheme

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

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

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

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

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

As of 31 December 2021, none of these options has been granted and exercised and all granted options have been cancelled or lapsed.

購股權計劃

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

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

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

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

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

截至二零二一年十二月三十一日，該等購股權並未授出及行使及所有授出的購股權已註銷或失效。

Directors' Report

董事會報告

Share Award Scheme

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

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

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

Equity-linked Agreements

Other than the Share Option Scheme of the Company as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during.

Connected Transactions

Certain related party transactions as disclosed in note 41 to the consolidated financial statements also constituted connected transactions under the Listing Rules, and are required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the Company have been entered into and/or are ongoing for which relevant disclosure had been made by the Company in the announcement dated 1 January 2020.

股份獎勵計劃

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

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

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

股票掛鈎協議

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

關連交易

財務報表附註41所披露的若干關連方交易根據上市規則亦構成關連交易，且須根據上市規則第14A章予以披露。若干關連方(定義見上市規則)與本公司已訂立下列交易及/或若干關連方與本公司訂立的下列交易已持續進行，且本公司已於二零二零年一月一日的公告內作出相關披露。

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One-off Connected Transactions

In December 2021, Zhongshan Rengo Hung Hing Paper Manufacturing Company Limited (“**Hung Hing**”), a non-wholly owned subsidiary of the Company and Shanghai Rengo Packaging Decoration Company Limited* (上海聯合包裝裝潢有限公司) (“**Shanghai Rengo**”), a limited company established in the PRC, and Wuxi Rengo Packaging Company Limited* (無錫聯合包裝有限公司) (“**Wuxi Rengo**”), a limited company established in the PRC and owned as to 91% and 9% by Shanghai Rengo and Rengo Company Limited* (レンゴ株式会社一株式会社). Shanghai Rengo and Wuxi Rengo provided an extension of financial guarantees to Hung Hing to secure the banking facilities with an aggregate amount of RMB1,800,000.

Continuing Connected Transactions

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

Non-Exempt Continuing Connected Transactions

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

Leasing of Premises

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

- Date and subject matter of each tenancy agreement:
 - Tenancy agreement dated 1 January 2020 (the “**First Tenancy Agreement**”) in relation to the letting of premises located at Dongcheng Road, Dongshen Town, Zhongshan City, Guangdong Province, the PRC for use as our production site with a total gross floor area of approximately 36,475 sq.m..
 - Tenancy agreement dated 1 January 2020 (the “**Second Tenancy Agreement**”) in relation to the letting of premises located at No. 126 Dongcheng Road, Dongshen Town, Zhongshan City, Guangdong Province, the PRC for use as our production site with a total gross floor area of approximately 7,844 sq.m..

一次性關連交易

於二零二一年十二月，本公司的非全資附屬公司中山聯合鴻興造紙有限公司(「**鴻興**」、上海聯合包裝裝潢有限公司(「**上海聯合**」)(於中國成立的有限公司)及無錫聯合包裝有限公司(「**無錫聯合**」)(於中國成立的有限公司，上海聯合及聯合株式会社*(レンゴ株式会社)分別持有91%及9%股份)。上海聯合及無錫聯合向聯合提供延期財務擔保，使鴻興繼續取得金額為人民幣1,800,000元的已抵押銀行授信之財務擔保。

持續關連交易

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

不獲豁免持續關連交易

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

租用物業

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

- 各租賃協議的日期及要旨：
 - 二零二零年一月一日(「**第一份租賃協議**」)，內容有關租用位於中國廣東省中山市東升鎮東成路的物業，作為我們的生產地點，總建築樓面面積約為36,475平方米。
 - 二零二零年一月一日(「**第二份租賃協議**」)，內容有關租用位於中國廣東省中山市東升鎮東成路126號的物業，作為我們的生產地點，總建築樓面面積約為7,844平方米。

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- Tenancy agreement dated 1 January 2020 (the “**Third Tenancy Agreement**”) in relation to the letting of premises located at Nos. 119 and 126 Dongcheng Road, Dongshen Town, Zhongshan City, Guangdong Province, the PRC for use as our workshop and canteen respective site with total gross floor areas of approximately 2,622 sq.m. and 304 sq.m. respectively.
 - Monthly rental and management fee payable:
 - The First Tenancy Agreement is in amount of RMB459,605.
 - The Second Tenancy Agreement is in amount of RMB98,833.
 - The Third Tenancy Agreement is in amount of RMB36,867.
 - The monthly rent payable for the renewal term under each of the renewed Tenancy Agreements will be the then market rent provided that any upward adjustment to the monthly rent will be subject to a cap of not more than 10% of the monthly rent payable immediately prior to the expiration of the original term.
 - Rental deposit paid:
 - The First Tenancy Agreement in amount of RMB300,000.
 - The Second Tenancy Agreement in amount of RMB100,000.
 - The Third Tenancy Agreement in amount of RMB50,000.
- During the year, the rental and management fee of the premises from Zheng Ye Leasing amounted to VAT inclusive of RMB7,143,660 (2020: RMB7,143,660).
- The independent non-executive Directors have reviewed the above continuing connected transactions of the Company and have confirmed that these transactions have been entered into:
- (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms; and
 - (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.
- 二零二零年一月一日(「**第三份租賃協議**」)，內容有關租位於中國廣東省中山市東升鎮東成路119及126號的物業，分別作為我們的車間及餐區，總建築樓面面積分別約為2,622平方米及304平方米。
 - 每月應付租金及管理費：
 - 第一份租賃協議金額為人民幣459,605元。
 - 第二份租賃協議金額為人民幣98,833元。
 - 第三份租賃協議金額為人民幣36,867元。
 - 各項租賃協議續約後的每月應付租金，按當時市值租金計算，但每月租金如有調升，將以不超過緊接原期限屆滿之前的每月應付租金10%為限。
 - 已付租金按金：
 - 第一份租賃協議金額為人民幣300,000元。
 - 第二份租賃協議金額為人民幣100,000元。
 - 第三份租賃協議金額為人民幣50,000元。
- 年內，來自正業集團已包括增值稅的物業租金及管理費為人民幣7,143,660元(二零二零年：人民幣7,143,660元)。
- 獨立非執行董事已審閱本集團上述持續關連交易，並確認該等交易：
- (i) 在本集團正常及日常業務過程中訂立；
 - (ii) 按一般商業條款訂立；及
 - (iii) 按對本公司股東屬公平合理且符合其整體利益的條款，根據規管各項交易的相關協議訂立。

Directors' Report

董事會報告

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

- (i) the above continuing connected transactions have been approved by the board of Directors;
- (ii) the above continuing connected transactions have been entered into in accordance with the terms of the agreements governing such transactions; and
- (iii) the respective cap amounts set out in the relevant agreements referred to above have not been exceeded.

Charitable Donations

During the Reporting Period, the Group made charitable donations of RMB1,763,000.

Corporate Governance

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

Mode Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. All the Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2021.

Major Customers and Suppliers

In the year under review, 19.22% of the Group's revenue was attributable to the Group's five largest customers and sales to the Group's largest customer accounted for 5.12% of the Group's revenue for the year. 50% of the Group's total purchases was attributable to the Group's five largest supplier and purchases from the Group's largest supplier accounted for 16.03% of the Group's total purchases.

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

本公司核數師已向董事會匯報，於財政年度：

- (i) 上述持續關連交易已經董事會批准；
- (ii) 上述持續關連交易已根據規管該等交易的協議之條款訂立；及
- (iii) 上述有關協議各自的上限並未超越。

慈善捐款

於報告期內，本集團慈善捐款人民幣1,763,000元。

企業管治

本公司企業管治常規的詳情載於本年報企業管治報告。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則作為董事進行證券交易的操守守則。經本公司向全體董事作出具體查詢後，彼等均確認截至二零二一年十二月三十一日止年度一直遵守標準守則所載的規定準則。

主要客戶及供應商

於回顧年度，本集團五大客戶應佔本集團收益的19.22%，且向本集團最大客戶作出的銷售額佔本集團於本年度收益的5.12%。本集團五大供應商應佔本集團總採購額的50%，且向本集團最大供應商作出的採購額佔本集團總採購額的16.03%。

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

Directors' Report

董事會報告

Directors' Interests in Competing Business

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

Sufficiency of Public Float

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

Auditor

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

By order of the Board

Hu Zheng
Chairman

Hong Kong, 25 March 2022

董事於競爭性業務的權益

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

足夠公眾持股量

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

核數師

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

承董事會命

胡正
董事長

香港，二零二二年三月二十五日

Independent Auditor's Report

獨立核數師報告

Deloitte

德勤

TO THE SHAREHOLDERS OF ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED

正業國際控股有限公司

(incorporated in Bermuda with limited liability)

致正業國際控股有限公司股東
(於百慕達註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Zhengye International Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**”) set out on pages 64 to 169, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

意見

吾等已審計正業國際控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)載於第64至169頁的綜合財務報表，當中包括於二零二一年十二月三十一日的綜合財務狀況表，以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，該等綜合財務報表已根據香港會計師公會(「**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**」)真實而公平地反映 貴集團於二零二一年十二月三十一日的綜合財務狀況及截至該日止年度其綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見的基礎

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

關鍵審計事項

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

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

Key audit matter 關鍵審計事項

Impairment assessment of trade receivables not backed by bank bills and contract assets 無銀行票據為後盾的貿易應收款項及合約資產的減值評估

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

吾等將無銀行票據為後盾的貿易應收款項及合約資產的減值評估識別為關鍵審計事項，乃由於確定預期信貸虧損（「預期信貸虧損」）撥備涉及管理層判斷及估計。

As disclosed in notes 4 and 39 to the consolidated financial statements, the ECL on contract assets and trade receivables not backed by bank bills is assessed individually for debtors and contract assets with significant balances or credit-impaired and/or collectively using a provision matrix with appropriate groupings based primarily on the debtors' ageing profiles. The provision rates applied in the provision matrix are estimated using the historical observed default rates of the debtors and contract assets taking into consideration forward-looking information that is reasonable, supportable and available to the directors of the Company without undue costs or effort, and are updated if considered to be required. 誠如綜合財務報表附註4及39所披露，就合約資產及無銀行票據為後盾的貿易應收款項而言，對於具有大額結餘或出現信貸減值的賬款及合約資產，預期信貸虧損會以單獨形式及／或使用主要基於債務人賬齡資料的適當分組的撥備矩陣的集體形式進行評估。撥備矩陣所使用撥備率，乃利用過往觀察的賬款及合約資產違約率，計及本公司董事毋須花費不必要的成本或費力即可獲取的合理有根據（且在必要情況下更新）的前瞻性資料後進行估計。

As disclosed in notes 21 and 23 to the consolidated financial statements, the carrying amount of trade receivables not backed by bank bills and contract assets as at 31 December 2021, are RMB783,053,000 (net of allowance for credit losses of RMB7,312,000) and RMB15,550,000 (net of allowance for credit losses of nil), respectively.

誠如綜合財務報表附註21及23所披露，於二零二一年十二月三十一日，無銀行票據為後盾的貿易應收款項及合約資產的賬面值分別為人民幣783,053,000元（扣除信貸虧損撥備人民幣7,312,000元）及人民幣15,550,000元（扣除信貸虧損撥備零）。

關鍵審計事項(續)

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

Our procedures in relation to the impairment assessment of the trade receivables not backed by bank bills and contract assets included:

吾等就無銀行票據為後盾的貿易應收款項及合約資產的減值評估所進程序包括：

- Obtaining an understanding of the management process in assessing the estimated provision for ECL for trade receivables not backed by bank bills and contract assets;
- 了解管理層對於無銀行票據為後盾的貿易應收款項及合約資產評估預期信貸虧損的估計撥備的程序；
- Evaluating the reasonableness of the management's determination of the estimated loss rates (with reference to historical default rates, internal credit rating, and publicly available forward-looking information);
- 評估管理層經參考過往違約率、內部信貸評級、公開可獲取前瞻性資料後確定估計虧損率是否合理；
- Testing the accuracy of the ageing analysis of the trade receivables not backed by bank bills on a sample basis to the supporting documents;
- 抽樣檢查支持文件，檢查無銀行票據為後盾的貿易應收款項的賬齡分析的準確性；
- Checking the accuracy of the management's calculation of ECL for trade receivables not backed by bank bills and contract assets under provision matrix;
- 檢查管理層就無銀行票據為後盾的貿易應收款項及合約資產根據撥備矩陣所計算預期信貸虧損的準確性。
- Evaluating the historical accuracy of estimated provision for ECL for trade receivables not backed by bank bills and contract assets.
- 評估過往對並無銀行票據為後盾的貿易應收款項及合約資產所估計撥備的準確性。

Independent Auditor's Report

獨立核數師報告

Other Information

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

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

其他資料

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

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

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

董事及管治層就綜合財務報表須承擔的責任

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

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

管治層須負責監督 貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表須承擔的責任

吾等的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅按照百慕達公司法第90條向閣下(作為整體)報告吾等的意見，除此之外本報告別無其他目的。吾等不會就本報告的內容對任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期錯誤陳述單獨或匯總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關錯誤陳述被視為重大。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的恰當性及所作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或倘有關披露不足，則吾等應當發表非無保留意見。吾等的結論是基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

Independent Auditor's Report

獨立核數師報告

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in the independent auditor's report is Stephen C. L. Yuen.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 March 2022

核數師就審核綜合財務報表須承擔的責任 (續)

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

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

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

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

出具本獨立核數師報告的審計項目合夥人是袁忠亮。

德勤•關黃陳方會計師行
執業會計師
香港
二零二二年三月二十五日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

		NOTES 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue	收入	5	3,558,009	2,493,041
Cost of sales	銷售成本		(2,881,037)	(2,102,176)
Gross profit	毛利		676,972	390,865
Other income	其他收入	7	50,715	26,287
Impairment losses under expected credit loss model, net of reversal	根據預期信貸虧損模型計提減值虧損，扣除撥回	8	(1,288)	(5,055)
Other gains and losses	其他收益及虧損	9	(26,276)	(2,201)
Distribution and selling expenses	分銷及銷售費用		(98,569)	(72,651)
Administrative expenses	行政開支		(169,821)	(141,327)
Finance costs	融資成本	10	(62,831)	(49,615)
Other expenses	其他開支		(470)	(1,926)
Research and development costs	研發開支		(131,116)	(79,446)
Profit before tax	除稅前溢利	11	237,316	64,931
Income tax expense	所得稅開支	12	(29,038)	(2,371)
Profit and total comprehensive income for the year	年內溢利及全面收益總額		208,278	62,560
Profit and total comprehensive income for the year attributable to:	以下人士應佔年內溢利及全面收益總額：			
Owners of the Company	本公司擁有人		160,841	54,772
Non-controlling interests	非控股權益		47,437	7,788
			208,278	62,560
Earnings per share	每股盈利			
Basic (RMB)	基本(人民幣)	16	0.32	0.11

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2021
於二零二一年十二月三十一日

		NOTES 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Non-current Assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	1,132,113	1,040,423
Right-of-use assets	使用權資產	18	193,094	197,943
Intangible assets	無形資產	19	5,416	4,120
Deferred tax assets	遞延稅項資產	31	11,223	7,265
Deposits for acquisition of property, plant and equipment	購置物業、廠房及設備的按金		29,499	30,137
			1,371,345	1,279,888
Current Assets	流動資產			
Inventories	存貨	20	223,283	169,750
Trade and other receivables	貿易及其他應收款項	21	1,101,478	922,741
Contract assets	合約資產	23	15,550	18,628
Tax recoverable	可回收稅項		323	–
Pledged bank deposits	已抵押銀行存款	24	92,368	106,401
Bank balances and cash	銀行結餘及現金	24	229,581	185,367
			1,662,583	1,402,887
Current Liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	25	337,347	259,447
Consideration payables	應付代價款項	26	5,818	11,956
Tax liabilities	稅項負債		11,521	6,461
Bank and other borrowings	銀行及其他借款	27	1,022,356	1,025,339
Lease liabilities	租賃負債	28	15,458	14,226
Contract liabilities	合約負債	29	8,025	3,583
Amounts due to directors	應付董事款項	30	443	507
			1,400,968	1,321,519
Net Current Assets	流動資產淨值		261,615	81,368
Total Assets Less Current Liabilities	資產總值減流動負債		1,632,960	1,361,256

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2021
於二零二一年十二月三十一日

		NOTES 附註	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Capital and Reserves	資本及儲備			
Share capital	股本	32	41,655	41,655
Share premium and reserves	股本溢價及儲備		1,069,867	924,026
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,111,522	965,681
Non-controlling interests	非控股權益		270,430	223,893
Total Equity	權益總額		1,381,952	1,189,574
Non-current Liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	31	8,737	6,787
Consideration payables	應付代價款項	26	5,681	10,875
Bank and other borrowings	銀行及其他借款	27	169,098	86,004
Lease liabilities	租賃負債	28	29,857	30,998
Deferred income	遞延稅項收入	34	37,635	37,018
			251,008	171,682
			1,632,960	1,361,256

The consolidated financial statements on pages 64 to 169 were approved and authorised for issue by the board of directors on 25 March 2022 and are signed on its behalf by:

董事會於二零二二年三月二十五日批准及授權刊發第64至169頁的綜合財務報表，並由以下人士代為簽署：

Hu Zheng
胡正
DIRECTOR
董事

Hu Hancheng
胡漢程
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests		Total
		Share capital 股本	Share premium 股本溢價	Statutory reserve 法定儲備	Other reserve 其他儲備	Retained profits 留存溢利	Sub-total 小計	非控股權益	
		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
At 1 January 2020	於二零二零年一月一日	41,655	92,968	135,174	(23,389)	679,501	925,909	198,498	1,124,407
Profit and total comprehensive income for the year	年度溢利及全面收益總額	-	-	-	-	54,772	54,772	7,788	62,560
Acquisition of a subsidiary (note 35)	收購附屬公司(附註35)	-	-	-	-	-	-	14,407	14,407
Capital contribution from a non-controlling interest	非控股股東投入資本	-	-	-	-	-	-	3,200	3,200
Dividend paid (note 15)	已付股息(附註15)	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Transfer to statutory reserve	轉撥至法定儲備	-	-	1,283	-	(1,283)	-	-	-
Transfer upon closure of a subsidiary	附屬公司結業時轉撥	-	-	(1,546)	-	1,546	-	-	-
At 31 December 2020	於二零二零年十二月三十一日	41,655	92,968	134,911	(23,389)	719,536	965,681	223,893	1,189,574
Profit and total comprehensive income for the year	年度溢利及全面收益總額	-	-	-	-	160,841	160,841	47,437	208,278
Dividend paid (note 15)	已付股息(附註15)	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Dividend paid to a non-controlling interest	已付非控股股東股息	-	-	-	-	-	-	(900)	(900)
Transfer to statutory reserve	轉撥至法定儲備	-	-	7,289	-	(7,289)	-	-	-
At 31 December 2021	於二零二一年十二月三十一日	41,655	92,968	142,200	(23,389)	858,088	1,111,522	270,430	1,381,952

Notes:

附註:

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

(a) 根據中華人民共和國(「中國」)有關法律法規，於中國成立的附屬公司須於派發股息前透過撥出彼等各自的法定純利(基於該附屬公司的中國法定財務報表)就中國法定儲備作出撥備。

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

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

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

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

(b) The amount mainly relates to reserve arising from group reorganisation carried out by the Group (as defined in note 1) in preparation for the public listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2011.

(b) 該金額主要與本集團於二零一一年籌備本公司股份於香港聯合交易所有限公司(「聯交所」)上市進行集團重組(定義見附註1)所產生儲備相關。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	237,316	64,931
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	62,831	49,615
Interest income	利息收入	(4,573)	(5,153)
Impairment losses recognised on trade and other receivables	已確認貿易及其他應收款項減值虧損	1,288	5,055
Depreciation of property, plant and equipment	物業、廠房及設備折舊	96,105	91,508
Depreciation of right-of-use assets	使用權資產折舊	20,331	21,034
Amortisation of intangible assets	無形資產攤銷	602	-
Impairment losses recognised on property, plant and equipment	已確認物業、廠房及設備減值虧損	22,229	1,215
Covid-19-related rent concessions	Covid-19相關租金優惠	-	(1,411)
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備虧損，淨額	1,377	2,280
Exchange gain on borrowings	借款產生的匯兌收益	(930)	(3,486)
Government grants amortised from deferred income	以遞延收入攤銷的政府補貼	(4,488)	(4,100)
Operating cash flows before movements in working capital	營運資本變動前經營現金流量	432,088	221,488
Increase in inventories	存貨增加	(54,869)	(14,952)
Increase in trade and other receivables	貿易及其他應收款項增加	(655,183)	(358,690)
Decrease (increase) in contract assets	合約資產減少(增加)	3,078	(1,671)
Increase (decrease) in trade and other payables	貿易及其他應付款項增加(減少)	101,833	(49,285)
Increase in contract liabilities	合約負債增加	4,442	1,368
(Decrease) increase in amounts due to directors	應付董事款項(減少)增加	(64)	153
Cash used in operations	經營業務所用現金	(168,675)	(201,589)
Income tax paid	已付所得稅	(26,309)	(585)
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	(194,984)	(202,174)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
	NOTE 附註		
INVESTING ACTIVITIES	投資業務		
Interest received	已收利息	5,556	5,057
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	26,289	2,812
Purchases of property, plant and equipment	購置物業、廠房及設備	(206,226)	(132,763)
Purchases of intangible assets	購買無形資產	(562)	(1,498)
Deposits paid for acquisition of property, plant and equipment	購置物業、廠房及設備所付按金	(29,499)	(30,137)
Net cash outflow on acquisition of a subsidiary	收購附屬公司現金流出淨額	-	(18,211)
Consideration paid for acquisition of a subsidiary	收購附屬公司所付代價	(12,130)	-
Placement of pledged bank deposits	存入已抵押銀行存款	(200,339)	(311,775)
Withdrawal of pledged bank deposits	取出已抵押銀行存款	214,372	345,278
Receipt of government grant relating to non-current assets	收取有關非流動資產之政府補貼	5,105	2,200
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額	(197,434)	(139,037)
FINANCING ACTIVITIES	融資業務		
Interest paid	已付利息	(62,033)	(48,413)
Dividend paid	已付股息	(15,000)	(15,000)
Dividend paid to a non-controlling interest	已付非控股股東股息	(900)	-
Repayment of bank and other borrowings	償還銀行及其他借款	(852,547)	(602,142)
Repayments of lease liabilities	償還租賃負債	(15,391)	(14,026)
Capital contribution from a non-controlling interest	非控股股東投入資本	-	3,200
Repayment of amount due to a non-controlling interest	償還非控股股東款項	-	(21,468)
New bank and other borrowings raised	新造銀行及其他借款	1,382,503	993,338
NET CASH FROM FINANCING ACTIVITIES	融資業務所得現金淨額	436,632	295,489
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	44,214	(45,722)
CASH AND CASH EQUIVALENTS	現金及現金等價物		
At 1 January	於一月一日	185,367	231,089
CASH AND CASH EQUIVALENTS	現金及現金等價物		
At 31 December represented by bank balances and cash	於十二月三十一日即銀行結餘及現金	229,581	185,367

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

1. General Information

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

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

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

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

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

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
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1. 一般資料

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

本公司為一家投資控股公司。胡正先生、胡漢程先生、胡漢朝先生及胡健雯小姐累計共同擁有本公司75%股票並為一致行動人士，被視為本公司控股股東。

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

綜合財務報表乃以人民幣（「人民幣」）列值，人民幣為本公司及主要附屬公司營運所在的主要經濟環境的貨幣。

2. 應用香港財務報告準則（「香港財務報告準則」）修訂本 於本年度強制生效之香港財務報告準則修訂本

於本年度，本集團於編製綜合財務報表時已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則修訂本，該等修訂本於二零二一年一月一日或之後開始的年度期間強制生效：

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）	<i>利率基準改革 — 第二期</i>
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Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

2. Application of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued) Amendments to HKFRSs that are mandatorily effective of the current year (Continued)

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except as described below, the application of the agenda decision of the Committee in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures*.

The amendments have had no impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank borrowings measured at amortised cost. Additional disclosures as required by HKFRS 7 are set out in note 39.

