



CNYD

Technology Leads Market, Services Create Value

科技引領市場 服務創造價值

YUANDA CHINA HOLDINGS LIMITED 遠大中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島注册成立之有限公司)

Stock Code 股票代碼 : 2789

Annual Report 年報 / 2019



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Corporate Information

集團資料

DIRECTORS

Executive Directors

Kang Baohua (*Chairman*)

Li Hongren (*Chief executive officer*)

Liu Futao

Ma Minghui

Wang Hao (*Chief financial officer*)

Zhang Lei

Independent non-executive Directors

Poon Chiu Kwok

Woo Kar Tung, Raymond

Pang Chung Fai, Benny

BOARD COMMITTEES

Audit Committee

Poon Chiu Kwok (*Chairman*)

Woo Kar Tung, Raymond

Pang Chung Fai, Benny

Nomination Committee

Kang Baohua (*Chairman*)

Poon Chiu Kwok

Pang Chung Fai, Benny

Remuneration Committee

Woo Kar Tung, Raymond (*Chairman*)

Li Hongren

Pang Chung Fai, Benny

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEADQUARTERS IN CHINA

20, Street 13

Shenyang Economic & Technological Development Area

Shenyang 110027

China

董事

執行董事

康寶華(主席)

李洪人(行政總裁)

劉福濤

馬明輝

王昊(首席財務官)

張雷

獨立非執行董事

潘昭國

胡家棟

彭中輝

董事委員會

審核委員會

潘昭國(主席)

胡家棟

彭中輝

提名委員會

康寶華(主席)

潘昭國

彭中輝

薪酬委員會

胡家棟(主席)

李洪人

彭中輝

註冊辦事處

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

中國總辦事處

中國

瀋陽市

瀋陽經濟技術開發區

13號街20號，郵編110027

PLACE OF BUSINESS IN HONG KONG

Unit E 14/F
Hang Seng Tsuen Wan Building
289 Sha Tsui Road
Tsuen Wan, New Territories
Hong Kong

香港營業地點

香港
新界荃灣
沙咀道289號
恒生荃灣大廈
14樓E室

AUTHORIZED REPRESENTATIVES

Li Hongren
Yu Leung Fai
(*HKICPA, AICPA, CPA (Aust)*)

授權代表

李洪人
余亮暉
(*執業會計師(香港、美國、澳洲)*)

COMPANY SECRETARY

Yu Leung Fai
(*HKICPA, AICPA, CPA (Aust)*)

公司秘書

余亮暉
(*執業會計師(香港、美國、澳洲)*)

PRINCIPAL SHARE REGISTRAR

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman KY-1110
Cayman Islands

證券登記總處

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman KY-1110
Cayman Islands

HONG KONG SHARE REGISTRAR

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

香港證券登記處

香港中央證券有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

PLACE OF LISTING

The Main Board of The Stock Exchange of Hong Kong Limited
(the "Stock Exchange")

上市地點

香港聯合交易所有限公司
(「聯交所」) 主板

STOCK CODE

2789

股份代碼

2789

Corporate Information

集團資料

PRINCIPAL BANKERS

The Export-Import Bank of China, Liaoning Branch
Industrial and Commercial Bank of China Limited,
Shenyang Yu Hong Subbranch
Bank of Communications, Shenyang Tiexi Subbranch
China Development Bank, Liaoning Branch
Shengjing Bank, Shenyang Yuhong Subbranch

AUDITORS

KPMG
*Public Interest Entity Auditor registered in accordance with the
Financial Reporting Council Ordinance*
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISORS

As to Hong Kong law
Sidley Austin

WEBSITE

www.yuandacn.com

主要往來銀行

中國進出口銀行遼寧省分行
中國工商銀行股份有限公司
瀋陽於洪支行
交通銀行股份有限公司沈陽鐵西支行
國家開發銀行股份有限公司遼寧省分行
盛京銀行瀋陽市於洪支行

核數師

畢馬威會計師事務所
於《財務匯報局條例》下的註冊公眾利益