2. 應用香港財務報告準則(「香港財務報告準則」)修訂本(續)

於本年度強制生效之香港財務報告準則修訂本(續)

此外，本集團已應用國際會計準則委員會於二零二一年六月頒佈的國際會計準則詮釋委員會(「委員會」)的議程決定，該決定澄清實體於釐定存貨的可變現淨值時應列為「進行銷售所需估計成本」的成本項目。

除下文所述者外，於本年度應用委員會的議程決定對本集團於本年度及以往年度的財務狀況及表現及／或載列於本綜合財務報表的披露事項並無重大影響。

應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)利率基準改革－第二期的影響

本集團已於本年度首次應用該修訂本。該修訂本與利率基準改革引致修改釐定金融資產、金融負債及租賃負債的合約現金流量的基準、特定對沖會計處理要求以及應用香港財務報告準則第7號*金融工具：披露*有關。

由於本年度並無相關合約過度至相關替代利率，該修訂本對本綜合財務報表並無造成任何影響。本集團將就按攤銷成本計量將利率基準改革引致修改按攤銷成本計量的銀行借款的合約現金流量採用權宜辦法。香港財務報告準則第7號所規定額外披露載於附註39。

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綜合財務報表附註

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2. Application of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued) New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	<i>Insurance Contracts and the related Amendments</i> ³
Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> ¹
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i> ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> ³
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> ³
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ³
Amendments to HKAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i> ²
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i> ²
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2018–2020</i> ²

¹ Effective for annual periods beginning on or after 1 April 2021.

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

³ Effective for annual periods beginning on or after 1 January 2023.

⁴ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate the application of all new and amendments to HKFRSs will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

2. 應用香港財務報告準則(「香港財務報告準則」)修訂本(續) 已頒佈惟尚未生效的新訂香港財務報告準則及準則修訂本

本集團並無提前應用以下已頒佈惟尚未生效的新訂香港財務報告準則及準則修訂本：

香港財務報告準則第17號	<i>保險合約及相關修訂</i> ³
香港財務報告準則第3號(修訂本)	<i>提述概念框架</i> ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)	<i>投資者與其聯營公司或合營企業間的資產出售或注資</i> ⁴
香港財務報告準則第16號(修訂本)	<i>2021年6月30日往後與Covid-19相關的租金優惠</i> ¹
香港會計準則第1號(修訂本)	<i>將負債分類為流動或非流動以及對香港詮釋第5號之相關修訂(2020年)</i> ³
香港會計準則第1號及香港財務報告準則實務聲明第2號(修訂本)	<i>會計政策披露</i> ³
香港會計準則第8號(修訂本)	<i>會計估計定義</i> ³
香港會計準則第12號(修訂本)	<i>與單一交易產生的資產及負債相關的遞延稅項</i> ³
香港會計準則第16號(修訂本)	<i>物業、廠房及設備 – 擬訂用途前的所得款項</i> ²
香港會計準則第37號(修訂本)	<i>繁苛合約 – 履行合約的成本</i> ²
香港財務報告準則(修訂本)	<i>香港財務報告準則2018年至2020年週期之年度改進</i> ²

¹ 於二零二一年四月一日或之後開始之年度期間生效。

² 於二零二二年一月一日或之後開始之年度期間生效。

³ 於二零二三年一月一日或之後開始之年度期間生效。

⁴ 於待定日期或之後開始之年度期間生效。

本公司董事預期，應用所有已頒佈惟尚未生效的新訂香港財務報告準則及準則修訂本於可見將來不會對本集團綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
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3. Significant Accounting Policies

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

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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

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

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

3. 重大會計政策

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

本公司董事於批准綜合財務報表時合理預期本集團有充足資源可於可見未來持續經營。因此，彼等於編製本綜合財務報表時繼續採用持續經營基準的會計處理。

綜合財務報表乃按各歷史成本基準於各報告期末編製，詳情載於下文所載會計政策。

歷史成本一般基於交換商品和服務時所考慮的對價的公允值。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. Significant Accounting Policies (Continued)

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

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

The significant accounting policies are set out below.

Basis of consolidation

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

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

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

3. 重大會計政策(續)

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

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

主要會計政策載列如下。

綜合基準

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
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3. Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

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

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

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

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

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

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

3. 重大會計政策(續)

綜合基準(續)

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

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

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

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

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

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

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綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Business combinations

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

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

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

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

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

3. 重大會計政策(續)

業務合併

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

除若干確認豁免外，可識別的收購資產及承擔負債必須符合編製及呈列財務報表之框架(已由二零二零年十月頒佈的財務報告概念框架取代)對資產及負債的定義。

於收購日期，可識別的收購資產及承擔負債按彼等的公允值確認，惟以下項目除外：

- 遞延稅項資產或負債，以及有關僱員福利安排的資產或負債乃分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量。
- 租賃負債按剩餘租賃付款額(定義見香港財務報告準則第16號)的現值確認和計量，如同已獲得的租賃在購買日為新租賃一樣，但(a)租賃期限自收購日期起12個月內結束；或(b)相關資產的價值低的租賃除外。使用權資產按相關租賃負債相同金額確認和計量，並進行調整以反映該租賃與市場條款相比有利或不利的條件。

商譽乃按所轉讓的代價、收購對象中任何非控股權益及買方先前已持有收購對象股權權益的公允值(如有)之總和，減可識別的收購資產及承擔負債於收購日期的淨值後所超出的差額計量。倘經重估後，可識別的收購資產及承擔負債於收購日期的淨額高於所轉讓代價、收購對象中任何非控股權益及買方先前已持有收購對象股權權益的公允值(如有)之總和，則超出的差額即時於損益內確認為議價購買收益。

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3. Significant Accounting Policies (Continued)

Business combinations (Continued)

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

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

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

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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

3. 重大會計政策(續)

業務合併(續)

屬現時擁有權益、在發生清盤的情況下持有人有權按比例分佔相關實體淨資產的非控股權益，初步按非控股權益按比例分佔收購對象所確認可識別資產淨值或公允計量。計量基準乃逐項交易作出選擇。

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

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

來自客戶合約的收入

本集團於(或隨著)完成履約責任時(即與特定履約責任相關的貨品或服務的「控制權」獲轉讓予客戶時)確認收入。

履約責任指一項貨品或服務(或一攬子貨品或服務)屬大致上相同的獨立或一系列獨立貨品或服務。

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綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Revenue from contracts with customers (Continued)

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

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

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

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

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

3. 重大會計政策(續)

來自客戶合約的收入(續)

控制權隨時間轉讓，而倘符合下列其中一項條件，則收入參考完全達成相關履約責任的進度隨時間確認：

- 本集團履約時，客戶同時收取及消耗本集團履約所提供的利益；
- 本集團履約時，本集團履約創造或提升客戶控制的資產；或
- 本集團履約並無創造本集團可用於其他用途的資產，而本集團擁有可強制執行權利對截至當日完成的履約收取款項。

否則，收入於客戶取得獨立貨品或服務控制權的某一時間點確認。

合約資產指本集團就其已轉讓的貨品或服務收取客戶所付換取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即只需待時間過去代價即須到期支付。

合約負債指本集團因已自客戶收取代價(或到期代價金額)，而須向客戶轉讓貨品或服務的責任。

與同一合約相關的合約資產及合約負債按淨額入賬及呈列。

隨時間確認收入：計量履約責任至履行完畢的進度

履約責任至履行完畢的進度乃根據輸入法計量，即根據本集團對於履行某項履約責任所投入努力或輸入相對履行該履約責任的預期總輸入，以求最清楚說明本集團轉移商品或服務的表現，從而確認收入。

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綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

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

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

Short-term leases

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

3. 重大會計政策(續)

租賃

租賃的定義

倘合約為換取代價而給予在一段時間內控制使用所識別資產的權利，則該合約屬租賃或包含租賃。

就於首次應用香港財務報告準則第16號日期或之後訂立或修訂或自業務合併產生的合約而言，本集團根據香港財務報告準則第16號的定義於初始日期、修訂日期或收購日期(視乎適用者)評估該合約是否屬租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人

將代價分配至合約成分

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，本集團根據租賃成分的相對獨立價格及非租賃成分的總獨立價格，包括對收購包含租賃土地和非租賃樓宇成分物業的擁有權的合約，除非不能可靠地作該等分配。

本集團應用權宜辦法不將非租賃成分與租賃成分分開，而是將租賃成分及任何相關非租賃成分視作單一租賃成分記賬。

短期租賃

對於租期自開始日期起計為12個月或以內且並無包含購買選擇權的汽車及物業的租賃，本集團應用短期租賃確認豁免。短期租賃的租賃款項於租期內按直線法或其他有系統基準確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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截至二零二一年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

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

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

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

Refundable rental deposits

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

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；及
- 於開始日期或之前作出的任何租賃款項，減任何已收租賃優惠。

使用權資產按成本計量，減去任何累計折舊及減值虧損，並就租賃負債的任何重新計量作出調整，惟本集團對Covid-19相關租賃優惠所產生租賃負債調整應用權宜辦法除外。

本集團合理確定可於租期結束時取得相關租賃資產所有權的使用權資產由開始日期起至可使用年期結束止計提折舊。在其他情況下，使用權資產按直線法於其估計可使用年期及租期(以較短者為準)內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為獨立項目。

可退回租金按金

已付可退回租金按金根據香港財務報告準則第9號入賬，並初步按公允值計量。初步確認的公允值調整被視為額外租賃款項，並計入使用權資產的成本內。

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綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

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

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃負債

於租賃開始日期，本集團按該日未付的租賃款項現值確認及計量租賃負債。於計算租賃款項現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。

租賃款項包括：

- 固定付款(包括實質性的固定付款)減任何應收租賃優惠；及
- 在本集團合理確定會行使購買權的情況下，該購買權的行使價。

於開始日期後，租賃負債經應計利息及租賃款項調整。

每當租期有變或有關行使購買權的評估有變，本集團即重新計量租賃負債(並就有關使用權資產作相應調整)，於此情況下，相關租賃負債透過使用於重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。

本集團於綜合財務狀況表內將租賃負債呈列為獨立項目。

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綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Covid-19-related rent concessions

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

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

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

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃修訂

除本集團對Covid-19相關租賃優惠應用權宜辦法外，倘出現以下情況，本集團將租賃修訂入賬列作一項單獨租賃：

- 該項修訂通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 租賃代價增加的金額相當於範圍擴大相應的單獨價格，以及按照特定合約的實際情況對單獨價格進行任何適當調整。

就並無入賬列作一項單獨租賃的租賃修訂而言，本集團基於經修訂租賃的租期，透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃款項，重新計量租賃負債。

本集團對租賃負債重新計量的記賬方法為對相關使用權資產進行相應調整。

Covid-19相關租賃優惠

本集團已選擇對COVID-19疫情直接造成的租賃優惠應用權宜辦法，在符合以下所有條件的情況下不會評估有關變動是否屬於租賃修訂：

- 租賃付款的改動導致租賃經修訂代價大致相等於或低於緊接改動前的租賃代價；
- 任何租賃付款扣減僅對原於二零二一年六月三十日或之前到期的付款構成影響；及
- 該租賃的其他條款及條件並無重大變動。

承租人應用權宜辦法時，對租賃優惠造成租賃付款改動的記賬方法與對應用香港財務報告準則第16號且並非租賃修訂的改動的記賬方法相同。免除或豁免租賃付款記賬為可變租賃付款，透過於事項發生期間於損益確認相應調整，調整相關租賃負債，以反映獲免除或豁免的款項。

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3. Significant Accounting Policies (Continued)

Leases (Continued)

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 *Revenue from Contracts with Customers* to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

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

Foreign currencies

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

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

Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 重大會計政策(續)

租賃(續)

售後租回交易

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

集團作為賣方承租人

對於不符合銷售要求的轉讓，本集團(作為賣方承租人)繼續確認有關資產，並將轉讓所得款項記賬為香港財務報告準則第9號範圍內的借款。

外幣

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

於結算及重新換算貨幣項目時所產生的匯兌差額，於其產生期間在損益內確認。

借款成本

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

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

所有其他借貸成本均於產生期間於損益內確認。

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綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Government grants

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

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

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

Retirement benefit costs

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

Short-term employee benefits

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

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

Taxation

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

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

3. 重大會計政策(續)

政府補貼

當可合理保證本集團符合附帶條件且會收到補貼時，方確認政府補貼。

政府補貼乃於有關補貼擬補償的相關成本獲本集團確認為開支的期間有系統地確認於損益。具體而言，以本集團購買、建造或以其他方式獲得非流動資產為主要條件的政府補貼，於綜合財務狀況表確認為遞延收入，並按相關資產的可使用年期有系統及合理地轉撥至損益。

與應收收入相關的政府補助是作為已產生的開支或虧損補償，或旨在給予本集團即時的財務支援而發放，並無未來相關成本，且在應收期間於損益中確認。該等補貼呈列為「其他收入」。

退休福利成本

國家管理退休福利計劃／強制性公積金計劃的付款在僱員提供可獲取該等供款的服務時確認為開支。

短期僱員福利

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

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

稅項

所得稅開支指即期應付稅項及遞延稅項的總額。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

Taxation (Continued)

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

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

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

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

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

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

3. 重大會計政策(續)

稅項(續)

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

Taxation (Continued)

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

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

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

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

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and machinery in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 重大會計政策(續)

稅項(續)

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

倘有法定權利可將本期稅項資產與本期稅項負債互抵且彼等為同一稅務當局向同一課稅實體所徵收之所得稅，則將遞延稅項資產與負債互抵。

當期及遞延稅項於損益中確認。倘業務合併的初步會計處理引起當期或遞延稅項，則於業務合併的會計處理計及有關稅務影響。

於評估任何不確定稅項處理時，本集團考慮有關稅務當局是否可能接納個別集團實體申報所得稅時使用或擬使用的不確定稅項處理。倘可能性高，則與申報所得稅一致的稅項處理釐定當期及遞延稅項。倘有關稅務當局不太可能接納不確定稅務處理，則透過採用最大可能金額或預期值反映每項不確定性之影響。

物業、廠房及設備

物業、廠房及設備(包括持有作用於生產或供應貨品或服務或作行政用途的樓宇，不包括下文所述在建工程)按成本減其後累計折舊及其後減值虧損(如有)記賬。

供生產、供應或行政用途的在建工程按成本減去任何已確認的減值虧損列賬。成本包括任何直接歸屬將有關資產達到必要地點及狀態可按管理層擬定方式營運的成本，及(就合資格資產而言)根據本集團之會計政策資本化的借貸成本。此等資產的折舊基準與其他物業資產相同，乃於資產可供用於擬定用途時開始計提。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Intangible assets

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

3. 重大會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備項目(在建工程除外)的折舊乃以直線法確認，以撇銷其估計可使用年期內的成本減剩餘價值。估計使用年期及折舊方法乃於各報告期末檢討，估計變動的影響按預先計提的基準入賬。

物業、廠房及設備項目乃於出售後或預期繼續使用該資產不會產生未來經濟利益時終止確認。出售或廢棄物業、廠房及設備項目產生的任何收益或虧損按出售所得款項與資產賬面值間的差額計算，並於損益內確認。

倘本集團為包含租賃土地及樓宇成分的物業擁有權益作出付款，整筆代價按初步確認的相對公允值比例分配至租賃土地與樓宇成分。在可以可靠地分配有關付款的情況下，租賃土地的權益於綜合財務狀況表呈列為「使用權資產」。如不能可靠地將代價分配至非租賃樓宇成分與相關租賃土地不可分割權益，則將整項物業分類為物業、廠房及設備。

無形資產

內部產生無形資產 – 研發開支

研究活動的開支於其產生期間確認為開支。

僅在出現所有下列情況下，來自開發活動(或來自內部項目開發階段)的內部產生無形資產始予以確認：

- 完成無形資產以使其可供使用或出售的技術可行性；
- 完成無形資產及使用或出售無形資產的意圖；
- 使用或出售無形資產的能力；
- 無形資產如何帶來可能的未來經濟利益；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Intangible assets (Continued)

Internally-generated intangible assets – research and development expenditure (Continued)

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

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

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. 重大會計政策(續)

無形資產(續)

內部產生無形資產－研發開支(續)

- 有足夠技術、財務及其他資源以完成開發及使用或出售無形資產；及
- 可靠計量無形資產於開發期間所需開支的能力。

內部產生無形資產的初步確認金額為無形資產於首次符合上述確認準則日期起產生的開支總和。倘並無內部產生無形資產可予確認，開發開支於其產生期間於損益內確認。初步確認後，內部產生無形資產按成本減累計攤銷及累計減值虧損(如有)報告。

無形資產於出售時或預期使用或出售有關資產不會產生未來經濟利益時解除確認。任何因解除確認無形資產而產生的收益及虧損將獲計算為出售所得款項淨額與資產賬面值之間的差額，並於有關資產獲解除確認時於損益內確認。

物業、廠房及機器、使用權資產及無形資產減值

於報告期末，本集團會檢討其物業、廠房及機器、使用權資產及可使用年期有限的無形資產之賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。倘有任何該等跡象，則估計有關資產的可收回款額，以確定減值虧損(如有)的程度。

物業、廠房及機器、使用權資產及無形資產的可收回金額會個別估計。倘不能個別估計資產的可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。

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3. Significant Accounting Policies (Continued)

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

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a cash-generating unit for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 重大會計政策(續)

物業、廠房及機器、使用權資產及無形資產減值(續)

於測試減值的現金產生單位時，當可確立一個合理及一致的分配基準時，分配企業資產至相關現金產生單位，或分配至最小現金產生單位組別直至能確立一個合理及一致的分配基準。可收回金額按企業資產所屬現金產生單位或現金產生單位組別釐定可收回金額，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

可收回金額為公允值減去銷售成本及使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估的貨幣時間值及資產特定風險(就此而言，未來現金流量估計尚未作出調整)。

倘估計資產(或現金產生單位)之可收回金額將少於其賬面值，則資產(或現金產生單位)之賬面值將調減至其可收回金額。就不能按合理及一致的分配基準分配至現金產生單位的企業資產或部份企業資產而言，本集團將一組現金產生單位(包括分配至該組現金產生單位的企業資產或部份企業資產的賬面值)的賬面值與該組現金產生單位的可收回金額進行比較。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公允價值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損在損益內即時確認。

倘減值虧損其後撥回，則增加資產的賬面值(或現金產生單位)至其可收回數額的修訂後估計金額，惟增加後的賬面值不能超過倘於過往年度並無確認該資產(或現金產生單位)的減值虧損而應確定的賬面值。減值虧損的撥回即時確認為收入。

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3. Significant Accounting Policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial liabilities at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. 重大會計政策(續)

存貨

存貨乃按成本與可變現淨值之間較低者列賬。存貨成本以加權平均法釐定。可變現淨值則指存貨的估計售價減去所有估計完工成本及成功出售所需的成本。成功出售所需的成本包括直接歸屬出售之增量成本以及本集團成功出售必須承擔之非增量成本。

股份為基礎的付款

以權益結算的股份為基礎付款交易

向員工授出股票

向員工及其他提供類似服務的以權益結算的股份為基礎付款按授予日期的權益工具公允值計量。

於授予日期釐定以權益結算的股份為基礎付款的公允值(不計及所有非市場的歸屬條件)根據本集團對將最終歸屬的權益工具的估計於歸屬期間以直線法支銷,並相應增加權益(股份為基礎付款儲備)。於各報告期末,本集團根據所有相關非市場的歸屬條件的評估修訂預期歸屬的權益工具數目的估計。修訂原先估計之影響(如有)於損益中確認,以使累計開支反映經修訂估計,並對股份為基礎付款儲備作相應調整。對於在授予日期即時歸屬的股票,所授出股票的公允值即時於損益支銷。

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。所有按常規買賣的金融資產按交易日期基準確認及解除確認。按常規買賣指要求在市場規定或慣例所定時限內交付資產的金融資產買賣。

金融資產及金融負債初步按公允值計量,惟客戶合約產生的貿易應收款項根據香港財務報告準則第15號進行初步計量除外。收購或發行金融資產及金融負債(按公允值計入損益(「按公允值計入損益」)之金融負債除外)直接應佔的交易成本,於初步確認時計入金融資產或金融負債的公允值或自金融資產或金融負債的公允值中扣除(視乎適用者)。收購按公允值計入損益之金融資產或金融負債直接應佔的交易成本即時於損益確認。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. 重大會計政策(續)

金融工具(續)

實際利率法為計算於相關期間內金融資產或金融負債的攤銷成本以及分配利息收入及利息開支的方法。實際利率為將估計未來現金收入及支出(包括構成整體實際利率的所有已付或已收費用及利率差價、交易成本及其他溢價或折讓)按金融資產或金融負債的預期年期或較短期間(視乎適用者)準確貼現至初步確認賬面淨值的利率。

金融資產

金融資產的分類及其後計量

金融資產當符合至以下情況時則其後以攤銷成本計量：

- 金融資產以收取合約現金流量為目的之業務模式持有；及
- 合約條款導致於特定日期僅按未清償本金金額支付本金及利息之現金流量。

此外，倘可對銷或顯著減少會計錯配，本集團可不可撤銷地指定須按攤銷成本計量的金融資產為以按公允值計入損益計量。

攤銷成本及利息收入

其後按攤銷成本計量的金融資產的利息收入按實際利率法確認。利息收入乃對金融資產賬面總值應用實際利率法計算，除非該金融資產其後出現信貸減值(見下文)。就其後出現信貸減值的金融資產，利息收入乃自下一報告期間對該金融資產之攤銷成本應用實際利率法確認。若出現信貸減值的金融工具之信貸風險有所改善而不再出現信貸減值，則利息收入乃自釐定該資產不再出現信貸減值之報告期間開始對該金融資產賬面總值採用實際利率法確認。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, pledged bank deposits and bank balances) and contract assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for contract assets and trade receivables. Trade receivables are categorised into receivables fully backed by bank bills and not backed by bank bills. The ECL on contract assets and trade receivables not backed by bank bills is assessed individually for debtors and contract assets with significant balances or credit-impaired and/or collectively using a provision matrix with appropriate groupings based primarily on the debtors’ ageing profiles. The ECL for debtors with trade receivables backed by bank bills is assessed individually taking into consideration of credit rating and reputation of the banks issuing the bills.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

- (i) Significant increase in credit risk
In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號須進行減值評估的金融資產及合約資產的減值

本集團對根據香港財務報告準則第9號須進行減值評估的金融資產(包括貿易應收款項及其他應收款項、已抵押銀行存款及銀行結餘)及合約資產的減值按預期信貸虧損(「預期信貸虧損」)模型進行減值評估，並於每個報告日期更新預期信貸虧損金額，以反映自初步確認以來信貸風險的變動。

全期預期信貸虧損指有關工具可使用年期內所有可能發生的違約事件所導致的預期信貸虧損，而12個月預期信貸虧損(「12個月預期信貸虧損」)則指全期預期信貸虧損當中，於報告日期後12個月內可能發生的違約事件預期導致的部分。評估工作乃根據本集團過往信貸虧損記錄，並就債務人的特定因素、整體經濟情況以及對報告日期當前情況和未來情況預測的評估等因素予以調整。

本集團無論何時皆對合約資產及貿易應收款項確認全期預期信貸虧損。貿易應收款項分類為全面以銀行票據為後盾的貿易應收款項及無銀行票據為後盾的貿易應收款項。就合約資產及無銀行票據為後盾的貿易應收款項而言，對於具有大額結餘或出現信貸減值的賬款及合約資產，預期信貸虧損會以單獨形式及/或使用主要基於債務人賬齡資料的適當分組的撥備矩陣的集體形式進行評估。就以銀行票據為後盾的貿易應收款項的貿易應收款項而言，賬款的預期信貸虧損會以單獨形式並計及信貸評級及出票銀行的聲譽進行評估。

就所有其他工具而言，本集團以相等於12個月預期信貸虧損計量虧損撥備，除非自初步確認以來信貸風險顯著增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初步確認以來發生違約的可能性或風險是否顯著增加。

- (i) 信貸風險顯著增加
於評估自初步確認以來信貸風險是否顯著增加時，本集團將於報告日期金融工具發生違約之風險與於初步確認日期金融工具發生違約之風險作比較。進行評估時，本集團同時考慮合理及有證據的定性及定量資料，包括過往經驗及毋須花費不必要成本或費力而可取得的前瞻性資料。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號須進行減值評估的金融資產及合約資產的減值(續)

(i) 信貸風險顯著增加(續)

具體而言，以下為評估信貸風險是否顯著增加所考慮的資料：

- 金融工具之外部(如有)或內部信貸評級實質上或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如信用利差、債務人信用違約掉期價格顯著增加；
- 現行或預測業務的不利逆轉，財政或經濟狀況預期會導致債務人顯著減低其履行債務責任的能力；
- 債務人經營業績實質上或預期顯著惡化；
- 債務人於法規、經濟、或技術環境實質或預期的重大不利逆轉導致債務人顯著減低其履行債務責任的能力。

無論上述評估之結果如何，當合約付款逾期超過30天，本集團即假定信貸風險自初步確認以來顯著增加，除非本集團有合理及有證據的資料另作證明。

本集團定期監察用作識別是否出現信貸風險顯著增加的標準之效益，並於適當時候修訂標準，以確保該標準於金額逾期前可識別信貸風險出現顯著增加。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號須進行減值評估的金融資產及合約資產的減值(續)

(ii) 違約的定義

就內部信貸風險管理而言，當內部編製資料或取得外部資料顯示債務人不太可能全數償付其債權人，包括本集團（不計及本集團持有任何抵押品），則本集團認為已發生違約事件。

無論上文所述情況，當金融資產逾期超過90天，本集團認為已發生違約事件，除非本集團具合理及有理據資料顯示使用滯後違約標準更為合適。

(iii) 金融資產出現信貸減值

金融資產在發生一項或多項對該金融資產的估計未來現金流量造成不利影響的違約事件的情況下為出現信貸減值。金融資產出現信貸減值的證據包括對於以下事件的可觀察數據：

- (a) 發行人或借款人存在嚴重財政困難；
- (b) 違反合約，例如拖欠或過期事件；
- (c) 借款人之貸款人因有關借款人財政困難的經濟或合約原因而給予借款人貸款人一般不會考慮的讓步；或
- (d) 借款人有可能面臨破產或其他財務重組。

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綜合財務報表附註

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, other receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

根據香港財務報告準則第9號須進行減值評估的金融資產及合約資產的減值(續)

(iv) 撇銷政策

當有資料顯示對手方存在嚴重財政困難及並無實際把握收回款項，例如，當對手方已進行清盤或已進入破產程序，或(如屬貿易應收款項)當金額乃逾期超過兩年(視乎較早發生者)，則本集團將該金融資產撇銷。本集團仍會根據回收程序對已撇銷的金融資產採取行動，並在適用情況下考慮法律建議。撇銷構成解除確認項目，任何其後收回款項於損益確認。

(v) 計量及確認預期信貸虧損

計量預期信貸虧損為違約概率、假設違約的損失(即發生違約的情況下所蒙受損失規模)與所面臨違約風險的函數。違約概率和假設違約的損失的評估乃基於過往數據並按前瞻性資料作調整。預期信貸虧損的估計反映不偏倚及概率加權金額(以相關違約風險作權重)。本集團採用權宜辦法，使用撥備矩陣估計預期信貸虧損，並計及過往信貸虧損記錄及按毋須花費不必要成本或費力而可取得的前瞻性資料作調整。

一般而言，預期信貸虧損為根據合約所有欠付本集團合約現金流量與本集團於初步確認時預期收到，按實際利率貼現的現金流量之間的差額。

利息收入按金融資產賬面總值計算，惟已出現信貸減值的金融資產則除外，在此情況下，利息收入按金融資產之攤銷成本計算。

本集團就所有金融工具經調整其賬面值於損益賬確認減值收益或虧損，惟貿易應收款項、其他應收款項及合約資產則除外，其相關調整乃通過虧損撥備賬確認。

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3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is contingent consideration of an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, consideration payables, amounts due to directors and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

解除確認金融資產

倘從資產收取現金流量之合約權利已屆滿，或本集團轉讓金融資產及已將其於資產擁有權之絕大部分風險及回報轉移予另一實體，本集團方會解除確認金融資產。倘本集團既無轉移亦無保留擁有權之絕大部分風險及回報及繼續控制已轉移資產，則本集團確認其於資產留存權益及就或須支付金額確認相關負債。倘本集團保留已轉移資產擁有權之絕大部分風險及回報，則本集團繼續確認該金融資產並就已收取款項確認抵押借貸。

於解除確認以攤銷成本計量的金融資產時，資產賬面值與已收及應收代價之差額於損益確認。

金融負債及權益工具

分類為債務或權益

集團旗下實體所發行債務及權益工具，按所訂立之合約安排性質及金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具為實體扣除所有負債後證明於該實體資產中持有剩餘權益之任何合約。本公司發行的權益工具按收取所得款項減直接發行成本確認。

金融負債

所有金融負債其後以實際利率法按攤銷成本計量，或按公允值計入損益計量。

按公允值計入損益的金融負債

倘金融負債為香港財務報告準則第3號適用之業務合併中，收購方的或然代價，則分類為按公允值計入損益。

按攤銷成本計量的金融負債

金融負債(包括貿易及其他應付款項、應付代價款項、應付董事款項及銀行及其他借款)其後以實際利率法按攤銷成本計量。

解除確認金融負債

當且僅當本集團的責任告解除、注銷或屆滿時，本集團方會解除確認金融負債。獲解除確認之金融負債賬面值與已付及應付代價之間的差額於損益中確認。

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4. Critical Accounting Judgement and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company has made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Sale and leaseback transactions – seller-lessee

The Group has entered into sale and leaseback arrangements in relation to machinery leases with financial institutions. The Group applied the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group. When the Group enters into sale and leaseback agreements, the legal title of the machinery is transferred to the financial institution, while the machinery remain in the factories of the Group. The management considered that the control of these machinery have not been transferred to the financial institutions and these legal transfers do not satisfy the requirements of HKFRS 15 to be accounted for as a sale of the machinery. Thus, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of HKFRS 9. During the year ended 31 December 2021, the Group has raised RMB91,792,000 (2020: RMB137,757,000) borrowings in respect of such sale and leaseback arrangements. The information about the sale and leaseback transactions are disclosed in note 18 and note 27.

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用附註3所述的本集團會計政策時，本公司董事須對無法隨時從其他渠道確認的資產及負債賬面值作出多項判斷、估計及假設。該等估計及相關假設乃基於過往經驗及其他視作相關的因素作出。實際結果或會有別於該等估計。

本公司會持續檢討該等估計及相關假設。倘就會計估計的修訂只影響修訂估計的期間，則有關修訂會在該期間確認；倘有關修訂影響本期及未來期間，則有關修訂均會在修訂期間及未來期間確認。

應用會計政策所行使關鍵判斷

以下為本公司董事於應用本集團會計政策時所行使關鍵判斷(涉及估計者除外，請參閱下文)，其對綜合財務報表中所確認金額構成最大影響。

售後租回交易 – 賣方承租人

本集團已就機械租賃與金融機構訂立售後租回安排。本集團採用香港財務報告準則第15號的規定，以評估售後租回交易是否構成本集團的銷售。本集團於訂立售後租回協議時，將有關機械之法定所有權轉讓予有關金融機構，而該等機械則留於本集團工廠。管理層認為，該等機械之控制權並無轉讓予該等金融機構，而該等法定轉讓則不符合香港財務報告準則第15號的規定以出售該等機械記賬。因此，本集團作為賣方承租人繼續確認有關資產，並將轉讓所得款項記賬為香港財務報告準則第9號範圍內的借款。於截至二零二一年十二月三十一日止年度，本集團已就該等售後租回安排籌集人民幣91,792,000元的借款(二零二零年：人民幣137,757,000元)。有關售後租回交易的資料披露於附註18及附註27。

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4. Critical Accounting Judgement and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of ECL for trade receivables not backed by bank bills and contract assets

The ECL on trade receivables not backed by bank bills and contract assets is assessed individually for debtors and contract assets with significant balances or credit-impaired and/or collectively using a provision matrix with appropriate groupings based primarily on the debtors' ageing profiles.

The provision rates applied in the provision matrix are estimated based on the historical observed default rates of the debtors taking into consideration forward-looking information that is reasonable, supportable and available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and updated if required after considering the forward-looking information that is available to the directors of the Company. The contract assets relate to unbilled work in progress have substantially the same risk characteristics as the trade receivables not backed by bank bills for the same types of contracts. The Group has therefore estimated the expected loss rates for the trade receivables not backed by bank bills and the contract assets on the same basis.

The allowance for credit losses is sensitive to changes in estimates. Due to greater financial uncertainty triggered by the COVID-19 pandemic, the Group has increased the expected loss rates in the current year as there is higher risk that a prolonged pandemic could lead to increased credit default rates. The carrying amounts of trade receivables not backed by bank bills and contract assets are RMB783,053,000 (2020: RMB707,250,000) (net of allowance for credit losses of RMB7,312,000 (2020: RMB6,873,000)) and RMB15,550,000 (2020: RMB18,628,000) (net of allowance for credit losses of nil (2020: nil)) respectively. The information about the ECL and the Group's trade receivables not backed by bank bills and contract assets are disclosed in note 39.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源

以下為於報告期末所作出有關未來的主要假設及其他估計不明朗因素的主要來源，其具有相當風險，可能導致須於下個財政年度就資產及負債的賬面值作出重大調整。

無銀行票據為後盾的貿易應收款項及合約資產的預期信貸虧損減值評估

就無銀行票據為後盾的貿易應收款項及合約資產而言，對於具有大額結餘或出現信貸減值的賬款及合約資產，預期信貸虧損會以單獨形式及／或使用主要基於債務人賬齡資料的適當分組的撥備矩陣的集體形式進行評估。

就無銀行票據為後盾的貿易應收款項及合約資產而言，對於具有大額結餘或出現信貸減值的賬款及合約資產，預期信貸虧損會以單獨形式及／或使用主要基於債務人賬齡資料的適當分組的撥備矩陣的集體形式進行評估。於各報告期末，本公司董事會在考慮可獲取的前瞻性資料後，重新評估及在必要情況下更新過往所觀察違約率。合約資產與未開單的半成品有關，並且與相同類型合約的無銀行票據為後盾的貿易應收款項具有大致相同的風險特徵。因此，本集團按同一基準估計無銀行票據為後盾的貿易應收款項及合約資產的預期損失率。

信貸虧損撥備對估計的變化相當敏感。由於COVID-19疫情引發較大財務不明朗因素，而疫情持續或會招致較高的信用違約率上升風險，因此本集團已提高本年度的預期損失率。無銀行票據為後盾的貿易應收款項及合約資產的賬面值分別為人民幣783,053,000元(二零二零年：人民幣707,250,000元)(扣除信貸虧損撥備人民幣7,312,000元(二零二零年：人民幣6,873,000))及人民幣15,550,000元(二零二零年：人民幣18,628,000元)(扣除信貸虧損撥備零(二零二零年：零))。有關預期信貸虧損及本集團無銀行票據為後盾的貿易應收款項及合約資產的資料披露於附註39。

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5. Revenue

For the year ended 31 December 2021

(a) Disaggregation of revenue from contracts with customers

		Corrugated medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Types of goods or service	貨品或服務類別			
Sales of corrugated medium paper products	銷售瓦楞芯紙產品			
Corrugated medium paper AA grade	AA級瓦楞芯紙	2,455,576	–	2,455,576
Corrugated medium paper C grade	C級瓦楞芯紙	1,013	–	1,013
Craft paper	牛卡紙	176,814	–	176,814
		2,633,403	–	2,633,403
Sales of paper-based packaging products	銷售紙製包裝產品			
Craft box	牛卡印紙箱	–	629,385	629,385
Honeycomb paper	蜂窩紙製品	–	149,526	149,526
Color box	彩色紙箱	–	145,695	145,695
		–	924,606	924,606
Total	總計	2,633,403	924,606	3,558,009
Timing of revenue recognition	確認收入的時間			
A point in time	某一時間點	2,633,403	–	2,633,403
Over time	隨時間確認	–	924,606	924,606
		2,633,403	924,606	3,558,009

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

下表列載來自客戶合約的收入與分部資料所披露金額的對賬。

		Segment revenue 分部收入 RMB'000 人民幣千元	Elimination 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Sales of corrugated medium paper products	銷售瓦楞芯紙產品	2,944,245	(310,842)	2,633,403
Sales of paper-based packaging products	銷售紙製包裝產品	924,606	–	924,606
Revenue from contracts with customers	來自客戶合約的收入	3,868,851	(310,842)	3,558,009

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5. Revenue (Continued)

For the year ended 31 December 2020

(a) Disaggregation of revenue from contracts with customers

Types of goods or service	貨品或服務類別	Corrugated medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Sales of corrugated medium paper products	銷售瓦楞芯紙產品			
Corrugated medium paper AA grade	AA級瓦楞芯紙	1,684,546	–	1,684,546
Corrugated medium paper C grade	C級瓦楞芯紙	8,302	–	8,302
		1,692,848	–	1,692,848
Sales of paper-based packaging products	銷售紙製包裝產品			
Craft box	牛卡印紙箱	–	538,250	538,250
Honeycomb paper	蜂窩紙製品	–	116,668	116,668
Color box	彩色紙箱	–	145,275	145,275
		–	800,193	800,193
Total	總計	1,692,848	800,193	2,493,041
Timing of revenue recognition	確認收入的時間			
A point in time	某一時間點	1,692,848	–	1,692,848
Over time	隨時間確認	–	800,193	800,193
		1,692,848	800,193	2,493,041

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

下表列載來自客戶合約的收入與分部資料所披露金額的對賬。

		Segment revenue 分部收入 RMB'000 人民幣千元	Elimination 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Sales of corrugated medium paper products	銷售瓦楞芯紙產品	1,839,318	(146,470)	1,692,848
Sales of paper-based packaging products	銷售紙製包裝產品	800,193	–	800,193
Revenue from contracts with customers	來自客戶合約的收入	2,639,511	(146,470)	2,493,041

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5. Revenue (Continued)

For the year ended 31 December 2020 (Continued)

(b) Performance obligations for contracts with customers

(1) Sales of corrugated medium paper (revenue recognised at a point in time)

For sales of corrugated medium paper products, revenue is recognised when control of goods has transferred, being when the goods have been shipped to the customer's specific location. The normal credit term is 30–120 days.

The Group requires certain customers to provide deposits. When the Group receives a deposit before delivery of goods, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

(2) Sales of paper-based packaging (revenue recognised over time)

The Group's contracts with customers for the manufacture and sale of paper-based packaging products are tailor-made based on customers' specification with no alternative use to the Group. Taking into account the contract terms, the legal and regulatory environment in the PRC, some of the contracts provide the Group an enforceable right to payment for performance completed to date and revenue is recognised over time based on the stage of completion of the contract using input method. The normal credit term is 30–120 days.

Please refer to note 23 for details on recognition of contract assets.

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

The performance obligation under the contract for the sales of corrugated medium paper and paper-based packaging products has original expected duration of less than one year and as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收入(續)

截至二零二零年十二月三十一日止年度(續)

(b) 客戶合約的履約責任

(1) 銷售瓦楞芯紙產品(於某一時間點確認收入)

就銷售瓦楞芯紙產品而言，收入於轉讓貨品控制權時(即於貨品已運至客戶指定地點)確認。信用期一般介乎30至120天。

本集團要求若干客戶提供訂金。在本集團於交付貨品前收取訂金的情況下將會於合約開始時產生合約負債，直至具體合約所確認收入超出訂金金額。

(2) 銷售紙製包裝產品(隨時間確認收入)

本集團與客戶訂立的紙製包裝產品製造及銷售合約乃根據客戶的規格個人化定製，本集團無其他用途。考慮到合約條款、中國的法律及監管環境，部分合約規定本集團享有法定權利就迄今已履約者索款，有關收入根據合約完成階段按輸入法隨時間確認。信用期一般介乎30至120天。

有關確認合約資產的詳情，請參閱附註23。

(c) 分配至客戶合約餘下履約責任的交易價格

銷售瓦楞芯紙產品及紙製包裝產品的合約項下履約責任的原定預期年期為一年以下，根據香港財務報告準則第15號所允許，分配至該等未履約合約的交易價格不予披露。

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6. Segment Information

The Group is principally engaged in manufacture and sale of corrugated medium paper and paper-based packaging products.

The Group is organised into business units based on their products, based on which information is prepared and reported to the Group's chief operating decision maker (i.e. the executive directors of the Company) for the purposes of resource allocation and assessment of performance. The Group's reportable segments under HKFRS 8 *Operating Segments* are identified as two main operations:

1. Corrugated medium paper: this segment produces and sells corrugated medium paper.
2. Paper-based packaging: this segment produces and sells paper-based packaging products.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2021

		Corrugated medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
REVENUE	收入			
External sales	外部銷售	2,633,403	924,606	3,558,009
Inter-segment sales	分部間銷售	310,842	-	310,842
Segment revenue	分部收入	2,944,245	924,606	3,868,851
Eliminations	對銷			(310,842)
Group revenue	集團收入			3,558,009
Segment profit	分部溢利	232,566	13,688	246,254
Unallocated other income	未分配其他收入			614
Unallocated corporate expenses	未分配企業開支			(9,552)
Profit before tax	除稅前溢利			237,316

6. 分部資料

本集團主要從事製造及銷售瓦楞芯紙及紙製包裝產品。

本集團按其產品劃分業務單位，並編製業務單位的資料，呈報本集團主要營運決策者（即本公司執行董事），以作資源分配及表現評估用途。本集團根據香港財務報告準則第8號營運分部識別的需呈報分部主要分為兩類：

1. 瓦楞芯紙：此分部生產及銷售瓦楞芯紙。
2. 紙製包裝：此分部生產及銷售紙製包裝產品。

(a) 分部收入及業績

本集團按需呈報及營運分部劃分的收入及業績分析如下。

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6. Segment Information (Continued)

(a) Segment revenue and results (Continued)

Other segment information included in the measurement of segment results:

		Corrugated medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Depreciation on property, plant and equipment	物業、廠房及設備折舊	75,643	20,462	96,105
Depreciation on right-of-use assets	使用權資產折舊	7,081	13,250	20,331
Amortisation of intangible assets	無形資產攤銷	602	-	602
Total depreciation and amortisation	折舊及攤銷總計	83,326	33,712	117,038
Less: Amount capitalised in inventories	減：已資本化的存貨金額	(58,820)	-	(58,820)
Less: Amount capitalised in intangible assets	減：已資本化的無形資產金額	(105)	-	(105)
		24,401	33,712	58,113
Impairment losses recognised on trade and other receivables	就貿易及其他應收款項確認的減值虧損	482	806	1,288
Impairment losses recognised on property, plant and equipment	就物業、廠房及設備確認的減值虧損	22,229	-	22,229

6. 分部資料(續)

(a) 分部收入及業績(續)

計量分部業績所包括其他分部資料：

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6. Segment Information (Continued)

(a) Segment revenue and results (Continued)

For the year ended 31 December 2020

		Corrugated medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
REVENUE	收入			
External sales	外部銷售	1,692,848	800,193	2,493,041
Inter-segment sales	分部間銷售	146,470	–	146,470
Segment revenue	分部收入	1,839,318	800,193	2,639,511
Eliminations	對銷			(146,470)
Group revenue	集團收入			2,493,041
Segment profit	分部溢利	46,815	22,786	69,601
Unallocated other income	未分配其他收入			3,623
Unallocated corporate expenses	未分配企業開支			(8,293)
Profit before tax	除稅前溢利			64,931

6. 分部資料(續)

(a) 分部收入及業績(續)

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截至二零二一年十二月三十一日止年度

6. Segment Information (Continued)

(a) Segment revenue and results (Continued)

Other segment information included in the measurement of segment results:

		Corrugated medium paper 瓦楞芯紙 RMB'000 人民幣千元	Paper-based packaging 紙製包裝 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Depreciation on property, plant and equipment	物業、廠房及設備折舊	68,251	23,257	91,508
Depreciation on right-of-use assets	使用權資產折舊	8,830	12,204	21,034
Total depreciation	折舊總計	77,081	35,461	112,542
Less: Amount capitalised in inventories	減：已資本化的存貨金額	(50,944)	–	(50,944)
Less: Amount capitalised in intangible assets	減：已資本化的無形資產金額	(136)	–	(136)
		26,001	35,461	61,462
Impairment losses recognised on trade and other receivables	就貿易及其他應收款項確認的 減值虧損	1,825	3,230	5,055
Impairment losses recognised on property, plant and equipment	就物業、廠房及設備確認的 減值虧損	1,215	–	1,215

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represented the profit earned by each segment without allocation of corporate income and expenses.

營運分部的會計政策與附註3所述本集團會計政策相同。分部業績指各分部賺取的溢利，並無分配企業收入及開支。

6. 分部資料(續)

(a) 分部收入及業績(續)

計量分部業績所包括其他分部資料：

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6. Segment Information (Continued)

(b) Information about products

The following is an analysis of the Group's revenue from its major products:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Corrugated medium paper AA grade	AA級瓦楞芯紙	2,455,576	1,684,546
Corrugated medium paper C grade	C級瓦楞芯紙	1,013	8,302
Craft paper	牛卡紙	176,814	-
Craft box	牛卡印紙箱	629,385	538,250
Honeycomb paper	蜂窩紙製品	149,526	116,668
Color box	彩色紙箱	145,695	145,275
		3,558,009	2,493,041

(c) Geographical information

The Group's operations and customers are all located in the PRC.

(d) Information about major customers

For the year ended 31 December 2021 and 2020, no customer contributed over 10% of the total revenue of the Group for the respective year.

(e) Segment assets and liabilities

Information of the reporting and operating segments of the Group reported to the chief operating decision maker for the purposes of resource allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

6. 分部資料(續)

(b) 有關產品資料

本集團主要產品的收入分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Corrugated medium paper AA grade	AA級瓦楞芯紙	2,455,576	1,684,546
Corrugated medium paper C grade	C級瓦楞芯紙	1,013	8,302
Craft paper	牛卡紙	176,814	-
Craft box	牛卡印紙箱	629,385	538,250
Honeycomb paper	蜂窩紙製品	149,526	116,668
Color box	彩色紙箱	145,695	145,275
		3,558,009	2,493,041

(c) 地區資料

本集團的業務及客戶均位於中國。

(d) 有關主要客戶的資料

截至二零二一年及二零二零年十二月三十一日止年度，並無任何客戶於相應年度對本集團總收入貢獻10%以上。

(e) 分部資產及負債

向主要營運決策者呈報以作資源分配及表現評估用途的本集團需呈報及營運分部資料並不包括任何資產及負債。因此，並無呈列分部資產及負債。

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7. Other Income

7. 其他收入

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest income from bank deposits	銀行存款利息收入	4,469	5,057
Imputed interest income from rental deposits	租賃按金推算利息收入	104	96
Management fee income	管理費收入	27	39
Net income from sales of scrap materials	銷售廢料收入淨額	2,503	1,249
Government grants related to income (note)	與收入相關的政府補貼(附註)	37,115	14,290
Government grants amortised from deferred income (note 34)	計入遞延收入攤銷的政府補貼(附註34)	4,488	4,100
Sundry income	雜項收入	2,009	1,456
Total	總計	50,715	26,287

Note: Government grants received by the Group's PRC subsidiaries as financial incentives for operation. No conditions are attached to these financial incentives.

附註：本集團的中國附屬公司獲取的政府補貼為業務財政獎勵，該等財政獎勵並無附加任何條件。

8. Impairment Losses under Expected Credit Loss Model, Net of Reversal

8. 根據預期信貸虧損模型計提減值虧損，扣除撥回

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Impairment losses recognised on trade and other receivables	就貿易及其他應收款項確認的減值虧損	1,288	5,055

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9. Other Gains and Losses

9. 其他收益及虧損

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Exchange loss (gain), net	匯兌收益(虧損)·淨額	2,670	(1,294)
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備虧損·淨額	1,377	2,280
Impairment losses recognised on property, plant and equipment (note)	就物業、廠房及設備確認的減值虧損(附註)	22,229	1,215
		26,276	2,201

Note: During the year, certain machinery became idle after the completion of "coal-to-gas" conversion project in two of the subsidiaries in the Group. As a result impairment losses were recognised in profit or loss.

附註：於本年度，本集團旗下兩家附屬公司完成「煤改氣」改造項目後，若干機械處於閒置狀態，因此於損益確認減值虧損。

10. Finance Costs

10. 融資成本

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interest on:	以下項目的利息：		
Bank and other borrowings	銀行及其他借款	58,017	45,288
Lease liabilities	租賃負債	4,016	3,125
Others	其他	798	1,202
		62,831	49,615

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11. Profit Before Tax

Profit before tax has been arrived at after charging (crediting):

11. 除稅前溢利

除稅前溢利已扣除(計入)下列各項：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	96,105	91,508
Depreciation of right-of-use assets	使用權資產折舊	20,331	21,034
Amortisation of intangible assets	無形資產攤銷	602	-
Total depreciation and amortisation	折舊及攤銷總計	117,038	112,542
Less: Amount capitalised in inventories	減：已資本化的存貨金額	(58,820)	(50,944)
Less: Amount capitalised in intangible assets	減：已資本化的無形資產金額	(105)	(136)
		58,113	61,462
Covid-19-related rent concessions (note 18)	Covid-19相關租金優惠(附註18)	-	(1,411)
Auditor's remuneration	核數師酬金	1,950	1,950
Cost of inventories recognised as an expense	確認為開支的存貨成本	2,767,047	2,028,040
Staff costs	員工成本		
- directors' and chief executive's emoluments (note 13)	- 董事及行政總裁酬金(附註13)	5,504	4,975
- salaries and other benefits costs for staff other than directors and chief executive	- 董事及行政總裁以外員工的薪金及其他福利	296,020	220,508
- retirement benefits schemes contributions for staff other than directors and chief executive	- 董事及行政總裁以外員工的退休福利計劃供款	22,053	4,281
Total staff costs	員工成本總額	323,577	229,764
Less: Amount capitalised in inventories	減：已資本化的存貨金額	(54,677)	(47,354)
Less: Amount capitalised in intangible assets	減：已資本化的無形資產金額	(258)	(841)
		268,642	181,569

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12. Income Tax Expense

12. 所得稅開支

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
PRC Enterprise Income Tax:	中國企業所得稅：		
Current tax	即期稅項	27,271	3,579
Overprovision in prior years	過往年度超額撥備	(839)	(3,615)
		26,432	(36)
Withholding tax	預提所得稅	4,614	1,237
Deferred tax (note 31)	遞延稅項(附註31)	(2,008)	1,170
		29,038	2,371

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for both years.

本集團於兩年年度均無在香港產生應課稅溢利，故並無就香港利得稅作出撥備。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. Certain PRC subsidiaries approved as advanced-technology enterprises by the relevant government authorities are subject to a preferential tax rate of 15%. During the year, five (2020: four) PRC subsidiaries approved as "small and low-profit enterprises" by the relevant government authorities are subject to two-tiered preferential tax rates. The first RMB1 million of taxable profit of the qualifying group entities will be taxed at 2.5% (2020: 5%) and taxable profit above RMB1 million will be taxed at 10%.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司的稅率兩個年度均為25%。若干中國附屬公司獲政府有關當局認定為高新技術企業，可享有優惠稅率15%。於本年度，五家附屬公司(二零二零年：四家)政府有關當局認定為「小型微利企業」，可享有兩級制優惠稅率。合資格集團旗下實體首筆人民幣1百萬元的應課稅溢利按2.5%課稅(二零二零年：5%)，而超過人民幣1百萬元的應課稅溢利則按10%課稅。

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12. Income Tax Expense (Continued)

The tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

12. 所得稅開支(續)

本年度稅項開支與綜合損益及其他全面收益表內除稅前溢利的對賬如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	237,316	64,931
PRC Enterprise Income Tax at 25%	按25%計提中國企業所得稅	59,329	16,233
Tax effect of income tax credit granted to subsidiaries for research and development costs	附屬公司就研發成本獲提供所得稅抵免的稅務影響	(25,638)	(12,361)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	6,499	2,215
Effect of tax exemption on concessionary rates granted to the PRC subsidiaries	中國附屬公司獲提供優惠稅率的稅務寬減影響	(19,820)	(4,401)
Tax effect of tax deductible temporary differences not recognised	未確認可扣稅暫時性差額的稅務影響	1,631	1,705
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	2,447	1,946
Utilisation of deductible temporary differences previously not recognised	動用先前未確認可扣稅暫時性差額	-	(278)
Overprovision in prior years	過往年度超額撥備	(839)	(3,615)
Withholding tax on profits distribution of the PRC subsidiaries (note)	對中國附屬公司的分配利潤計提預提所得稅(附註)	5,429	927
Tax expense for the year	本年度稅項開支	29,038	2,371

Note: In accordance with the PRC tax circular (Guoshuihan 2008 112) effective from 1 January 2008, the PRC withholding income tax at the rate of 10% is applicable to dividends declared to "non-resident" investors who do not have an establishment or place of business in the PRC. For "resident" investors with establishment or place of business in the PRC, the PRC withholding income tax is 5%. The above withholding income tax represents the withholding income tax provided on the profits arising from the PRC subsidiaries of the Company during the year ended 31 December 2021 which are available for distribution amounting to RMB77,500,000 (2020: RMB12,400,000). During the year ended 31 December 2021 and 2020, one (2020: one) of the subsidiaries applied the "resident" certification of its investor and the withholding tax rate changed from 10% to 5%.

附註：根據中國稅務通知(國稅函2008112號)，二零零八年一月一日起，於中國未設立機構或場所的「非居民」企業獲得的股息將按照10%的稅率徵收預提所得稅。於中國設立機構或場所的「居民」企業的預提所得稅稅率則為5%。上表所列預提所得稅指截至二零二一年十二月三十一日止年度，對本公司中國附屬公司產生可分配利潤人民幣77,500,000元(二零二零年：人民幣12,400,000元)所計提預提所得稅。截至二零二一年及二零二零年十二月三十一日止年度，一家附屬公司(二零二零年：一家)應用投資者的「居民」身份認定，而預提所得稅稅率則由10%改為5%。

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13. Directors' and Chief Executive's Emoluments

The emoluments paid or payable to each of the 7 (2020: 7) directors and the chief executive were as follows:

13. 董事及行政總裁酬金

已付或應付七名董事(二零二零年：十名)及行政總裁的酬金如下：

		Fee	Salary	Performance related bonus	Retirement benefits schemes contributions	Total
		袍金	薪金	表現獎金	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the year ended 31 December 2021	截至二零二一年十二月三十一日止年度					
Executive directors	執行董事					
– Hu Zheng	– 胡正	–	999	–	15	1,014
– Hu Hanchao	– 胡漢朝	–	1,000	–	–	1,000
– Hu Hancheng	– 胡漢程	–	999	–	15	1,014
Non-executive director	非執行董事					
– Chen Riyue	– 陳日月	360	–	–	–	360
Independent non-executive directors	獨立非執行董事					
– Chung Kwok Mo John	– 鍾國武	166	–	–	–	166
– Shin Yick Fabian	– 冼易	149	–	–	–	149
– Liew Fui Kiang	– 劉懷鏡	149	–	–	–	149
Chief executive	行政總裁					
– Hu Jianpeng	– 胡健鵬	–	1,213	420	19	1,652
		824	4,211	420	49	5,504

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13. Directors' and Chief Executive's Emoluments

(Continued)

13. 董事及行政總裁酬金(續)

		Fee	Salary	Performance related bonus	Retirement benefits contributions	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended	截至二零二零年十二月					
31 December 2020	三十一日止年度					
Executive directors	執行董事					
– Hu Zheng	– 胡正	–	1,000	–	18	1,018
– Hu Hanchao	– 胡漢朝	–	1,000	–	–	1,000
– Hu Hancheng	– 胡漢程	–	1,000	–	18	1,018
Non-executive director	非執行董事					
– Chen Riyue	– 陳日月	360	–	–	–	360
Independent non-executive directors	獨立非執行董事					
– Chung Kwok Mo John	– 鍾國武	174	–	–	–	174
– Shin Yick Fabian	– 冼易	156	–	–	–	156
– Liew Fui Kiang	– 劉懷鏡	156	–	–	–	156
Chief executive	行政總裁					
– Hu Jianpeng	– 胡健鵬	–	900	188	5	1,093
		846	3,900	188	41	4,975

Note: Mr. Hu Hancheng and Mr. Hu Zheng are the co-chairmen of the Company and their emoluments disclosed above include those for services rendered by them as the co-chairmen. The executive directors' emoluments and chief executive's emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The emoluments of non-executive director and independent non-executive directors shown above were for their services as the directors of the Company.

During both years, no emolument was paid by the Group to the directors or the chief executive as compensation for loss of office or an inducement to join the Group. None of the directors or the chief executive waived any emoluments for both years.

附註：胡漢程先生及胡正先生同時為本公司聯席董事長，上表所披露彼等的酬金包括就擔任聯席董事長提供服務的酬金。上表所示執行董事及行政總裁酬金乃就彼等管理本公司及本集團事務提供服務的酬金。上表所示非執行董事及獨立非執行董事酬金乃就彼等擔任本公司董事提供服務的酬金。

於兩個年度，本集團並無向董事或行政總裁支付任何酬金，作為離職補償或加入本集團誘因。於兩個年度，並無董事或行政總裁放棄任何酬金。

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14. Five Highest Paid Employees

The five highest paid employees of the Group during the year included the chief executive (2020: the chief executive and two directors), details of whose remuneration are set out in note 13 above. Details of the remunerations for the year of the remaining four (2020: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

14. 五名最高薪金員工

於本年度，本集團五名最高薪酬僱員包括行政總裁（二零二零年：行政總裁及兩名董事），其酬金詳情載於上文附註13。其餘四名（二零二零年：兩名）並非本公司董事或行政總裁的最高薪酬僱員的薪酬詳情如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries	薪金	4,518	1,709
Performance related bonus	表現相關花紅	2,487	1,125
Retirement benefits schemes contributions	退休福利計劃	49	8
		7,054	2,842

Their emoluments were within the following bands:

彼等的酬金介乎以下範圍：

		Number of employees 員工人數	
		2021 二零二一年	2020 二零二零年
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	1	–
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	1	2
HKD2,000,001 to HKD2,500,000	2,000,001港元至2,500,000港元	1	–
HKD2,500,001 to HKD3,000,000	2,500,001港元至3,000,000港元	1	–
		4	2

During the year, no emoluments of the five highest paid individuals (including directors and other employees) were incurred as inducement to join the Group or compensation for loss of office.

於本年度並無任何五名最高薪酬人士（包括董事及其他僱員）的酬金乃作為加入本集團誘因或離職補償而產生。

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15. Dividend

Dividend for ordinary shareholders of the Company recognised as distribution during the year:

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
2020 Final – RMB0.03 (2020: 2019 final – RMB0.03) per share	15,000	15,000

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2021 of RMB0.09 (2020: final dividend in respect of the year ended 31 December 2020 of RMB0.03) per ordinary share, in an aggregate amount of RMB45,000,000 (2020: RMB15,000,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

16. Earnings per Share

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Earnings Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	160,841	54,772
Number of shares Number of ordinary shares for the purpose of basic earnings per share	500,000,000	500,000,000

No diluted earnings per share for both 2021 and 2020 were presented as there were no potential ordinary shares in issue for both 2021 and 2020.

15. 股息

本年度確認為分派予本公司普通股股東之股息：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
2020 Final – RMB0.03 (2020: 2019 final – RMB0.03) per share	15,000	15,000

於報告期結束後，本公司董事建議派付截至二零二一年十二月三十一日止年度末期股息每股人民幣0.09元（二零二零年：二零二零年十二月三十一日止年度末期股息每股人民幣0.03元），合計人民幣45,000,000元（二零二零年：人民幣15,000,000元），惟須獲股東於應屆股東週年大會批准。

16. 每股盈利

本公司擁有人應佔每股基本盈利按以下數據計算：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Earnings Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	160,841	54,772
Number of shares Number of ordinary shares for the purpose of basic earnings per share	500,000,000	500,000,000

由於二零二一年及二零二零年均無發行潛在普通股，故並無呈列二零二一年及二零二零年的每股攤薄盈利。

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17. Property, Plant and Equipment

17. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Furniture and fixtures 傢俬及固定裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Plant and machinery 廠房及機器 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 2020	於二零二零年一月一日	189,466	11,309	41,606	20,953	1,143,810	58,033	1,465,177
Additions	添置	164	32	1,248	870	-	137,657	139,971
Acquisition of a subsidiary	收購附屬公司	34,530	786	807	3,726	53,421	12,706	105,976
Disposals	出售	(125)	(1,620)	(1,202)	(1,078)	(13,480)	(1,369)	(18,874)
Transfer from construction in progress	由在建工程轉撥	18,232	-	3,240	-	140,171	(161,643)	-
At 31 December 2020	於二零二零年 十二月三十一日	242,267	10,507	45,699	24,471	1,323,922	45,384	1,692,250
Additions	添置	-	-	390	3,448	33,559	200,293	237,690
Disposals	出售	(5)	(438)	(1,335)	(2,077)	(64,126)	(672)	(68,653)
Transfer from construction in progress	由在建工程轉撥	12,035	-	964	-	165,938	(178,937)	-
At 31 December 2021	於二零二一年 十二月三十一日	254,297	10,069	45,718	25,842	1,459,293	66,068	1,861,287
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2020	於二零二零年一月一日	92,956	9,539	19,811	17,601	432,979	-	572,886
Provided for the year	年內計提	10,983	1,090	3,040	2,530	73,865	-	91,508
Eliminated on disposals	出售時對銷	(42)	(1,618)	(1,118)	(941)	(10,063)	-	(13,782)
Impairment loss recognised in profit or loss	於損益確認的減值虧損	-	-	-	-	1,215	-	1,215
At 31 December 2020	於二零二零年 十二月三十一日	103,897	9,011	21,733	19,190	497,996	-	651,827
Provided for the year	年內計提	12,124	742	2,315	2,723	78,201	-	96,105
Eliminated on disposals	出售時對銷	(4)	(40)	(1,144)	(1,860)	(37,939)	-	(40,987)
Impairment loss recognised in profit or loss	於損益確認的減值虧損	-	-	-	-	22,229	-	22,229
At 31 December 2021	於二零二一年 十二月三十一日	116,017	9,713	22,904	20,053	560,487	-	729,174
CARRYING VALUES	賬面值							
At 31 December 2021	於二零二一年 十二月三十一日	138,280	356	22,814	5,789	898,806	66,068	1,132,113
At 31 December 2020	於二零二零年 十二月三十一日	138,370	1,496	23,966	5,281	825,926	45,384	1,040,423

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17. Property, Plant and Equipment (Continued)

The above items of property, plant and equipment, except for construction in progress are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual values at the following rates per annum:

Buildings	4.50%–18%
Leasehold improvements	Over the shorter of the term of the lease, or 20%–50%
Furniture and fixtures	11.25%–18%
Motor vehicles	18%
Plant and machinery	4.50%–18%

Details of property, plant and equipment pledged are set out in note 37.

Impairment assessment

During the year, certain machinery became idle after the completion of “coal-to-gas” conversion project in two of the subsidiaries in the Group. The management concluded that there was an indication for impairment and conducted impairment assessment on these machinery with an aggregate carrying amount of RMB36,388,000. The recoverable amount of the machinery, within the corrugated medium paper segment, is estimated individually.

The recoverable amount of the machinery has been determined based on their fair value less costs of disposal. The Group estimates the fair value less costs of disposal of the machinery by obtaining direct quotation from the potential buyer. The fair value measurement is categorised into Level 2 fair value hierarchy. The machinery were impaired to their recoverable amount of RMB14,159,000, which is their carrying value at year end and the impairment losses of RMB22,229,000 have been recognised in profit or loss during the year.

17. 物業、廠房及設備(續)

除在建工程外，上表所列物業、廠房及設備項目在計及估計餘值後，以直線法於估計可使用年內按下列年度比率計提折舊：

樓宇	4.50%至18%
租賃物業裝修	租約期限或20%至50%，以較短者為準
傢俬及固定裝置	11.25%至18%
汽車	18%
廠房及機械	4.50%至18%

已抵押的物業、廠房及設備詳情載於附註37。

減值評估

於本年度，本集團旗下兩家附屬公司完成「煤改氣」改造項目後，若干機械處於閒置狀態。管理層認為出現減值跡象，並對賬面值人民幣36,388,000元的該等機械進行減值評估。該等機械屬於瓦楞紙分部，其可收回金額會個別估計。

該等機械的可收回金額透過向潛在買方索取直接報價，根據公允值減出售成本估計。公允值計量分類為公允值第二層級。計提減值後，該等機械的可收回金額為人民幣14,159,000元，為年末賬面值，並於本年度於損益確認減值虧損人民幣22,229,000元。

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18. Right-of-Use Assets

18. 使用權資產

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Leased properties 物業租賃 RMB'000 人民幣千元	Machinery and vehicles 機器及車輛 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2021 Carrying amount	於二零二一年十二月三十一日 賬面值	166,806	20,486	5,802	193,094
At 31 December 2020 Carrying amount	於二零二零年十二月三十一日 賬面值	172,583	19,316	6,044	197,943
For the year ended 31 December 2021 Depreciation charge	截至二零二一年十二月 三十一日止年度 折舊費用	5,525	11,815	2,991	20,331
For the year ended 31 December 2020 Depreciation charge	截至二零二零年十二月 三十一日止年度 折舊費用	5,888	12,569	2,577	21,034
				2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Expense relating to short-term leases	短期租賃相關的開支			4,319	3,636
Total cash outflow for leases	租賃之現金流出總額			23,726	20,787
Additions to right-of-use assets	添置使用權資產			15,482	1,259
Disposal of right-of-use assets due to lease termination	因終止租賃處置使用權資產			-	(6,282)

For both years, the Group leases various offices, warehouses, machinery and vehicles for its operations. Lease contracts are entered into for fixed term of 12 months to 22 years, but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

於兩個年度，本集團就其營運租用若干辦公室、貨倉、機械及汽車。租賃以固定租期12個月至22年訂立合約，且如下文所述可能附帶延長選擇權。租賃條款乃按個別基準磋商，並包含廣泛的不同條款及條件。於釐定租期及評估不可撤銷期限年期時，本集團應用合約之定義及釐定可行使合約之期間。

此外，本集團擁有數個主要生產設施所在之工業樓宇及辦公室樓宇。本集團乃此等物業權益（包括相關租賃土地）之登記持有人。購入此等物業權益時作出一次性預付款。此等持有物業的租賃土地成分僅在所支付款項能可靠地分配的情況下方會獨立列示。

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18. Right-of-Use Assets (Continued)

The Group regularly entered into short-term leases for motor vehicles and properties. As at 31 December 2021 and 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Extension options

The Group has extension options in a number of leases for properties. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The potential exposures to these future lease payments for extension options in which the Group is not reasonably certain to exercise is summarised below:

18. 使用權資產(續)

本集團定期就汽車及物業訂立短期租賃。於二零二一年及二零二零年十二月三十一日，短期租賃組合與上表所披露短期租賃相關開支的相關短期租賃組合相似。

延長選擇權

本集團就若干物業租賃享有延長選擇權，可就管理本集團營運所使用資產爭取最大業務彈性。所持有延長選擇權當中，大部分僅可由本集團行使，而不得由有關出租人行使。

本集團於租賃開始日期評估是否合理確定行使延長選擇權。下表概述就本集團不能合理確定行使延長選擇權而言或會負擔的未來租賃付款：

		Potential future lease payments not included in lease liabilities recognised as at 31 December 2021 (undiscounted) 於二零二一年 十二月三十一日 不計入租賃負債 的潛在未來租賃 確認的租賃負債 RMB'000 人民幣千元	Potential future lease payments not included in lease liabilities recognised as at 31 December 2020 (undiscounted) 於二零二零年 十二月三十一日 不計入租賃負債 的潛在未來租賃 確認的租賃負債 RMB'000 人民幣千元	Potential future lease payments not included in lease liabilities recognised as at 31 December 2021 (undiscounted) 於二零二一年 十二月三十一日 不計入租賃負債 的潛在未來租賃 確認的租賃負債 RMB'000 人民幣千元	Potential future lease payments not included in lease liabilities recognised as at 31 December 2020 (undiscounted) 於二零二零年 十二月三十一日 不計入租賃負債 的潛在未來租賃 確認的租賃負債 RMB'000 人民幣千元
Properties	物業	6,723	20,819	12,932	20,819

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 December 2021 and 2020, there is no such triggering event.

此外，當發生重大事件或承租人控制範圍內的情況發生重大變化時，本集團會重新評估是否合理地確定行使延期選擇權。截至二零二一年及二零二零年十二月三十一日止年度，概無發生觸發該等情況的事件。

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18. Right-of-Use Assets (Continued)

Restrictions or covenants on leases

Lease liabilities of RMB45,315,000 (2020: RMB45,224,000) are recognised with related right-of-use assets of RMB37,671,000 as at 31 December 2021 (2020: RMB37,259,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Rent concessions

During the year ended 31 December 2021, there was no rent concession provided by the lessors.

During the year ended 31 December 2020, lessors of various offices, equipment and vehicles provided rent concessions to the Group through rent reductions ranging from 1% to 100% over two to six months.

Some of these rent concessions occurred as a direct consequence of COVID-19 pandemic and met all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. The effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of RMB1,411,000 were recognised as negative variable lease payments.

Some of these rent concessions were not within the scope of Covid-19-related rent concessions. The reduction of the Group's lease liabilities of RMB199,000 and a corresponding adjustment of the same amount to the right-of-use assets were recognised.

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfers do not satisfy the requirements of HKFRS 15 to be accounted for as a sale of the machinery. During the year ended 31 December 2021, the Group has raised RMB91,792,000 (2020: RMB137,757,000) borrowings in respect of such sale and leaseback arrangements.

Details of the leasehold lands pledged are set out in note 37.

Details of the lease maturity analysis of lease liabilities are set out in notes 28 and 39.

18. 使用權資產(續)

租賃限制或契諾

於二零二一年十二月三十一日，已確認租賃負債為人民幣45,315,000元（二零二零年：人民幣45,224,000元）及相關使用權資產為人民幣37,671,000元（二零二零年：人民幣37,259,000元）。除出租人於租用資產持有擔保權益外，有關租賃協議概無施加任何契諾。租用資產不得用作借款擔保。

租金優惠

截至二零二一年十二月三十一日止年度並無任何出租人提供的租金優惠。

截至二零二零年十二月三十一日止年度，若干辦公室、設備及汽車的出租人藉於兩至六個月期間寬減介乎1%至100%租金為本集團提供租金優惠。

部分租金優惠為COVID-19疫情所直接導致，符合香港財務報告準則第16.46B條規定的所有條件。本集團已應用權宜辦法，不會評估有關變動是否屬於租賃修訂。因有關租賃的出租人免除或豁免致使租賃付款變動的影響人民幣1,411,000元已確認為可變租賃付款負債。

部分租金優惠並不屬於Covid-19相關租金優惠的範圍內，已確認本集團的租賃負債減少人民幣199,000元及對使用權資產按相等金額作相應調整。

售後租回交易－賣方承租人

為更好地管理本集團的資本結構和融資需求，本集團不時就機械租賃訂立售後租回安排。該等法定轉讓並不符合香港財務報告準則第15號的規定以出售該等機械記賬。於截至二零二一年十二月三十一日止年度，本集團已就該等售後租回安排籌集人民幣91,792,000元的借款（二零二零年：人民幣137,757,000元）。

有關已抵押租賃土地的詳情載於附註37。

有關租賃負債的租賃到期分析的詳情載於附註28及附註39。

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19. Intangible Assets

19. 無形資產

		Development costs 開發成本 RMB'000 人民幣千元
COST	成本	
At 1 January 2020	於二零二零年一月一日	8,563
Additions	添置	4,120
At 31 December 2020	於二零二零年十二月三十一日	12,683
Additions	添置	1,898
At 31 December 2021	於二零二一年十二月三十一日	14,581
AMORTISATION	攤銷	
At 1 January and 31 December 2020	於二零二零年一月一日及十二月三十一日	8,563
Charge for the year	年內費用	602
At 31 December 2021	於二零二一年十二月三十一日	9,165
CARRYING VALUES	賬面值	
At 31 December 2021	二零二一年十二月三十一日	5,416
At 31 December 2020	二零二零年十二月三十一日	4,120

Development costs are internally generated.

開發成本源自內部。

The above intangible asset has finite useful lives. Such intangible asset is amortised on a straight-line basis over 5 years.

上述無形資產的可使用年期有限。該無形資產按直線法分5年攤銷。

20. Inventories

20. 存貨

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Raw material and consumables	原材料及消耗品	127,365	119,657
Finished goods	成品	95,918	50,093
		223,283	169,750

During the year, the cost of inventories capitalised in intangible assets amounted to RMB1,366,000 (2020: RMB2,622,000).

於本年度，存貨成本當中已資本化為無形資產的金額為人民幣1,366,000元（二零二零年：人民幣2,622,000元）。

Details of inventories pledged are set out in note 37.

有關已抵押存貨的詳情載於附註37。

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21. Trade and Other Receivables

21. 貿易及其他應收款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables not backed by bills	無票據為後盾的貿易應收款項	592,568	513,348
Less: allowance for credit losses	減：信貸虧損撥備	(7,143)	(6,728)
		585,425	506,620
Trade receivables backed by other bills	以其他票據為後盾的貿易應收款項	197,797	200,775
Less: allowance for credit losses	減：信貸虧損撥備	(169)	(145)
		197,628	200,630
Total trade receivables not backed by bank bills	無銀行票據為後盾的貿易應收款項總額	790,365	714,123
Less: allowance for credit losses	減：信貸虧損撥備	(7,312)	(6,873)
		783,053	707,250
Trade receivables backed by bank bills	以銀行票據為後盾的貿易應收款項	268,533	172,076
Less: allowance for credit losses	減：信貸虧損撥備	(762)	(327)
		267,771	171,749
Total trade receivables	貿易應收款項總額	1,050,824	878,999
Advances to suppliers	墊付供應商款項	11,600	18,232
Prepayments	預付款項	20,434	5,975
Other receivables	其他應收款項	18,763	19,716
Less: allowance for credit losses	減：信貸虧損撥備	(143)	(181)
		50,654	43,742
Total trade and other receivables	貿易及其他應收款項總額	1,101,478	922,741

As at 1 January 2020, trade receivables from contracts with customers amounted to RMB728,444,000.

The Group allows an average credit period of 30 to 120 days from the invoice date to its trade customers except for the newly accepted customers for which payment is made when goods are delivered. For customers with good credit quality, the Group also allows them to settle with bills before the due date of settlement. Those bank bills with maturity ranging from 60 to 180 days are guaranteed by banks.

於二零二零年一月一日，客戶合約產生的貿易應收款項為人民幣728,444,000元。

本集團由發票開具日期起計算，向貿易客戶提供平均30至120天的信用期，惟新承接的客戶須於貨品交付時付款。對於信譽良好的客戶，本集團亦允許其於結算到期日前以票據結算。該等票據由銀行擔保，到期日介乎60至180天。

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綜合財務報表附註

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21. Trade and Other Receivables (Continued)

As at 31 December 2021, total gross amounts of bills received amounting to RMB466,330,000 (2020: RMB372,851,000) before ECL are held by the Group for future settlement of trade receivables, of which certain bills were further discounted/endorsed by the Group. The Group continues to recognise their full carrying amounts at the end of the reporting period and details are disclosed in note 22. All bills received by the Group are with a maturity period of less than one year.

The following is an aged analysis of trade receivables not backed by bills presented based on dates of delivery of goods at the end of the reporting period:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
0-60 days	0至60天	470,595	409,324
61-90 days	61至90天	49,589	42,753
91-180 days	91至180天	55,421	49,197
Over 180 days	180天以上	9,820	5,346
		585,425	506,620

The aged analysis of trade receivables backed by bills based on dates of delivery of goods at the end of the reporting period is analysed as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
0-60 days	0至60天	48,245	41,818
61-90 days	61至90天	64,798	51,869
91-180 days	91至180天	216,694	195,698
Over 180 days	180天以上	135,662	82,994
Total	總計	465,399	372,379

21. 貿易及其他應收款項(續)

於二零二一年十二月三十一日，本集團持有的票據總額於計提預期信貸虧損前為人民幣466,330,000元（二零二零年：人民幣372,851,000元），用作日後結算貿易應收款項，當中若干票據已獲本集團進一步貼現／背書。於報告期末，本集團繼續確認賬面值全額，有關詳情於附註22披露。本集團收取的所有票據於一年以內到期。

以下為於報告期末按貨品交付日期呈列的無票據為後盾的貿易應收款項賬齡分析：

以下為於報告期末按貨品交付日期呈列的以票據為後盾的貿易應收款項賬齡分析：

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21. Trade and Other Receivables (Continued)

As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB65,578,000 (2020: RMB97,296,000) which are past due as at the reporting date. Out of the past due balances, RMB9,820,000 (2020: RMB11,346,000) has been past due 90 days or more and is not considered as in default after taking into account the repayment histories and financial position of debtors. For trade receivables in which customers have provided bills for settlement are not considered as past due nor in default. Other than bills received, the Group does not hold any collateral over these balances.

Details of trade receivables backed or not backed by bills pledged are set out in note 37.

Details of impairment assessment of trade and other receivables for the year ended 31 December 2021 are set out in note 39.

During the year ended 31 December 2021, the Group discounted bills provided by external customers with recourse to banks or other financial institutions for short-term financing. The proceeds received from discounting of bills to banks which do not qualify for derecognition have been included under cash inflows under financing activities in the consolidated statement of cash flows. For proceeds received from discounting of bills to other financial institutions of customers, the relevant cash flows are presented as operating cash flows in the consolidated statement of cash flows as the management considers the cash flows are, in substance, the receipts from trade debtors. For the non-cash settlement of discounted bills, please refer to note 40.

During the year, the Group endorsed bills with recourse amounted to RMB25,260,000 (2020: RMB26,490,000) to suppliers for settlement. The relevant transactions are non-cash transactions and the effects are excluded from the consolidated statement of cash flows.

The Group's trade and other receivables that are denominated in the following currencies other than the functional currencies of the relevant group entities are set out below:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Hong Kong Dollars ("HKD")	港元(「港元」)	64	167
United States Dollars ("USD")	美元(「美元」)	234	-
Great Britain Pound ("GBP")	英鎊(「英鎊」)	1	-

21. 貿易及其他應收款項(續)

於二零二一年十二月三十一日，本集團的貿易應收款項結餘包括於報告日期已到期的賬款，總賬面值人民幣65,578,000元(二零二零年：人民幣97,296,000元)。已到期的結餘當中，人民幣9,820,000元(二零二零年：人民幣11,346,000元)已逾期90天或以上，惟經考慮債務人的還款記錄及財務狀況後，不視作違約。客戶已提供票據作結算的貿易應收款項既不視作逾期亦不視作違約。除已收票據外，本集團並無就該等結餘持有任何抵押品。

有關以抵押票據為後盾及無抵押票據為後盾的貿易應收款項的詳情載於附註37。

有關截至二零二一年十二月三十一日止年度貿易及其他應收款項的減值評估的詳情載於附註39。

於截至二零二一年十二月三十一日止年度，本集團將外部客戶所提供附帶追索權票據貼現予銀行或其他金融機構，以獲取短期融資。貼現票據予銀行所得款項不符合解除確認的條件，並已計入綜合現金流量表內融資業務項下現金流入項目。就貼現客戶票據予其他金融機構所得款項而言，由於管理層認為相關相關現金流量實質上為貿易賬款收款，故相關現金流量於綜合現金流量表內呈列為經營現金流量。就貼現票據之非現金結算而言，請參閱附註40。

於本年度，本集團將附帶追索權票據人民幣25,260,000元(二零二零年：人民幣26,490,000元)背書予供應商作結算。有關交易為非現金交易，其影響不計入綜合現金流量表。

本集團以下列相關集團旗下實體功能貨幣以外的貨幣計值的貿易及其他應收款項載列如下：

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22. Transfers of Financial Assets

The following were the Group's bills as at 31 December 2021 and 2020 that were transferred to banks, other financial institutions or suppliers by discounting or endorsing on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to the bills, it continues to recognise the full carrying amount of the related trade receivables and trade payables and has recognised the cash received from banks and other financial institutions on the transfer as a secured borrowings (see note 27).

The bills from external customers are carried at amortised cost. Bills arising from intra-group transactions in which the relevant group entities discounted or transferred the bills to banks, other financial institutions or suppliers, such trade receivables and related intra-group payables have been eliminated in the Group's consolidated statement of financial position.

At 31 December 2021

22. 轉讓金融資產

以下為於二零二一年及二零二零年十二月三十一日本集團將附帶全面追索權的票據透過貼現或背書轉讓予銀行、其他金融機構或供應商。由於本集團並無轉讓與票據相關的主要風險及回報，其繼續確認相關貿易應收款項及貿易應付款項的賬面值全額，並將轉讓後從銀行及其他金融機構獲取的現金確認為有抵押借款(見附註27)。

外部客戶票據以攤銷成本記賬。就集團旗下實體將集團內實體之間交易所產生票據貼現或轉讓予銀行、其他金融機構或供應商而言，該等貿易應收款項及相關集團內實體之間應付款項已於本集團綜合財務狀況表對銷。

於二零二一年十二月三十一日

		Bills discounted to banks/ other financial institutions with full recourse	Bills endorsed to suppliers with full recourse	Total
		貼現附帶全面 追索權票據予 銀行/其他 金融機構 RMB'000 人民幣千元	背書附帶全面 追索權票據 予供應商 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Carrying amount of bills	票據賬面值	322,749	10,380	333,129
– external customers	– 外部客戶	305,999	8,756	314,755
– intra-group customers	– 集團內實體間客戶	16,750	1,624	18,374
Carrying amount of trade payables	貿易應付款項賬面值	–	(10,380)	(10,380)
Carrying amount of bank and other borrowings	銀行及其他借款賬面值	(322,749)	–	(322,749)

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22. Transfers of Financial Assets (Continued) At 31 December 2020

		Bills discounted to banks/ other financial institutions with full recourse 貼現附帶全面 追索權票據予 銀行/其他 金融機構 RMB'000 人民幣千元	Bills endorsed to suppliers with full recourse 背書附帶全面 追索權票據 予供應商 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Carrying amount of bills	票據賬面值	395,378	9,873	405,251
– external customers	– 外部客戶	263,154	9,873	273,027
– intra-group customers	– 集團內實體間客戶	132,224	–	132,224
Carrying amount of trade payables	貿易應付款項賬面值	–	(9,873)	(9,873)
Carrying amount of bank and other borrowings	銀行及其他借款賬面值	(395,378)	–	(395,378)

23. Contract Assets

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Made-to-order paper-based packaging products	定製紙製包裝產品	15,550	18,628
Current	即期	15,550	18,628

At 1 January 2020, contract assets amounted to RMB16,957,000.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

22. 轉讓金融資產(續) 於二零二零年十二月三十一日

		Bills discounted to banks/ other financial institutions with full recourse 貼現附帶全面 追索權票據予 銀行/其他 金融機構 RMB'000 人民幣千元	Bills endorsed to suppliers with full recourse 背書附帶全面 追索權票據 予供應商 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Carrying amount of bills	票據賬面值	395,378	9,873	405,251
– external customers	– 外部客戶	263,154	9,873	273,027
– intra-group customers	– 集團內實體間客戶	132,224	–	132,224
Carrying amount of trade payables	貿易應付款項賬面值	–	(9,873)	(9,873)
Carrying amount of bank and other borrowings	銀行及其他借款賬面值	(395,378)	–	(395,378)

23. 合約資產

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Made-to-order paper-based packaging products	定製紙製包裝產品	15,550	18,628
Current	即期	15,550	18,628

於二零二零年一月一日，合約資產為人民幣16,957,000元。

合約資產乃主要關於本集團就已完成項目應收取代價的權利，惟因該等權利須待本集團未來履約方作實而尚未開具發票。合約資產於該等權利成為無條件時轉撥貿易應收款項。

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23. Contract Assets (Continued)

Typical payment terms which impact on the amount of contract assets recognised are as follows:

Made-to-order paper-based packaging products

The Group typically does not require a deposit on acceptance of order. The consideration is payable on the earlier of the delivery and acceptance of the finished goods by customers or notice from the customer to cancel the order. If the customer cancels the order then the Group is entitled to receive payment for work done to date pursuant to legal and regulatory environment in the PRC. The Group typically issue bills to customers when the finished goods are delivered to customers and acknowledged by customers. The credit term is ranging from 30 to 120 days.

Details of the impairment assessment are set out in note 39.

24. Pledged Bank Deposits and Bank Balances and Cash

Bank balances carry interest at market rates which range from 0.01% to 0.35% (2020: 0.01% to 0.35%) per annum. The pledged deposits carry interest rates which range from 0.3% to 1.65% (2020: 0.3% to 1.65%) per annum.

Pledged bank deposits represent deposit pledged to banks to secure banking facilities granted to the Group. Deposits amounting to RMB92,368,000 (2020: RMB106,401,000) have been pledged to secure the short-term bank borrowings and bills payables repayable within three to six months and are therefore classified as current assets. The pledged bank deposits will be released upon the settlement of relevant bank borrowings and bills payables.

Detail of impairment assessment of pledged bank deposits and bank balances are set out in note 39.

The Group's bank balances that are denominated in the following currencies other than the functional currencies of the relevant group entities are set out below:

HKD	港元
USD	美元
GBP	英鎊
Euro ("EUR")	歐元(「歐元」)

23. 合約資產(續)

對所確認合約資產金額構成影響的一般付款條款如下：

定製紙製包裝產品

一般而言，本集團承接訂單時不會要求收取訂金。代價應於成品交付予客戶及獲客戶接收時或接獲客戶取消訂單時(以較早發生者為準)支付。倘客戶取消訂單，則本集團有權根據中國的法律和監管環境收取迄今為止所完成工作的付款。一般而言，本集團於成品交付予客戶及獲客戶簽收時向客戶開具發票，信用期介乎30至120天。

有關減值評估的詳情載於附註39。

24. 已抵押銀行存款及銀行結餘及現金

銀行結餘按介乎0.01厘至0.35厘(二零二零年：0.01厘至0.35厘)的市場年利率計息。已抵押存款按介乎0.3厘至1.65厘(二零二零年：0.3厘至1.65厘)的年利率計息。

已抵押銀行存款指抵押予銀行的存款，作為授予本集團的銀行融資的擔保。存款人民幣92,368,000元(二零二零年：人民幣106,401,000元)已獲抵押，作為須於三至六個月內償還的短期銀行借款及應付票據的擔保，故分類為流動資產。已抵押銀行存款將於償還相關銀行借款時解除。

有關已抵押銀行存款及銀行結餘的減值評估的詳情載於附註39。

本集團以下列相關集團旗下實體功能貨幣以外的貨幣計值的銀行結餘載列如下：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
HKD	1,654	7,303
USD	401	177
GBP	9	10
Euro ("EUR")	760	–

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25. Trade and Other Payables

25. 貿易及其他應付款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade payables	貿易應付款項	114,341	139,194
Bills payables – secured	應付票據—有抵押	83,630	15,829
Other tax payables (note)	其他應付稅項(附註)	51,959	37,893
Payroll and welfare payables	應付薪酬及福利費	43,080	35,919
Construction payables	應付工程款項	5,668	4,341
Others	其他	38,669	26,271
		337,347	259,447

Note: Included in other tax payables is provision for value-added tax amounting to RMB44,261,000 (2020: RMB36,078,000).

附註：其他應付稅項包括人民幣44,261,000元(二零二零年：人民幣36,078,000元)的增值稅撥備。

The following is an aged analysis of trade payables presented based on the dates of receipt of goods at the end of the reporting period.

以下為於報告期末按收取貨品日期呈列的貿易應付款項賬齡分析：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
0–60 days	0至60天	96,334	117,537
61–90 days	61至90天	5,126	5,040
91–180 days	91至180天	5,093	8,456
Over 180 days	180天以上	7,788	8,161
		114,341	139,194

The aged analysis of bills payables based on the dates of receipt of goods at the end of the reporting period are analysed as follows:

以下為於報告期末按收取貨品日期呈列的應付票據賬齡分析：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
0–60 days	0至60天	12,326	5,416
61–90 days	61至90天	6,000	6,741
91–180 days	91至180天	37,104	3,672
Over 180 days	180天以上	28,200	3,672
		83,630	15,829

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25. Trade and Other Payables (Continued)

The credit period on purchase of materials is 30 to 120 days. The Group has financial risk management policies in place to monitor the settlement.

The Group's trade and other payables that are denominated in the currency other than the functional currencies of the relevant group entities at 31 December 2021 is USD amounted to RMB81,000 (2020: nil).

26. Consideration Payables

Non-current
Current

非流動
流動

2021
二零二一年
RMB'000
人民幣千元

2020
二零二零年
RMB'000
人民幣千元

		5,681	10,875
		5,818	11,956
		11,499	22,831
Fixed consideration payables at amortised cost	按攤銷成本計量的定額應付代價款項	3,282	10,900
Contingent consideration payables at FVTPL	按公允價值計入損益的或然應付代價款項	8,217	11,931
		11,499	22,831

On 1 March 2020, the Group completed the acquisition of 80% equity interest in Yudu County Zhengyi Paper Products and Paper Industry Company Limited ("Zhengyi") for an aggregate consideration of RMB47,200,000 plus contingent consideration. The aggregate amount of cash consideration of RMB29,800,000 was paid upon completion of the acquisition. For the remaining cash consideration, RMB6,200,000, RMB7,860,000, RMB1,670,000 and RMB1,670,000 should be paid in September 2020, March 2021, March 2022 and March 2023 respectively. Regarding the contingent consideration arrangement, the Group is required to pay additional amounts of RMB4,270,000, RMB4,270,000 and RMB4,260,000 as at 30 June 2021, 2022 and 2023 respectively if Zhengyi's profit after tax in each of the calendar years 2020, 2021 and 2022 exceeds RMB3,000,000, RMB4,000,000 and RMB5,000,000 respectively. The present value of the consideration amounted to RMB27,829,000 was accounted for by the Group with discount rate of 5.23% applied on consideration payables at initial recognition. The fixed and contingent considerations are subsequently measured at amortised cost and FVTPL respectively.

During the year, imputed interest amounted to RMB242,000 (2020: RMB646,000) and loss from changes in fair value of financial liabilities at FVTPL amounted to RMB556,000 (2020: RMB556,000) have been charged to profit or loss and total consideration amounted to RMB12,130,000 (2020: RMB6,200,000) has been paid.

25. 貿易及其他應付款項(續)

購買材料的信用期介乎30至120天。本集團設有財務風險管理政策以監控償還情況。

本集團以相關集團旗下實體功能貨幣以外的貨幣計值的貿易及其他應付款項為人民幣81,000元的美元(二零二零年：零)。

26. 應付代價款項

於二零二零年三月一日，本集團以總代價人民幣47,200,000元另加或然代價收購于都縣正億紙品及紙業有限公司(「正億」)80%的股權。於完成時已支付現金代價人民幣29,800,000元。餘下現金代價人民幣6,200,000元、人民幣7,860,000元、人民幣1,670,000元及人民幣1,670,000元應分別於二零二零年九月、二零二一年三月、二零二二年三月及二零二三年三月支付。就有關或然對價安排，倘若正億於二零二零年、二零二一年和二零二二年各曆年的稅後利潤分別超過人民幣3,000,000元、人民幣4,000,000元和人民幣5,000,000元，本集團需於二零二一年六月三十日、二零二二年和二零二三年六月三十日分別支付人民幣4,270,000元、人民幣4,270,000元和人民幣4,260,000元的額外金額。本集團於初步確認或然應付款項時應用貼現率5.23%將人民幣27,829,000元的代價現值記賬。定額及或然應付代價款項其後分別按攤銷成本計量及按公允價值計入損益。

於本年度，推算利息為人民幣242,000元(二零二零年：人民幣646,000元)及按公允價值計入損益的金融負債的公允價值變動虧損為人民幣556,000元(二零二零年：人民幣556,000元)已自損益扣除，及總代價人民幣12,130,000元(二零二零年：人民幣6,200,000元)已支付。

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27. Bank and Other Borrowings

27. 銀行及其他借款

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Bank and other borrowings	銀行及其他借款	1,191,454	1,111,343
Less: Amount due within one year shown under current liabilities	減：於一年內到期並列作流動負債的金額	1,022,356	1,025,339
Amount shown under non-current liabilities	列作非流動負債的金額	169,098	86,004

Bank borrowings

銀行借款

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Bank borrowings	銀行借款	710,252	574,666
Bank borrowings (discounted bills with full recourse)	銀行借款(附帶全面追索權的貼現票據)	180,825	273,410
		891,077	848,076
Secured	有抵押	873,907	764,583
Unsecured	無抵押	17,170	83,493
		891,077	848,076
Carrying amount repayable:*	須於以下期間償還的賬面值：*		
Within one year	一年內	796,955	833,826
Within a period of more than one year but not more than two years	一年以上及兩年以下的期間	57,376	14,250
Within a period of more than five years	五年以上的期間	36,746	-
Less: Amount due within one year shown under current liabilities	減：於一年內到期並列作流動負債的金額	891,077	848,076
		(796,955)	(833,826)
Amount shown under non-current liabilities	列作非流動負債的金額	94,122	14,250

* The amounts are based on scheduled repayment dates set out in the loan agreements.

* 該等金額乃按相關貸款協議所載的計劃還款日期呈列。

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27. Bank and Other Borrowings (Continued)

Bank borrowings (Continued)

The Group's bank borrowings that are denominated in the following currencies other than the functional currencies of the relevant entities are set out below:

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
HKD	17,170	47,324
USD	2,761	-

Detail of assets pledged for secured bank borrowings are set out in note 37.

有關已抵押資產作為有抵押銀行借款擔保的詳情載於附註37。

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

本集團借款的實際利率(相等於合約利率)範圍如下:

	2021 二零二一年	2020 二零二零年
Effective interest rate: 實際利率:		
Fixed rate borrowings 固定利率計息借款	2.66% to 7.20% per annum 年利率2.66厘至7.20厘	2.66% to 7.20% per annum 年利率2.66厘至7.20厘
Variable rate borrowings 浮動利率計息借款	3.08% to 3.17% per annum 年利率3.08厘至3.17厘	2.30% to 3.40% per annum 年利率2.30厘至3.40厘

At 31 December 2021, variable-rate bank borrowings amounted to RMB17,170,000 (2020: RMB47,324,000). The borrowings are charged at the interest rate based on Hong Kong Interbank Offered Rate ("HIBOR") plus 3% (2020: HIBOR plus 1.5%), and expose the Group to cash flow interest rate risk. At 31 December 2021, fixed rate bank borrowings amounted to RMB873,907,000 (2020: RMB800,752,000).

於二零二一年十二月三十一日，浮動利率計息借款為人民幣17,170,000元(二零二零年：人民幣47,324,000元)。該等借款按香港銀行同業拆息(「香港銀行同業拆息」)加3厘(二零二零年：香港銀行同業拆息加1.5厘)的利率計息，使本集團面臨現金流利率風險。於二零二一年十二月三十一日，固定利率計息借款為人民幣873,907,000元(二零二零年：人民幣800,752,000元)。

As at 31 December 2021, secured bank borrowings include the proceeds received from the discounting of (i) bills from external customers amounting to RMB164,075,000 (2020: RMB141,186,000), and (ii) bills issued by group entities amounting to RMB16,750,000 (2020: RMB132,224,000), to banks with recourse.

於二零二一年十二月三十一日，有抵押銀行借款包括貼現附帶全面追索權的(i)外部客戶票據人民幣164,075,000元(二零二零年：人民幣141,186,000元)；及(ii)集團旗下實體出具票據人民幣16,750,000元(二零二零年：人民幣132,224,000元)予銀行之所得款項。

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27. Bank and Other Borrowings (Continued) Other borrowings

27. 銀行及其他借款(續) 其他借款

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Other borrowings	其他借款	158,453	141,299
Other borrowings (discounted bills with full recourse)	其他借款(附帶全面追索權的貼現票據)	141,924	121,968
		300,377	263,267
Secured (note 1)	有抵押(附註1)	298,577	253,127
Unsecured (note 2)	無抵押(附註2)	1,800	10,140
		300,377	263,267
Carrying amount repayable:	須於以下期間償還的賬面值：		
Within one year	一年內	225,401	191,513
Within a period of more than one year but not more than two years	一年以上及兩年以下的期間	57,112	54,041
Within a period of more than two years but not more than five years	兩年以上及五年以下的期間	17,864	17,713
		300,377	263,267
Less: Amount due within one year shown under current liabilities	減：於一年內到期並列作流動負債的金額	(225,401)	(191,513)
Amount shown under non-current liabilities	列作非流動負債的金額	74,976	71,754

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27. Bank and Other Borrowings (Continued)

Other borrowings (Continued)

Notes:

- (1) In 2019, the Group entered into agreements (the “**Agreements A**”) with a PRC financial institution (“**Financial Institution A**”) whereby the Group drew down RMB44,900,000 from the Financial Institution A (included in other borrowings) which are to be repayable within 3 years from the date of draw down at variable rates based on Benchmark Rate plus a premium. The effective interest rates of the borrowings as at 31 December 2021 ranged from 11.71% to 11.72% (2020: 11.71% to 11.72%) per annum.

In 2020, the Group entered into agreements (the “**Agreements B**”) with PRC financial institutions (“**Financial Institutions B**”) whereby the Group drew down RMB137,757,000 from the Financial Institutions B (included in other borrowings) which are to be repayable within 3 years from the date of draw down at variable rates based on Benchmark Rate plus a premium. The effective interest rates of the borrowings as at 31 December 2021 ranged from 9.60% to 10.24% (2020: 9.60% to 10.24%) per annum.

In 2021, the Group entered into agreements (the “**Agreements C**”) with PRC financial institutions (“**Financial Institutions C**”) whereby the Group drew down RMB91,792,000 from the Financial Institutions C (included in other borrowings) which are to be repayable within 3 years from the date of draw down at variable rates based on Benchmark Rate plus a premium. The effective interest rates of the borrowings as at 31 December 2021 ranged from 9.60% to 10.24% per annum.

As collaterals for the above financing, the Group transferred the ownership title of the related machinery to the Financial Institution A, Financial Institutions B and Financial Institutions C.

Upon discharging all the Group’s obligations under the Agreements A, Agreements B and Agreements C, the Financial Institution A, Financial Institutions B and Financial Institutions C will return the ownership title of the machinery to the Group for nominal amount of RMB100 for each agreement. Despite these agreements involve a legal form of a lease, the Group accounted for the Agreements A, Agreements B and Agreements C as collateralised borrowings at amortised cost using effective interest method in accordance with the actual substance of the Agreements A, Agreements B and Agreements C.

Except for the other borrowings related to Agreements A, Agreements B and Agreements C, as at 31 December 2021, secured other borrowings also include the proceeds received from the discounting of bills provided by external customers amounting to RMB141,924,000 (2020: RMB121,968,000) to other financial institutions with recourse. Secured other borrowings are at fixed-rate.

- (2) At 31 December 2021, loans of RMB1,800,000 (2020: RMB10,140,000) are obtained from two companies (2020: two companies) controlled by a non-controlling interest. The loans are arranged as entrusted loans through banks, which are to be repayable within one year at fixed interest rate of 3.50% (2020: 3.50%) per annum.

27. 銀行及其他借款(續)

其他借款(續)

附註:

- (1) 於二零一九年，本集團與一間中國金融機構(「**金融機構甲**」)訂立協議(「**協議甲**」)，據此，本集團向金融機構甲提取人民幣44,900,000元(計入其他借款)，須於提取日期起計三年以內償還，按基於基準利率的浮動利率計息，另加一筆溢價。於二零二一年十二月三十一日，該等借款之實際利率介乎年利率11.71厘至11.72厘(二零二零年：介乎11.71厘至11.72厘)。

於二零二零年，本集團與多間中國金融機構(「**金融機構乙**」)訂立協議(「**協議乙**」)，據此，本集團向金融機構乙提取人民幣137,757,000元(計入其他借款)，須於提取日期起計三年以內償還，按基於基準利率的浮動利率計息，另加一筆溢價。於二零二一年十二月三十一日，該等借款之實際利率介乎年利率9.60厘至10.24厘(二零二零年：介乎9.60厘至10.24厘)。

於二零二一年，本集團與多間中國金融機構(「**金融機構丙**」)訂立協議(「**協議丙**」)，據此，本集團向金融機構丙提取人民幣91,792,000元(計入其他借款)，須於提取日期起計三年以內償還，按基於基準利率的浮動利率計息，另加一筆溢價。於二零二一年十二月三十一日，該等借款之實際利率介乎年利率9.60厘至10.24厘。

作為上述融資之抵押，本集團已將相關機械之所有權轉讓予該金融機構甲、金融機構乙及金融機構丙。

於解除本集團在協議甲、協議乙及協議丙下所有責任後，金融機構甲、金融機構乙及金融機構丙將就每項協議按名義值人民幣100元將相關機械之所有權歸還予本集團。儘管該等協議涉及法定租賃，本集團根據協議甲、協議乙及協議丙的實質內容，將協議甲、協議乙及協議丙記賬為使用實際利率法攤銷成本的有抵押借款。

除與協議甲、協議乙及協議丙有關的其他借款外，於二零二零年十二月三十一日，有抵押的其他借款亦包括貼現附帶全面追索權的外部客戶票據予其他金融機構所得款項人民幣141,924,000元(二零二零年：人民幣121,968,000元)。有抵押的其他借款按固定利率計息。

- (2) 於二零二零年十二月三十一日，人民幣1,800,000元(二零二零年：人民幣10,140,000元)的貸款乃向非控股權益控制的兩家公司(二零二零年：兩家公司)獲取。該等貸款為透過銀行安排的委託貸款，須於一年內償還，按固定年利率3.50厘(二零二零年：3.50厘)計息。

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28. Lease Liabilities

28. 租賃負債

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Lease liabilities payable:	須於以下期間償還的租賃負債：		
Within one year	一年內	15,458	14,226
Within a period of more than one year but not more than two years	一年以上及兩年以下的期間	4,678	13,122
Within a period of more than two years but not more than five years	兩年以上及五年以下的期間	14,874	8,176
Within a period of more than five years	五年以上的期間	10,305	9,700
		45,315	45,224
Less: Amount due within one year shown under current liabilities	減：於一年內到期並列作流動負債的金額	(15,458)	(14,226)
Amount shown under non-current liabilities	列作非流動負債的金額	29,857	30,998

The incremental borrowing rates applied to lease liabilities range from 5.7% to 6.12% (2020: from 5.7% to 6.12%).

對租賃負債應用的遞增借款率介乎5.7厘至6.12厘（二零二零年：5.7厘至6.12厘）。

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

以相關集團旗下實體功能貨幣以外的貨幣計值的租賃承擔載列如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
HKD	港元	209	518

29. Contract Liabilities

29. 合約負債

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Corrugated medium paper products	瓦楞芯紙產品	8,025	3,583

As at 1 January 2020, contract liabilities amounted to RMB2,215,000.

於二零二零年一月一日，合約負債為人民幣2,215,000元。

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29. Contract Liabilities (Continued)

The amount of contract liabilities includes the revenue to be recognised and the related value-added tax. The contract liabilities balance varies in accordance with the number of contracts outstanding at the end of reporting period. The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

29. 合約負債(續)

合約負債金額包括將予確認收入及相關增值稅。合約負債結餘因各據報告期末尚未完成的合約數目而異。下表列示本年度所確認收入當中有關結轉合約負債的部分。

		Corrugated medium paper products 瓦楞芯紙產品 RMB'000 人民幣千元
For the year ended 31 December 2021	截至二零二一年十二月三十一日止年度	
Revenue recognised that was included in the contract liability balance at the beginning of the year	所確認於年初計入合約負債結餘的收益	3,272
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度	
Revenue recognised that was included in the contract liability balance at the beginning of the year	所確認於年初計入合約負債結餘的收益	1,960

No revenue relates to performance obligations that were satisfied in prior periods for both year ended 31 December 2021 and 2020.

截至二零二一年及二零二零年十二月三十一日止兩個年度並無收入為與過往期間已履行的履約義務相關。

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

對所確認合約負債金額構成影響的一般付款條款如下：

Sales of corrugated medium paper products

The Group requires a deposit on acceptance of orders from some of the customers. When the Group receives a deposit before the delivery of corrugated medium paper products, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

銷售瓦楞芯紙產品

本集團承接若干客戶的訂單時會要求收取訂金。在本集團於交付銷售瓦楞芯紙產品前收取訂金的情況下將會於合約開始時產生合約負債，直至有關合約所確認收入超出訂金金額。

30. Amounts Due to Directors

The amounts due to directors are unsecured, interest free and repayable on demand.

30. 應付董事款項

應付董事款項為無抵押、免息及須按要求償還。

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31. Deferred Taxation

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	(11,223)	(7,265)
Deferred tax liabilities	遞延稅項負債	8,737	6,787
		(2,486)	(478)

The following are the major deferred tax (assets) liabilities recognised and movements thereon during the current and prior years:

31. 遞延稅項

就綜合財務狀況表呈列而言，已將若干遞延稅項資產與負債互抵。以下為財務報告而言遞延稅項結餘分析：

以下為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：

		Right of use assets	Lease liabilities	Contract assets	Provision for inventory	Deferred income	Impairment on receivables	Depreciation differences	Undistributed profit of subsidiaries	Unused tax losses	Other payables	Impairment on property, plant and equipment	Total
		使用權資產	租賃負債	合約資產	存貨撥備	遞延收入	應收款項減值	折舊差額	附屬公司未分派溢利	未動用稅項虧損	其他應付款項	物業、廠房及設備減值	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020	於二零二零年一月一日	8,177	(8,329)	510	(1,986)	(5,839)	(287)	1,408	5,500	-	-	-	(846)
Acquisition of a subsidiary	收購附屬公司	288	-	-	-	-	(59)	2,000	-	(2,949)	(82)	-	(802)
(Credit) charge for the year	年內(計入)扣除	(1,190)	1,028	79	(33)	285	(683)	71	370	2,029	77	(183)	1,850
Effect of change of tax rate	稅率變動之影響	-	-	-	-	-	-	-	(680)	-	-	-	(680)
At 1 January 2021	於二零二一年一月一日	7,275	(7,301)	589	(2,019)	(5,554)	(1,029)	3,479	5,190	(920)	(5)	(183)	(478)
(Credit) charge for the year	年內(計入)扣除	(1,443)	1,374	(140)	(39)	(104)	(178)	117	815	920	5	(3,335)	(2,008)
At 31 December 2021	於二零二一年十二月三十一日	5,832	(5,927)	449	(2,058)	(5,658)	(1,207)	3,596	6,005	-	-	(3,518)	(2,486)

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31. Deferred Taxation (Continued)

At the end of the reporting period, the Group has unused tax losses of RMB14,342,000 (2020: RMB10,686,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses of RMB14,342,000 (2020: RMB4,556,000) due to the unpredictability of future profit streams. The unrecognised tax losses at the end of reporting period will be expired in the following years:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
2024	二零二四年	2,570	2,570
2025	二零二五年	1,986	1,986
2026	二零二六年	9,786	-
		14,342	4,556

At the end of the reporting period, the Group has deductible temporary differences of RMB16,282,000 (2020: RMB9,758,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The aggregate amount of temporary differences associated with undistributed earnings of the PRC subsidiaries for which deferred tax liabilities have not been recognised was RMB767,171,000 (2020: RMB591,369,000). No deferred tax liabilities have been recognised in respect of these difference because the Group is in a position to control the timing of the reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

31. 遞延稅項(續)

於報告期末，本集團有未動用稅項虧損人民幣14,342,000元(二零二零年：人民幣10,686,000元)可用於抵銷未來溢利。由於未來溢利來源難以預測，並無就未動用稅項虧損人民幣14,342,000元(二零二零年：人民幣4,556,000元)確認任何遞延稅項資產。於報告期末的未動用稅項虧損將於以下年度到期：

於報告期末，本集團有可扣減暫時差額人民幣16,282,000元(二零二零年：人民幣9,758,000元)。由於不太可能有應課稅溢利作動用可扣減暫時差額抵銷用途，並無就該等可扣減暫時差額確認任何遞延稅項資產。

未確認遞延稅項負債的中國附屬公司未分派溢利相關暫時差額總額為人民幣767,171,000元(二零二零年：人民幣591,369,000元)。由於本集團能控制撥回該等暫時差額的時間，且該等差額於可見將來可能不會回撥，故並無就該等差額確認遞延稅項負債。

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32. Share Capital

32. 股本

		Number of shares 股份數目	Nominal value 票面值 HKD 港元
Ordinary shares of HKD0.10 each	每股面值0.10港元的普通股		
Authorised:	法定：		
At 1 January 2020, 31 December 2020, and 31 December 2021	於二零二零年一月一日、二零二零年 十二月三十一日及二零二一年十二月 三十一日	1,000,000,000	100,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2020, 31 December 2020, and 31 December 2021	二零二零年一月一日、二零二零年十二月 三十一日及二零二一年十二月三十一日	500,000,000	50,000,000
			RMB'000 人民幣千元
Presented as at 31 December 2020 and 2021	於二零二零年及二零二一年十二月三十一日呈列		41,655

There were no changes in the Company's authorised, issued and fully paid share capital during the both years.

於兩年度，本公司的法定、已發行及繳足股本均沒有變動。

33. Retirement Benefits Schemes

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of a trustee. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees but subject to a maximum amount of HKD1,500 per month (2020: HKD1,500 per month) for each employee.

The employees of the Company's subsidiaries established in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specific contributions.

The total cost charged to income of RMB22,102,000 (2020: RMB4,322,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

During the year ended 31 December 2021 and 2020, the Group had no forfeited contributions under the retirement benefits schemes utilised to reduce future contributions.

33. 退休福利計劃

本集團為所有香港合資格僱員設有強制性公積金計劃。該計劃的資產與本集團的資產分開，由信託人控制之基金持有。本集團及僱員均按相關入息的5%向該計劃供款，但上限為每名僱員每月1,500港元（二零二零年：1,500港元）。

本公司中國附屬公司之僱員均為中國政府所管理之國家退休福利計劃之成員。附屬公司須按僱員薪金若干百分比向退休福利計劃供款以推行有關福利。本集團在退休福利計劃之下之唯一責任為根據該計劃作出指定供款。

於收入表扣除的總成本約人民幣22,102,000元（二零二零年：人民幣4,322,000元）指本集團於本會計期間就上述計劃應付的供款。

於截至二零二一年及二零二零年十二月三十一日止年度，本集團並無任何退休福利計劃項下已沒收供款可用於扣減未來供款。

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34. Deferred Income

In 2021, the Group received government subsidies of RMB5,105,000 (2020: RMB2,200,000) for the cost of constructions of its paper-based package and corrugated medium paper plant and the replacement of machinery. The amount was treated as deferred income at 31 December 2021 and 2020. The amount is transferred to income over the useful lives of the relevant assets and the amount transferred to income during the current year is RMB4,488,000 (2020: RMB4,100,000). As at 31 December 2021, an amount of RMB37,635,000 (2020: RMB37,018,000) remains to be amortised.

35. Acquisition of a Subsidiary

On 10 December 2019, the Group entered into a letter of intent with Jiangxi Shengjing Technology Company Limited (“**Jiangxi Shengjing**”) for the acquisition of 80% of equity interest in Zhengyi. Deposits totalling amounted to RMB5,000,000 were paid in 2019. On 3 January 2020, the Group entered into an equity acquisition agreement (“**Agreement**”) with Jiangxi Shengjing regarding the acquisition of 80% equity interest in Zhengyi for an aggregate consideration of RMB47,200,000 plus contingent consideration.

According to the Agreement, the Group is required to pay an aggregate deposit of RMB16,000,000 inclusive of the deposit of RMB5,000,000 paid in 2019, and cash consideration of RMB13,800,000 should be paid on completion. For the remaining consideration, RMB6,200,000, RMB7,860,000, RMB1,670,000 and RMB1,670,000 should be paid in September 2020, March 2021, March 2022 and March 2023 respectively. Regarding the contingent consideration arrangement, the Group is required to pay additional amounts of RMB4,270,000, RMB4,270,000 and RMB4,260,000 at 30 June 2021, 2022 and 2023 respectively if Zhengyi’s profit after tax in each of the calendar years 2020, 2021 and 2022 exceeds RMB3,000,000, RMB4,000,000 and RMB5,000,000 respectively.

The acquisition was completed on 1 March 2020. Zhengyi is principally engaged in the corrugated medium paper making business and was acquired with the objective of improving the Group’s sales and production. The acquisition has been accounted for as acquisition of business using the acquisition method.

34. 遞延收入

於二零二一年，本集團就其紙製包裝及瓦楞芯紙廠房的建築成本以及機器更換收到政府補貼人民幣5,105,000元(二零二零年：人民幣2,200,000元)，於二零二一年及二零二零年十二月三十一日以遞延收入記賬，並按相關資產的可使用年期轉撥至收入。於本年度轉撥至收入的金額為人民幣4,488,000元(二零二零年：人民幣4,100,000元)。於二零二一年十二月三十一日，尚未攤銷的金額為人民幣37,635,000元(二零二零年：人民幣37,018,000元)。

35. 收購附屬公司

於二零一九年十二月十日，本集團與江西盛璟科技有限公司(「**江西盛璟**」)簽訂意向書，內容有關收購正億80%股權，並於二零一九年支付合共人民幣5,000,000元的訂金。於二零二零年一月三日，本集團與江西盛璟訂立股權收購協議(「**該協議**」)，以總代價人民幣47,200,000元另加或然代價收購正億80%股權。

根據該協議，本集團須支付合共人民幣16,000,000元的訂金(包括於二零一九年支付的訂金人民幣5,000,000元)，並須於完成時支付現金代價人民幣13,800,000元。餘下現金代價人民幣6,200,000元、人民幣7,860,000元，人民幣1,670,000元及人民幣1,670,000元應分別於二零二零年九月、二零二一年三月、二零二二年三月及二零二三年三月支付。就有關或然對價安排，倘正億於二零二零年、二零二一年和二零二二年各曆年的稅後利潤分別超過人民幣3,000,000元、人民幣4,000,000元和人民幣5,000,000元，本集團需在二零二一年六月三十日、二零二二年和二零二三年六月三十日分別支付人民幣4,270,000元、人民幣4,270,000元和人民幣4,260,000元的額外金額。

收購事項已於二零二零年三月一日完成。正億主要從事瓦楞芯紙造紙業務，收購目的為提高本集團的銷售和生產水平。收購事項已按收購法記賬為一項業務收購。

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35. Acquisition of a Subsidiary (Continued) Consideration transferred

35. 收購附屬公司(續) 已轉讓代價

		RMB'000 人民幣千元
Cash consideration	現金代價	29,800
Deferred cash considerations (Note)	遞延現金代價(附註)	16,454
		46,254
Contingent consideration arrangement (Note)	或然代價安排(附註)	11,375
		57,629
Total	總計	57,629

Note: RMB16,454,000 and RMB11,375,000 represent the estimated fair value of the deferred cash consideration and the obligation from the contingent consideration arrangement respectively.

附註：人民幣16,454,000元及人民幣11,375,000元分別指遞延現金代價的估計公允值及或然代價安排的承擔。

Assets acquired and liabilities recognised by the Group at the date of acquisition are as follows:

本集團於收購日期已確認所收購資產及負債如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	105,976
Deferred tax assets	遞延稅項資產	802
Right of use assets	使用權資產	7,806
Inventories	存貨	20,145
Trade and other receivables	貿易及其他應收款項	4,205
Bank balances and cash	銀行結餘及現金	12,789
Trade and other payables	貿易及其他應付款項	(27,219)
Bank borrowings	銀行借款	(31,000)
Amount due to a non-controlling interest	應付非控股權益款項	(21,468)
		72,036

The receivables acquired (which principally comprised trade receivables) with a fair value of RMB4,205,000 at the date of acquisition had gross contractual amounts of RMB4,619,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to RMB414,000.

所收購應收款項(主要包括貿易應收款項)於收購日期的公允值為人民幣4,205,000元，合約總額為人民幣4,619,000元。於收購日期對預期不能收取的合約現金流的最佳估計為人民幣414,000元。

Non-controlling interests

The non-controlling interests (20%) in Zhengyi recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Zhengyi and amounted to RMB14,407,000.

非控股權益

於收購日期確認正億的非控股權益(20%)乃經參考已確認正億淨資產按比例份額計量，金額為人民幣14,407,000元。

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35. Acquisition of a Subsidiary (Continued) Goodwill arising on acquisition

35. 收購附屬公司(續) 收購事項產生的商譽

		RMB'000 人民幣千元
Consideration transferred	已轉讓代價	57,629
Plus: non-controlling interests (20% in Zhengyi)	加：非控股權益(正億之20%)	14,407
Less: recognised amounts of net assets acquired	減：已確認所收購資產淨值	72,036
Goodwill arising on acquisition	收購事項產生的商譽	-

No goodwill arose on the acquisition of Zhengyi.

收購正億並無產生任何商譽。

Net cash outflow on acquisition of Zhengyi

收購正億的現金流出淨額

		RMB'000 人民幣千元
Net cash outflow from acquisition	收購事項的現金流出淨額	
Bank balance and cash acquired	所收購銀行結餘及現金	12,789
Consideration paid in cash	以現金支付代價	(36,000)
		(23,211)
Represented by:	指：	
Net cash outflow on acquisition of a subsidiary during the year ended 31 December 2019	截至二零一九年十二月三十一日止年度收購一家附屬公司的現金流出淨額	(5,000)
Net cash outflow on acquisition of a subsidiary during the year ended 31 December 2020	截至二零二零年十二月三十一日止年度收購一家附屬公司的現金流出淨額	(18,211)

Impact of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2020 was RMB14,858,000 attributable to the additional business generated by Zhengyi. Revenue for the year ended 31 December 2020 included RMB189,352,000 generated from Zhengyi.

Had the acquisition of Zhengyi been completed on 1 January 2020, revenue for the year ended 31 December 2020 of the Group from continuing operations would have been RMB2,509,570,000, and profit for the year from continuing operations would have been RMB62,073,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2020, nor is it intended to be a projection of future results.

收購事項對本集團業績的影響

截至二零二零年十二月三十一日止年度的溢利包括正億產生的額外業務應佔人民幣14,858,000元。截至二零二零年十二月三十一日止年度的收入包括正億產生的人民幣189,352,000元。

假設於二零二零年一月一日完成收購正億，本集團於截至二零二零年十二月三十一日止年度的持續經營收入應為人民幣2,509,570,000元，而年度持續經營溢利應為人民幣62,073,000元。備考資料僅作說明用途，且未必為本集團在收購於二零二零年一月一日完成的情況下實際能達致的收入及營運業績的指標，亦不擬作為未來業績的預測。

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35. Acquisition of a Subsidiary (Continued) Impact of acquisition on the results of the Group

(Continued)

In determining the 'pro-forma' revenue and profit of the Group had Zhengyi been acquired at the beginning of the year ended 31 December 2020, the directors of the Company calculated depreciation and amortisation of property, plant and equipment and right of use assets based on the recognised amounts of property, plant and equipment and right of use assets at the date of the acquisition.

36. Capital Commitments

Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	已訂約收購物業、廠房及設備但未於綜合財務報表計提撥備的資本開支
Commitment to acquire Zheng Ye Leasing (as defined in note 41)	收購正業租賃(定義見附註41)的承擔

2021	2020
二零二一年	二零二零年
RMB'000	RMB'000
人民幣千元	人民幣千元

26,752	22,484
186,000	-
212,752	22,484

37. Pledge of Assets

The following assets were pledged to secure certain banking and other facilities granted to the Group at the end of the reporting period:

Buildings and construction in progress	樓宇及在建工程
Plant and machinery	廠房及機械
Leasehold lands	土地使用權
Trade receivables not backed by bills	無票據為後盾的貿易應收款項
Trade receivables backed by bills	以票據為後盾的貿易應收款項
Pledged bank deposits	已抵押銀行存款
Inventories	存貨

2021	2020
二零二一年	二零二零年
RMB'000	RMB'000
人民幣千元	人民幣千元

95,813	88,972
148,207	134,813
106,428	109,267
80,000	80,000
305,999	263,154
92,368	106,401
111,262	53,683
940,077	836,290

In addition to the pledge of assets above, bank borrowings of RMB16,750,000 (2020: RMB132,224,000) are secured by the bills issued by group entities as at 31 December 2021.

35. 收購附屬公司(續) 收購事項對本集團業績的影響(續)

本公司董事根據於收購日期已確認物業、廠房及設備以及使用權資產的金額計算物業、廠房及設備以及使用權資產的折舊及攤銷，以得出假設於截至二零二零年十二月三十一日止年度的年初已收購正億，本集團的「備考」收入及溢利。

36. 資本承擔

37. 資產抵押

以下為於報告期末本集團已抵押資產，作為授予本集團若干銀行及其他融資的擔保：

除上表之已抵押資產外，於二零二一年十二月三十一日，銀行借款人民幣16,750,000元(二零二零年：人民幣132,224,000)以集團旗下實體出具的票據作擔保。

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38. Capital Risk Management

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes bank borrowings and other borrowings as disclosed in note 27, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure periodically. As part of the review, the directors consider the cost of capital and the risks associated with the capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, new share issues as well as the issue of the new debt or the redemption of existing debt.

39. Financial Instruments

a. Categories of financial instruments

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<i>Financial assets</i>	<i>金融資產</i>		
Amortised cost	攤銷成本	1,391,393	1,190,302
<i>Financial liabilities</i>	<i>金融負債</i>		
Amortised cost	攤銷成本	1,429,036	1,302,235
FVTPL	按公允值計入損益	8,217	11,931

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances, trade and other payables, amounts due to directors, bank and other borrowings, lease liabilities and consideration payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

38. 資本風險管理

本集團通過維持債務與股本之間的最佳平衡來管理其資金，確保本集團旗下實體能夠持續經營，同時為股東爭取最大回報。本集團的整體策略與去年維持不變。

本集團的資本構架包括債務（包括附註27所披露的銀行借款及其他借款），扣除現金及現金等價物以及本公司擁有人應佔權益（包括股份及儲備）。

本公司董事會定期檢討資本架構。作為檢討的一部分，董事考慮資本成本及資本相關風險。本集團會根據董事推薦建議，通過派付股息、發行新股，以及發行新債務或償還現有負債來平衡整體資本架構。

39. 金融工具

a. 金融工具の種類

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<i>Financial assets</i>	<i>金融資產</i>		
Amortised cost	攤銷成本	1,391,393	1,190,302
<i>Financial liabilities</i>	<i>金融負債</i>		
Amortised cost	攤銷成本	1,429,036	1,302,235
FVTPL	按公允值計入損益	8,217	11,931

b. 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、已抵押銀行存款、銀行結餘、貿易及其他應付款項、應付董事款項、銀行及其他借款、租賃負債以及應付代價。有關該等金融工具的詳情已於相關附註披露。與該等金融工具有關的風險包括市場風險（貨幣風險及利率風險）、信用風險及流動資金風險。下文載列如何降低該等風險的政策。管理層會管理及監控該等風險，以確保及時、有效地採取適當措施。

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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates and currency rates.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

(i) *Currency risk*

The Group collects most of its revenue and incurs most of the expenditures in RMB.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets (mainly including bank balances and cash, and trade and other receivables) and monetary liabilities (mainly including trade and other payables, lease liabilities and bank borrowings) at the reporting date are as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Assets	資產		
HKD	港元	1,718	7,470
USD	美元	635	177
GBP	英鎊	10	10
EUR	歐元	760	-
Liabilities	負債		
HKD	港元	17,379	47,842
USD	美元	2,842	-

Sensitivity analysis

The Group mainly exposes to the currency of HKD relative to RMB.

敏感度分析

本集團主要承受港元兌人民幣的風險。

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險

本集團的業務主要承受利率及外幣匯率變動的市場風險。

本集團承受的市場風險或其管理及計量該等風險的方法概無重大變動。

(i) *貨幣風險*

集團的大部分收入及開支均以人民幣計值。

本集團進行若干以外幣計值的交易，因此承受匯率波動風險。本集團現時並無外幣對沖政策。然而，管理層會留意外匯風險，並會考慮於必要時對沖重大外匯風險。

本集團於報告日期以外幣計值的貨幣資產(主要包括銀行結餘及現金以及貿易及其他應收款項)及貨幣負債(主要包括貿易及其他應付款項、租賃負債以及銀行借款)的賬面值如下：

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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis (Continued)

The following table details the Group's sensitivity to a 10% (2020: 10%) increase and decrease in RMB against the relevant foreign currencies. 10% represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% (2020: 10%) change in foreign currency rates. A positive number below indicates an increase in post-tax profit where the RMB strengthens 10% (2020: 10%) against the relevant currency. For a 10% weakening of RMB against the relevant currency, they would be an equal and opposite impact on the profit and balances below would be negative.

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
HKD	港元		
Profit or loss	溢利或虧損	1,265	3,336
USD	美元		
Profit or loss	溢利或虧損	203	(16)
GBP	英鎊		
Profit or loss	溢利或虧損	(1)	(1)
EUR	歐元		
Profit or loss	溢利或虧損	(68)	-

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析(續)

下表詳述本集團對人民幣兌相關外幣匯率上升及下跌10%(二零二零年:10%)的敏感度。10%代表管理層對匯率的合理可能變動的評估。敏感度分析僅包括未結算的外幣計值貨幣項目，並於報告期末調整其兌換以反映匯率的10%(二零二零年:10%)變動。下文的正數反映人民幣兌相關外幣匯率上升10%(二零二零年:10%)的情況下除稅後溢利增加。倘人民幣兌相關外幣的匯率減弱10%，則對下文的溢利及結餘帶來同等的負面影響。

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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances, and bank and other borrowings which carry at prevailing deposit interest rates and variable rate based on the interest rates from HIBOR.

The Group's fair value interest rate risk relates primarily to its fixed rate pledged bank deposits, bank and other borrowings and lease liabilities. The Group currently does not have any interest rate hedging policy to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates. Details of the impacts on the Group's risk management strategy arising from the interest rate benchmark reform and the progress towards implementation of alternative benchmark interest rates are set out under "interest rate benchmark reform" in this note.

Sensitivity analysis

Sensitivity analysis on bank balances is not presented as the management considers that the Group's exposure to interest rate fluctuation is insignificant.

The sensitivity analyses below have been determined based on the exposure to interest rates for the variable rate bank and other borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 100 basis points (2020: 100 basis points) increase or decrease for variable rate bank and other borrowings are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonably possible change in interest rates in respect of bank and other borrowings.

If interest rates had been 100 basis points (2020: 100 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2021 would have decreased/increased by RMB1,351,000 (2020: RMB1,462,000).

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

由於銀行結餘以及銀行及其他借款(按現行存款利率及根據香港銀行同業拆息所報利率計算的浮息計息)的現行市場利率波動，因此本集團須承受現金流量利率風險。

本集團的公允值利率風險主要有關其定息已抵押銀行存款、銀行及其他借款以及租賃負債。本集團現時並無利用任何利率對沖政策對沖其承擔的利率風險。然而，管理層將考慮於必要時對沖重大利率風險。

本集團須承受與金融負債有關的利率風險，詳情載於本附註流動資金風險管理一節。

全球範圍內的主要利率基準正發生根本性的改革，這包括使用替代性且近乎無風險的利率去取代若干銀行同業拆息(「銀行同業拆息」)。有關利率基準改革對本集團風險管理策略的影響，以及採用替代性的基準利率的進展的詳情載於本附註「利率基準改革」項下。

敏感度分析

由於管理層認為本集團承受利率波動風險不大，銀行結餘的敏感度分析並無呈列。

下列敏感度分析乃根據報告期末的浮息銀行及其他借款利率風險以及財政年度開始時的規定改變並於整個年度保持不變而釐定。公司內部向主要管理人員匯報利率風險時會以升跌100個基點(二零二零年：100個基點)(就浮息銀行及其他借款而言)為基準，即管理人員分別評估銀行及其他借款利率的合理可能變動。

倘利率上升/下降100個基點(二零二零年：100個基點)，而所有其他變數維持不變，則本集團截至二零二一年十二月三十一日止年度的除稅後溢利會減少/增加人民幣1,351,000元(二零二零年：人民幣1,462,000元)。

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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

As at 31 December 2021, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets except that the credit risks associated with trade receivables is partially mitigated because settlement of certain trade receivables are backed by bills issued by reputable banks.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit assessment system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. The Group may require a deposit to be received from certain customers of corrugated medium paper products before acceptance of orders. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. Trade receivables are assessed for ECL by categorising into receivables fully backed by bank bills and not backed by bank bills. Debtors with trade receivables backed by bank bills are assessed individually taking into consideration of the credit rating and reputation of the banks issuing the bills. The Group assessed the ECL on trade receivables not backed by bank bills and contract assets individually for debtors and contract assets with significant balance or credit-impaired and/or collectively based on provision matrix with appropriate groupings based primarily on the debtors' ageing profiles.

Pledged bank deposits/bank balances

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估

於二零二一年十二月三十一日，因對手方未能履行責任而對本集團造成財務損失的最大信用風險為綜合財務狀況表內所列各項已確認金融資產的賬面值。

本集團並無持有任何抵押品或其他信貸增強措施以彌補其與其金融資產相關的信貸風險，惟與貿易應收款項相關的信貸風險已部分減輕，因為若干貿易應收款項的結算以信譽良好的銀行所發出票據為後盾。

與客戶訂立合約產生的貿易應收款項及合約資產

為盡量減低信貸風險，本集團管理層已委派團隊負責釐定信貸限額及信貸審批。在接納任何新客戶之前，本集團使用內部信貸評估系統評估潛在客戶的信用質量並定義客戶的信貸額度。給予客戶的額度獲定期審查。本集團可能要求若干瓦楞紙客戶提供訂金，方承接訂單，並已制訂其他監察程序確保採取後續行動收回逾期債務。此外，本集團根據預期信貸虧損模型以單獨或撥備矩陣形式對貿易結餘進行減值評估。貿易應收款項分類為全面以銀行票據為後盾及無銀行票據為後盾進行預期信貸虧損評估。賬款為以銀行票據為後盾的貿易應收款項，則經考慮出具票據的銀行的信用評級和信譽後以單獨形式進行評估。本集團對具有大額結餘或出現信貸減值的無銀行票據為後盾的貿易應收款項及合約負債，以單獨形式及/或使用主要基於債務人賬齡資料的適當分組的撥備矩陣的集體形式進行預期信貸虧損評估。

已質押銀行存款/銀行結餘

銀行結餘的信貸風險有限，原因為交易對手為獲國際信貸評級機構評為具有高信貸評級的銀行。

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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

Other receivables

Other receivables are assessed individually and not included in provision matrix. The credit quality of other receivables have been assessed with reference to the historical information about the past due information, default rate, the financial position of counterparties and also supportive forward-looking information. The directors of the Company consider that the credit risk of other receivables is low in view of the good collection history.

The Group has concentration of credit risk as 25% (2020: 29%) of total trade receivables represented amounts due from the Group's largest three (2020: three) trade debtors as at 31 December 2021. The management is of the view that these trade debtors of the Group have good trade record without default history and consider that the trade receivable from these customers is recoverable.

Other than those described above, the Group has no significant concentration of credit risk.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables/ contract assets 貿易應收款項/合約資產	Other financial assets/ other items 其他金融資產/其他項目
Low risk 低風險	The counterparty has a low risk of default or does not have any past-due amounts 交易對手具有低違約風險或沒有任何逾期款項	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值	12m ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle in full 債務人經常在到期日之後還款，但通常都能夠全面清償款項	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 通過內部開發資料或外部資源顯示自初步確認以來信貸風險顯著增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人已陷入嚴重財務困難，且本集團並無實際收回款項的機會	Amount is written off 撇銷金額	Amount is written off 撇銷金額

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

其他應收款項

其他應收款項單獨進行評估，不包括在撥備矩陣中。其他應收款項的信貸級數已參考有關逾期資料的過往資料、違約率、交易對手的財務狀況以及有理據的前瞻資料進行評估。鑑於良好的收款記錄，本公司董事認為其他應收款項的信貸風險較低。

於二零二一年十二月三十一日，本集團三大貿易債務人(二零二零年：三名)佔本集團貿易應收款項總額25%(二零二零年：29%)，因此本集團存在集中信貸風險。管理層認為，本集團的貿易債務人擁有良好的交易記錄，並無違約歷史，因此認為應收該等客戶的貿易應收款項可予收回。

除上述者外，本集團並無重大集中信貸風險。

本集團的內部信貸風險級別評估包括以下組別：

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截至二零二一年十二月三十一日止年度

39. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

2021	NOTES	Internal credit rating	12m or lifetime ECL 12個月或全期 預期信貸風險	Gross carrying amount	
				RMB'000 人民幣千元	RMB'000 人民幣千元
二零二一年	附註	內部信貸評級		總賬面值	
Pledged bank deposits 已抵押銀行存款	24	Low risk (note (i)) 低風險(附註(i))	12m ECL 12個月預期信貸虧損	92,368	92,368
Bank balances 銀行結餘	24	Low risk (note (i)) 低風險(附註(i))	12m ECL 12個月預期信貸虧損	229,540	229,540
Other receivables 其他應收款項	21	Low risk (note (ii)) 低風險(附註(ii))	12m ECL 12個月預期信貸虧損	18,763	18,763
Trade receivables – contracts with customers 貿易應收款項 – 客戶合約	21	Low risk (note (iii)) 低風險(附註(iii))	Lifetime ECL (collective assessment) 全期預期信貸虧損(集體評估)	336,045	
		Low risk 低風險	Lifetime ECL (individual assessment) 全期預期信貸虧損(個別評估)	721,534	
		Loss 虧損	Credit-impaired 信貸減值	1,319	1,058,898
Contract assets 合約資產	23	Low risk (note (iii)) 低風險(附註(iii))	Lifetime ECL (individual assessment) 全期預期信貸虧損(個別評估)	15,550	15,550

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表詳列本集團須進行預期信貸虧損評估的金融資產及合約資產的信貸風險：

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綜合財務報表附註

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截至二零二一年十二月三十一日止年度

39. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

2020 二零二零年	NOTES 附註	Internal credit rating 內部信貸評級	12m or lifetime ECL 12個月或全期 預期信貸風險	Gross carrying amount 總賬面值	
				RMB'000 人民幣千元	RMB'000 人民幣千元
Pledged bank deposits 已抵押銀行存款	24	Low risk (note (i)) 低風險(附註(i))	12m ECL 12個月預期信貸虧損	106,401	106,401
Bank balances 銀行結餘	24	Low risk (note (i)) 低風險(附註(i))	12m ECL 12個月預期信貸虧損	185,343	185,343
Other receivables 其他應收款項	21	Low risk (note (ii)) 低風險(附註(ii))	12m ECL 12個月預期信貸虧損	19,716	19,716
Trade receivables – contracts with customers 貿易應收款項 – 客戶合約	21	Low risk (note (iii)) 低風險(附註(iii))	Lifetime ECL (collective assessment) 全期預期信貸虧損(集體評估)	260,644	
		Low risk (individual assessment) 低風險 (個別評估)	Lifetime ECL (individual assessment) 全期預期信貸虧損(個別評估)	623,229	
		Loss 虧損	Credit-impaired 信貸減值	2,326	886,199
Contract assets 合約資產	23	Low risk (note (iii)) 低風險(附註(iii))	Lifetime ECL (individual assessment) 全期預期信貸虧損(個別評估)	18,628	18,628

Notes:

- (i) For the purpose of internal credit risk management, the Group has made reference to the external credit rating for its major bank balances.
- (ii) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. As at 31 December 2021 and 2020, the Group has no past due other receivables.
- (iii) For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances, credit-impaired or trade receivables backed by bills, the Group determines the ECL on these items by using a provision matrix as mentioned above.

附註：

- (i) 就內部信貸風險管理而言，本集團已參考其主要銀行結餘的外部信貸評級。
- (ii) 就內部信貸風險管理而言，本集團使用逾期信息評估自初步確認後信貸風險是否顯著增加。於二零二一年及二零二零年十二月三十一日，本集團並無逾期其他應收款項。
- (iii) 就貿易應收款項及合約資產而言，本集團已採用香港財務報告準則第9號的簡化方法計量全期預期信貸虧損的虧損準備。除具有重大未償還結餘、出現信貸減值或以票據為後盾的貿易應收款項的賬款外，本集團採用上述撥備矩陣確定該等項目的預期信貸虧損。

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table provides information about the exposure to credit risk for trade receivables not backed by bank bills which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).

Gross carrying amount

		2021 二零二一年		2020 二零二零年	
		Average loss rate 平均虧損率	Trade receivables 貿易應收款項 RMB'000 人民幣千元	Average loss rate 平均虧損率	Trade receivables 貿易應收款項 RMB'000 人民幣千元
0-60 days	0至60日	0.66%	319,912	0.66%	254,336
61-90 days	61至90日	0.95%	10,727	1.01%	3,080
91-180 days	91至180日	2.02%	5,292	1.32%	3,180
Over 180 days	超過180日	100.00%	114	100.00%	48
			336,045		260,644

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2021, a reversal of allowance for credit losses of RMB395,000 (2020: nil) was made on credit-impaired debtors and an allowance for credit losses of RMB5,824,000 (2020: RMB4,402,000) and a reversal of allowance for credit losses of RMB4,562,000 (2020: nil) were made on the not credit-impaired debtors.

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表提供有關無銀行票據為後盾並使用撥備矩陣集體進行全期預期信貸虧損(未出現信貸減值)集體評估的貿易應收款項的信貸風險資料。

賬面總值

估計虧損率乃根據債務人預期年期的過往可觀察違約率估計，及按毋須花費不必要成本或費力而可取得的前瞻性資料作出調整。管理層定期審查分組，以確保更新有關特定債務人的相關資料。

於截至二零二一年十二月三十一日止年度，本集團已就出現信貸減值的賬款撥回人民幣395,000元(二零二零年：無)的信貸虧損準備，以及就並無信貸減值的賬款計提人民幣5,824,000元(二零二零年：人民幣4,402,000元)的信貸虧損準備，並撥回人民幣4,562,000元(二零二零年：無)的信貸虧損準備。

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綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

39. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables not backed by bills under the simplified approach.

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) RMB'000 人民幣千元	Total amount 總金額 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	141	1,771	1,912
New financial assets originated	新增源生金融資產	4,402	-	4,402
Increase due to acquisition of a subsidiary	因收購附屬公司而增加	19	395	414
At 31 December 2020	於二零二零年十二月三十一日	4,562	2,166	6,728
Changes due to financial instruments recognised as at 1 January 2021:	因二零二一年一月一日已確認 金融工具而發生的變動：			
- Impairment losses reversed	- 撥回減值虧損	(4,562)	(395)	(4,957)
- Write-offs	- 撤銷	-	(452)	(452)
New financial assets originated	新增源生金融資產	5,824	-	5,824
At 31 December 2021	於二零二一年十二月三十一日	5,824	1,319	7,143

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. The Group has taken legal action against the debtors to recover the amount due.

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表顯示根據簡化方法對無銀行票據為後盾的貿易應收款項確認的全期預期信貸虧損之變動。

	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) RMB'000 人民幣千元	Total amount 總金額 RMB'000 人民幣千元
At 1 January 2020	141	1,771	1,912
New financial assets originated	4,402	-	4,402
Increase due to acquisition of a subsidiary	19	395	414
At 31 December 2020	4,562	2,166	6,728
Changes due to financial instruments recognised as at 1 January 2021:			
- Impairment losses reversed	(4,562)	(395)	(4,957)
- Write-offs	-	(452)	(452)
New financial assets originated	5,824	-	5,824
At 31 December 2021	5,824	1,319	7,143

當有資料顯示債務人陷入嚴重財政困難及並無實際把握收回款項，例如，當債務人已進行清盤或已進入破產程序，或貿易應收款項逾期超過兩年（視乎較早發生者），則本集團將該貿易應收款項撤銷。本集團已對債務人採取法律行動，以收回應收款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables backed by bank bills under the simplified approach.

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	—
New financial assets originated	新增源生金融資產	327
At 31 December 2020	於二零二零年十二月三十一日	327
Changes due to financial instruments recognised as at 1 January 2021:	因二零二一年一月一日已確認金融工具而發生的變動：	
– Impairment losses reversed	– 撥回減值虧損	(327)
New financial assets originated	新增源生金融資產	762
At 31 December 2021	於二零二一年十二月三十一日	762

For trade receivables backed by bank bills, an impairment allowance of RMB762,000 (2020: RMB327,000) has been made by the directors of the Company after considering the probability of default and taking into consideration of the credit rating and reputation of the banks issuing the bills.

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表顯示根據簡化方法對以銀行票據為後盾的貿易應收款項確認的全期預期信貸虧損之變動。

就以銀行票據為後盾的貿易應收款項而言，本公司董事於考慮違約的可能性及計及發行票據的銀行的信貸等級及聲譽後，作出了人民幣762,000元(二零二零年：人民幣327,000元)的減值準備。

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For the year ended 31 December 2021
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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables backed by other bills under the simplified approach.

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表顯示根據簡化方法對以銀行票據為後盾的貿易應收款項確認的全期預期信貸虧損之變動。

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	–
New financial assets originated	新增源生金融資產	145
At 31 December 2020	於二零二零年十二月三十一日	145
Changes due to financial instruments recognised as at 1 January 2021:	因二零二一年一月一日已確認金融工具而發生的變動：	
– Impairment losses reversed	– 撥回減值虧損	(145)
New financial assets originated	新增源生金融資產	169
At 31 December 2021	於二零二一年十二月三十一日	169

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綜合財務報表附註

For the year ended 31 December 2021
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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in 12m ECL that has been recognised for other receivables under the simplified approach.

		12m ECL (not credit- impaired) 12個月預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元
As at 1 January 2020	於二零二零年一月一日	–
New financial assets originated	新增源生金融資產	181
At 31 December 2020	於二零二零年十二月三十一日	181
Changes due to financial instruments recognised as at 1 January 2021:	因二零二一年一月一日確認了金融工具而發生的變動：	
– Impairment losses reversed	– 撥回減值虧損	(181)
New financial assets originated	新增源生金融資產	143
At 31 December 2021	於二零二一年十二月三十一日	143

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings.

The following table details the Group's contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the year of the reporting period.

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表顯示根據簡化方法對其他應收款項確認的12個月預期信貸虧損之變動。

		12m ECL (not credit- impaired) 12個月預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元
As at 1 January 2020	於二零二零年一月一日	–
New financial assets originated	新增源生金融資產	181
At 31 December 2020	於二零二零年十二月三十一日	181
Changes due to financial instruments recognised as at 1 January 2021:	因二零二一年一月一日確認了金融工具而發生的變動：	
– Impairment losses reversed	– 撥回減值虧損	(181)
New financial assets originated	新增源生金融資產	143
At 31 December 2021	於二零二一年十二月三十一日	143

流動資金風險

在管理流動資金風險時，本集團監控及維持管理層認為充足的現金及現金等價物，以為本集團的營運提供資金，並減低現金流量波動的影響。管理層監督銀行借款的使用情況。

下表詳列本集團金融負債的合約到期日。該表乃根據本集團須付款的最早日期按照金融負債的未貼現現金流量編製。

該表包括利息及本金現金流量。倘利率為浮動利率，則未貼現金額按報告期年度的利率計算。

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綜合財務報表附註

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39. Financial Instruments (Continued)

b. Financial risk management objectives and policies

(Continued)

Liquidity risk (Continued)

Liquidity table

		Weighted average interest rate	On demand or less than 6 months 按要求或 少於六個月 RMB'000 人民幣千元	6 months to 1 year 六個月 至一年 RMB'000 人民幣千元	1-5 years 一至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流動總額 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元
2021	二零二一年							
Trade and other payables	貿易及其他應付款項	N/A不適用	233,857	-	-	-	233,857	233,857
Amounts due to directors	應付董事款項	N/A不適用	443	-	-	-	443	443
Bank borrowings	銀行借款							
- fixed rate	一定息	4.25	645,256	151,740	65,520	37,514	900,030	873,907
- variable interest rate	一浮息	3.17	274	17,170	-	-	17,444	17,170
Lease liabilities	租賃負債	5.83	9,171	8,511	24,196	16,462	58,340	45,315
Other borrowings	其他借款							
- fixed rate	一定息	4.20	143,104	1,816	-	-	144,920	143,724
- variable interest rate	一浮息	10.56	46,560	46,560	80,068	-	173,188	156,653
Consideration payables	應付代價款項	5.23	1,670	-	1,670	-	3,340	3,282
			1,080,335	225,797	171,454	53,976	1,531,562	1,474,351
2020	二零二零年							
Trade and other payables	貿易及其他應付款項	N/A不適用	179,485	-	-	-	179,485	179,485
Amounts due to directors	應付董事款項	N/A不適用	507	-	-	-	507	507
Bank borrowings	銀行借款							
- fixed rate	一定息	4.25	494,045	310,226	14,742	-	819,013	800,752
- variable interest rate	一浮息	2.35	8,971	38,941	-	-	47,912	47,324
Lease liabilities	租賃負債	5.75	9,045	8,217	24,334	17,462	59,058	45,224
Other borrowings	其他借款							
- fixed rate	一定息	3.74	122,146	10,319	-	-	132,465	132,108
- variable interest rate	一浮息	11.78	34,860	34,860	76,890	-	146,610	131,159
Consideration payables	應付代價款項	5.23	7,860	-	3,340	-	11,200	10,900
			856,919	402,563	119,306	17,462	1,396,250	1,347,459

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

倘浮息的變動有別於報告期末所釐定的估計利率，則計入上表的浮息工具的金額亦會有變。

39. 金融工具(續)

b. 金融風險管理目標及政策(續)

流動資金風險(續)

流動資金表

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39. Financial Instruments (Continued)

c. Interest rate benchmark reform

As listed in note 27, several of the Group's HIBOR bank borrowings will or may be subject to the interest rate benchmark reform. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.

While the Hong Kong Dollar Overnight Index Average ("HONIA") has been identified as an alternative to HIBOR, there is no plan to discontinue HIBOR. The multi-rate approach has been adopted in Hong Kong, whereby HIBOR and HONIA will co-exist.

The following are the key risks for the Group arising from the transition:

Interest rate related risks

There are fundamental differences between IBORs and the various alternative benchmark rates. IBORs are forward-looking term rates published for a period (e.g. 3 months) at the beginning of that period and include an inter-bank credit spread, whereas alternative benchmark rates are typically risk-free overnight rates published at the end of the overnight period with no embedded credit spread. These differences will result in additional uncertainty regarding floating rate interest payments.

Liquidity risk

The additional uncertainty on various alternative rates which are typically published on overnight basis will require additional liquidity management. The Group's liquidity risk management policy has been updated to ensure sufficient liquid resources to accommodate unexpected increases in overnight rates.

d. Fair value

Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the fair value is observable.

39. 金融工具(續)

c. 利率基準改革

誠如附註27所述，本集團多個按香港銀行同業拆息計算的銀行借款將會或可能會被利率基準改革所影響。本集團正在密切監察市場及管理過渡至新基準利率的情況，包括相關銀行同業拆息監管機構發佈的公告。

儘管港元隔夜平均指數(「港元隔夜平均指數」)已獲識別為香港銀行同業拆息的替代利率，惟並無計劃終止使用香港銀行同業拆息。香港採用多種利率並存方案，香港銀行同業拆息和港元隔夜平均指數將並存。

以下為本集團因過渡而產生的主要風險：

利率相關風險

銀行同業拆息與各種替代基準利率之間存在根本差異。銀行同業拆息為就一段期間(例如3個月)期初發佈的前瞻性期限利率，並包括銀行間信貸息差，而替代基準利率通常為無風險隔夜利率，並無嵌入信貸息差，且於隔夜期末發佈。該等差異可導致更多有關浮息利率付款的不確定性。

流動資金風險

通常於隔夜發佈的各種替代利率的額外不確定性將需要額外的流動性管理。本集團的流動性風險管理政策已更新，可確保擁有充足的流動資源，以應付任何隔夜利率的意外增長。

d. 公允值

按經常基準以公允值計量之本集團金融負債之公允值

本集團的若干金融負債於各報告期末以公允值計量。下表提供有關如何釐定該等金融負債的公允值的資料(尤其是使用的估值方法及輸入數據)，以及根據公允值的可觀察程度將公允值計量進行分類(第一級至第三級)的公允值層級的資料。

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39. Financial Instruments (Continued)

d. Fair value (Continued)

39. 金融工具(續)

d. 公允值(續)

	Fair value as at 31 December 2021 於二零二一年十二月 三十一日的公允值	Fair value hierarchy 公允值層級	Valuation technique(s) & key inputs 估值技術及 重大輸入數據	Significant unobservable input(s) 重大不可觀察 輸入數據	Sensitivity 敏感度
Contingent consideration payables	RMB8,217,000 (2020: RMB11,931,000)	Level 3	(i) Discounted cash flow model: The key input are probability of payment for the contingent consideration and discount rate	Probability of payment 100%; (2020: 100%) discount rate of 5.23% (2020: 5.23%)	The higher the probability of payment, the higher the fair value of the derivative financial instrument; the higher the discount rate, the lower the fair value of the derivative financial instrument
或然應付代價	人民幣8,217,000元 (二零二零年：人民幣 11,931,000元)	第三級	(i) 貼現現金流量模 式：重大輸入數據 為支付或然代價的 概率及貼現率	支付概率為100% (二零二零年： 100%)，貼現率為 5.23%(二零二零 年：5.23%)	支付概率越高，衍生金融工 具的公允值越高；貼現率 越高，衍生金融工具的公 允值越低

Reconciliation of Level 3 fair value measurements

第三級公允值計量之對賬

		Financial liability at FVTPL 按公允值 計入損益的 金融負債 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	—
Addition by acquisition of a subsidiary	收購附屬公司而增加	11,375
Fair value loss in profit or loss	計入損益的公允值虧損	556
At 31 December 2020	於二零二零年十二月三十一日	11,931
Fair value loss in profit or loss	計入損益的公允值虧損	556
Settlement	結算	(4,270)
At 31 December 2021	於二零二一年十二月三十一日	8,217

Except for the contingent consideration payables, the fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

除應付或然代價之外，金融資產及金融負債的公允值均根據貼現現金流量分析並按照公認定價模式釐定。

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

本公司董事認為綜合財務報表中按攤銷成本入賬的金融資產及金融負債的賬面值與其公允值相若。

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40. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

40. 融資活動所產生負債對賬

下表詳列本集團的融資活動所產生負債變動，包括現金及非現金變動。融資活動所產生負債指現金流量或未來現金流量於本集團綜合現金流量表內分類為融資活動之現金流量。

		Bank borrowings	Other borrowings	Lease liabilities	Interest payables	Dividend payable	Amount due to a non-controlling interest	Total
		銀行借款	其他借款	租賃負債	應付利息	應付股息	應付非控股權益款項	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020	於二零二零年一月一日	721,933	151,379	65,684	-	-	-	938,996
Financing cash flows	融資現金流量	312,470	78,726	(17,151)	(45,288)	(15,000)	(21,468)	292,289
Foreign exchange translation	外幣兌換	(3,486)	-	-	-	-	-	(3,486)
Interest expense	利息支出	-	-	3,125	45,288	-	-	48,413
Dividend	股息	-	-	-	-	15,000	-	15,000
Acquisition of a subsidiary	收購一家附屬公司	31,000	-	-	-	-	21,468	52,468
Covid-19-related rent concessions	Covid-19相關租金優惠	-	-	(1,411)	-	-	-	(1,411)
Gross amount of bills from external customers discounted with recourse	已貼現及附帶追索權之外部客戶應收票據總額	-	238,549	-	-	-	-	238,549
Non-cash settlement of discounted bills	已貼現應收票據之非現金結算	(213,841)	(205,387)	-	-	-	-	(419,228)
New lease	新訂租賃	-	-	1,259	-	-	-	1,259
Lease termination	終止租賃	-	-	(6,282)	-	-	-	(6,282)
At 31 December 2020	於二零二零年十二月三十一日	848,076	263,267	45,224	-	-	-	1,156,567
Financing cash flows	融資現金流量	512,802	17,154	(19,407)	(58,017)	(15,000)	(900)	436,632
Foreign exchange translation	外幣兌換	(930)	-	-	-	-	-	(930)
Interest expense	利息支出	-	-	4,016	58,017	-	-	62,033
Dividend	股息	-	-	-	-	15,000	900	15,900
Gross amount of bills from external customers discounted with recourse	已貼現及附帶追索權之外部客戶應收票據總額	-	173,470	-	-	-	-	173,470
Non-cash settlement of discounted bills	已貼現應收票據之非現金結算	(468,871)	(153,514)	-	-	-	-	(622,385)
New lease	新訂租賃	-	-	15,482	-	-	-	15,482
At 31 December 2021	於二零二一年十二月三十一日	891,077	300,377	45,315	-	-	-	1,236,769

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41. Related Parties Transactions

(a) Name and relationship

Name 名稱	Relationship 關係
Zhongshan City Zheng Ye Leasing Company Limited ("Zheng Ye Leasing") 中山市正業租賃有限公司(「正業租賃」)	Controlled by the controlling shareholders of the Company 由本公司控股股東控制

(b) Related parties transactions

During the year, the Group entered into the following transactions with related parties:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Zheng Ye Leasing	正業租賃		
- Interest on lease liabilities	- 租賃負債利息	595	949
- Lease liabilities	- 租賃負債	6,795	6,708

(c) Rental deposit of RMB450,000 (2020: RMB450,000) paid to Zheng Ye Leasing has been included in trade and other receivables in the consolidated statement of financial position at 31 December 2021.

(d) Related parties balances

Amounts due to directors are disclosed on note 30.

(e) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	29,099	24,232
Retirement benefits schemes contributions	退休福利計劃供款	377	175
		29,476	24,407

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

41. 關聯方交易

(a) 名稱及關係

Name 名稱	Relationship 關係
Zhongshan City Zheng Ye Leasing Company Limited ("Zheng Ye Leasing") 中山市正業租賃有限公司(「正業租賃」)	Controlled by the controlling shareholders of the Company 由本公司控股股東控制

(b) 關聯方交易

於本年度，本集團與關聯方訂立以下交易：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Zheng Ye Leasing	正業租賃		
- Interest on lease liabilities	- 租賃負債利息	595	949
- Lease liabilities	- 租賃負債	6,795	6,708

(c) 已付正業租賃的人民幣450,000元(二零二零年：人民幣450,000元)租賃按金已計入於二零二一年十二月三十一日綜合財務狀況表中的貿易及其他應收款項。

(d) 關聯方結餘

應付董事款項於附註30披露。

(e) 主要管理層人員的薪酬

董事及其他主要管理層成員於年內的薪酬如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	29,099	24,232
Retirement benefits schemes contributions	退休福利計劃供款	377	175
		29,476	24,407

董事及主要行政人員的薪酬由薪酬委員會經考慮個人表現及市場趨勢後釐定。

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42. Share-Based Payment Transactions

Cash-settled share-based award scheme

On 23 April 2019, an employees' share award scheme ("the Scheme") was adopted by the Company which will remain in force for 10 years. Pursuant to the Scheme, the Company would subsidise some employees of the Group (the "Selected Participants"), a portion of funds to purchase issued shares of the Company by a trustee through market transactions. Up to 26 June 2019, a total of 4,214,000 shares of the Company had been purchased and vested to the Selected Participants. The Group recognised the total expense of RMB1,467,000 for the year ended 31 December 2019 in relation to its contribution in the Scheme. For the year ended 31 December 2021 and 2020, no employee was awarded under the Scheme and no expense was recognised.

42. 股份為基礎付款交易

以現金結算的股份為基礎獎勵計劃

本公司於二零一九年四月二十三日採納一項僱員股份獎勵計劃(「該計劃」)。根據該計劃，本公司將提供部分資金，由受託人透過市場交易購買已發行股份，藉以補貼若干本集團僱員(「選定參與者」)。截至二零一九年六月二十六日，已購買合計4,214,000股本公司股份並歸屬予選定參與者。截至二零一九年十二月三十一日止年度，本集團就其對該計劃的供款確認總支出人民幣1,467,000元。截至二零二一年及二零二零年十二月三十一日止年度，概無根據該計劃向任何僱員授出獎勵，亦無確認任何費用。

43. Particulars of Subsidiaries of the Company

43. 本公司附屬公司的詳情

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/operations 註冊成立/ 註冊/營運地點	Paid up issued/ registered capital 已繳發行/ 註冊股本	Class of shares hold 本公司持有的 持有股份類別	Proportion ownership interest held by the Company 本公司持有的 所有權益比率		Proportion of voting power held by the Company 所有投票權比率		Principal activities 主要業務	
				At 31 December 於十二月三十一日					
				2021 二零二一年	2020 二零二零年	2021 二零二一年	2020 二零二零年		
TYAZ International Limited ("Zheng Ye (BVI)") 英屬處女群島	British Virgin Islands ("the BVI") 英屬處女群島	Authorised USD50,000 Paid USD20,000 * 法定50,000美元 已繳20,000美元*	Ordinary 普通股	100%	100%	100%	100%	Investment holding 投資控股	
Zheng Ye International Company Limited 正業國際有限公司	Hong Kong 香港	HKD10,000 10,000港元	Ordinary 普通股	100%	100%	100%	100%	Investment holding 投資控股	
Shing Yip (Hong Kong) Investment Enterprises Limited 誠業(香港)投資實業有限公司	Hong Kong 香港	HKD322,384,575 (2020: HKD10,000) 322,384,575港元 (二零二零年: 10,000港元)	Ordinary 普通股	100%	100%	100%	100%	Investment holding 投資控股	
Zheng Ye Packaging (Zhongshan) Company Limited 正業包裝(中山)有限公司	The PRC 中國	HKD156,211,400 (2020: HKD102,000,000) 156,211,400港元 (二零二零年: 102,000,000港元)	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and operating of paper- based packaging products, packaging related business and printing of decorative packaging products 生產及經營紙製包裝產品、 包裝相關業務及印刷包裝 裝潢印刷品	

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43. Particulars of Subsidiaries of the Company (Continued) 43. 本公司附屬公司的詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/operations 註冊成立/ 註冊/營運地點	Paid up issued/ registered capital 已繳發行/ 註冊股本	Class of shares hold 本公司持有的 持有股份類別	Proportion ownership interest held by the Company 本公司持有的 所有權益比率		Proportion of voting power held by the Company 所有投票權比率		Principal activities 主要業務	
				At 31 December 於十二月三十一日					
				2021	2020	2021	2020		
				二零二一年	二零二零年	二零二一年	二零二零年		
Zhongshan Yong Fa Paper Industry Company Limited 中山永發紙業有限公司	The PRC 中國	HKD106,500,000 106,500,000港元	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and sale of paper and paperboard 生產和銷售紙和紙板	
Zhuhai Zheng Ye Packing Company Limited 珠海正業包裝有限公司	The PRC 中國	RMB52,164,718.50 (2020: HKD17,000,000) 156,211,400港元 (二零二零年： 102,000,000港元)	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and sale of paper-based packaging products and related packaging service 生產和銷售紙製包裝產品及相關包裝服務	
Shijiazhuang Zheng Ye Packaging Company Limited 石家莊正業包裝有限公司	The PRC 中國	RMB20,000,000 人民幣20,000,000元	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and sale of paper-based packaging products and printing of decorative packaging products 生產和銷售紙製包裝產品及印刷包裝裝漢印刷品	
Wuhan Zheng Ye Alliance Packaging Company Limited 武漢正業聯合包裝有限公司	The PRC 中國	RMB35,000,000 人民幣35,000,000元	Ordinary 普通股	100%	100%	100%	100%	Manufacturing and sale of paper-based packaging products and printing of decorative packaging products 生產和銷售紙製包裝產品及印刷包裝裝漢印刷品	
Zhongshan Rengo Hung Hing Paper Manufacturing Company Limited ("Hung Hing") 中山聯合鴻興造紙有限公司(「鴻興」)	The PRC 中國	USD53,660,000 53,660,000美元	Ordinary 普通股	58.7%	58.7%	58.7%	58.7%	Manufacturing and sale of paper and paperboard 生產和銷售紙和紙板	

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截至二零二一年十二月三十一日止年度

43. Particulars of Subsidiaries of the Company (Continued) 43. 本公司附屬公司的詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/operations 註冊成立/ 註冊/營運地點	Paid up issued/ registered capital 已繳發行/ 註冊股本	Class of shares hold 本公司持有的 持有股份類別	Proportion ownership interest held by the Company 本公司持有的 所有權益比率		Proportion of voting power held by the Company 所有投票權比率		Principal activities 主要業務	
				At 31 December 於十二月三十一日					
				2021 二零二一年	2020 二零二零年	2021 二零二一年	2020 二零二零年		
Zhengyi 正億	The PRC 中國	RMB89,000,000 人民幣89,000,000元	Ordinary 普通股	80%	80%	80%	80%	Manufacturing and sale of paper and paperboard 生產和銷售紙和紙板	
Zhongshan Lianfa Transportation Company Limited 中山市聯發運輸有限公司	The PRC 中國	RMB5,000,000 人民幣5,000,000元	Ordinary 普通股	100%	100%	100%	100%	Transportation 運輸	
Zhongshan Zhengye Transportation Company Limited 中山市正義運輸有限公司	The PRC 中國	RMB3,000,000 人民幣3,000,000元	Ordinary 普通股	100%	100%	100%	100%	Transportation 運輸	
Gaoan Guangyong Logistics Company Limited 高安廣永物流有限公司	The PRC 中國	RMB3,000,000 人民幣3,000,000元	Ordinary 普通股	100%	100%	100%	100%	Transportation 運輸	
Gaoan Guangzheng Transportation Company Limited 高安廣正運輸有限公司	The PRC 中國	RMB850,000 人民幣850,000元	Ordinary 普通股	100%	N/A 不適用	100%	N/A	Transportation 運輸	

* Except for Zheng Ye (BVI), the issued capital of all other companies is fully paid and indirectly held by the Company.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

* 除Zheng Ye (BVI)外，所有其他公司的已發行股本均已繳足，並由本公司間接持有。

於年末或年內任何時間，附屬公司概無任何未償還債務證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

44. Details of Non-Wholly Owned Subsidiaries that have Material Non-Controlling Interests

44. 擁有重大非控股權益之非全資附屬公司詳情

Name of subsidiary 附屬公司名稱	Place of registration and principal place of business 註冊地點及主要營業地點	Proportion of ownership interests held by non-controlling interests 非控股權益所持有擁有權比例		Profit allocated to non-controlling interests 分配非控股權益之溢利		Accumulated non-controlling interests 累計非控制權益	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
		二零二一年十二月三十一日	二零二零年十二月三十一日	二零二一年十二月三十一日	二零二零年十二月三十一日	二零二一年十二月三十一日	二零二零年十二月三十一日
				RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Hung Hing 鴻興	Zhongshan, the PRC 中國中山市	41.3%	41.3%	42,165	4,826	245,489	203,324
Zhengyi 正億	Yudu, the PRC 中國于都縣	20.0%	20.0%	5,272	2,962	24,941	20,569
				47,437	7,788	270,430	223,893

Hung Hing

鴻興

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Current assets	流動資產	343,627	224,610
Non-current assets	非流動資產	422,314	452,273
Current liabilities	流動負債	(147,770)	(117,455)
Non-current liabilities	非流動負債	(23,766)	(67,118)
Equity attributable to owners of the Company	本公司擁有人應佔權益	348,916	288,986
Non-controlling interests of Hung Hing	鴻興之非控股權益	245,489	203,324

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

44. Details of Non-Wholly Owned Subsidiaries that have Material Non-Controlling Interests (Continued) Hung Hing (Continued)

44. 擁有重大非控股權益之非全資附屬公司詳情(續) 鴻興(續)

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Revenue	收入	1,173,391	657,016
Expenses	開支	(1,071,296)	(645,331)
Profit and total comprehensive income for the year	年內溢利及全面收益	102,095	11,685
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	59,930	6,859
Profit and total comprehensive income attributable to the non-controlling interests of Hung Hing	鴻興之非控股權益應佔溢利及全面收益總額	42,165	4,826
Net cash inflows (outflows) from operating activities	經營業務流入(流出)現金淨額	53,271	(52,660)
Net cash from (used in) investing activities	投資業務所得(所用)現金淨額	58,350	(52,208)
Net cash (used in) from financing activities	融資業務(所用)所得現金淨額	(36,343)	44,214
Net cash inflow (outflows)	流入(流出)現金淨額	75,278	(60,654)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

44. Details of Non-Wholly Owned Subsidiaries that have Material Non-Controlling Interests (Continued) Zhengyi

44. 擁有重大非控股權益之非全資附屬公司詳情(續) 正億

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Current assets	流動資產	83,203	72,757
Non-current assets	非流動資產	138,422	124,009
Current liabilities	流動負債	(82,693)	(61,892)
Non-current liabilities	非流動負債	(14,229)	(32,027)
Equity attributable to owners of the Company	本公司擁有人應佔權益	99,762	82,278
Non-controlling interests of Zhengyi	正億之非控股權益	24,941	20,569
Revenue	收入	285,302	189,352
Expenses	開支	(258,946)	(174,541)
Profit and total comprehensive income for the year	年內溢利及全面收益	26,356	14,811
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收益總額	21,084	11,849
Profit and total comprehensive income attributable to the non-controlling interests of Zhengyi	正億之非控股權益應佔溢利及全面收益總額	5,272	2,962
Net cash inflows from operating activities	經營業務流入現金淨額	13,526	4,526
Net cash used in investing activities	投資業務所用現金淨額	(22,876)	(17,387)
Net cash (used in) from financing activities	融資業務(所用)所得現金淨額	(11,491)	36,008
Net cash (outflows) inflows	(流出)流入現金淨額	(20,841)	23,147

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

45. Events after the Reporting Period

During the year, the Group entered into a sale and purchase agreement and a supplemental agreement (the “**Sale and Purchase Agreements**”) with the equity owners of Zheng Ye Leasing, pursuant to which the Group has conditionally agreed to acquire the entire equity interest in Zheng Ye Leasing at an aggregate consideration of RMB186,000,000.

On 10 February 2022, all conditions precedent to the Sale and Purchase Agreements were fulfilled and the Group had completed the acquisition of Zheng Ye Leasing. Zheng Ye Leasing became an indirect owned subsidiary of the Company. The Group concluded that the acquired set of assets and liabilities do not constitute a business and the transaction is accounted for as an asset acquisition.

45. 報告期後事項

於本年度，本集團與正業租賃的權益擁有人訂立買賣協議及補充協議（「該等買賣協議」），據此，本集團有條件地同意按總代價人民幣186,000,000元收購正業租賃的全部股權。

於二零二二年二月十日，該等買賣協議之所有先決條件已獲達成，而本集團已完成收購正業租賃。正業租賃成為本公司間接擁有附屬公司。本集團認為，所收購該組資產及負債並不構成一項業務，故該交易以收購資產記賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

46. Statement of Financial Position of the Company

46. 本公司財務狀況表

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Non-current Assets	非流動資產		
Unlisted investment in a subsidiary	於一家非上市附屬公司的投資	230,979	230,979
Amounts due from subsidiaries	應收附屬公司款項	16,546	-
		247,525	230,979
Current Assets	流動資產		
Other receivables	其他應收款項	435	334
Amounts due from subsidiaries	應收附屬公司款項	-	29,618
Bank balances and cash	銀行結餘及現金	160	1,494
		595	31,446
Current Liabilities	流動負債		
Other payables	其他應付款項	140	217
Amounts due to subsidiaries	應付附屬公司款項	-	13,941
		140	14,158
Net Current Assets	流動資產淨值	455	17,288
Total Assets less Current Liabilities	資產總值減流動負債	247,980	248,267
Capital and Reserves	資本及儲備		
Share capital	股本	41,655	41,655
Share premium and reserves	股份溢價及儲備	190,666	206,612
Total Equity	權益總額	232,321	248,267
Non-current Liabilities	非流動負債		
Amounts due to subsidiaries	應付附屬公司款項	15,659	-
		247,980	248,267

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

46. Statement of Financial Position of the Company

(Continued)

Movement in the Company's reserves

46. 本公司財務狀況表(續)

本公司儲備之變動

		Share premium 股本溢價 RMB'000 人民幣千元	Merger reserves 合併儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2020	於二零二零年一月一日	92,968	97,559	18,479	209,006
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	12,606	12,606
Dividend paid	已付股息	-	-	(15,000)	(15,000)
At 31 December 2020	於二零二零年十二月三十一日	92,968	97,559	16,085	206,612
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(946)	(946)
Dividend paid	已付股息	-	-	(15,000)	(15,000)
At 31 December 2021	於二零二一年十二月三十一日	92,968	97,559	139	190,666

Financial Summary

財務摘要

Consolidated Results

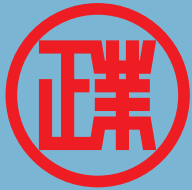
綜合業績

		For the year ended 31 December					
		截至十二月三十一日止年度					
		2017	2018	2019	2020	2021	
		二零一七年	二零一八年	二零一九年	二零二零年	二零二一年	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Revenue	收入	2,414,127	2,848,016	2,367,151	2,493,041	3,558,009	
Profit before tax	除稅前溢利	242,839	154,014	119,180	64,931	237,316	
Income tax expense	所得稅開支	(29,597)	(23,301)	(18,152)	(2,371)	(29,038)	
Profit for the year	年內溢利	213,242	130,713	101,028	62,560	208,278	
Attributable to:	以下人士應佔：						
the owners of the Company	本公司擁有人	182,705	109,358	82,184	54,772	160,841	
non-controlling interests	非控股權益	30,537	21,355	18,844	7,788	47,437	
		213,242	130,713	101,028	62,560	208,278	

Consolidated Assets and Liabilities

綜合資產及負債

		At 31 December					
		於十二月三十一日					
		2017	2018	2019	2020	2021	
		二零一七年	二零一八年	二零一九年	二零二零年	二零二一年	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Total assets	資產總值	2,561,870	2,557,823	2,424,551	2,682,775	3,033,928	
Total liabilities	負債總額	(1,567,990)	(1,484,444)	(1,300,144)	(1,493,201)	(1,651,976)	
Net assets	資產淨值	993,880	1,073,379	1,124,407	1,189,574	1,381,952	



ZHENGYE
INTERNATIONAL

正業國際控股有限公司
ZHENGYE INTERNATIONAL HOLDINGS COMPANY LIMITED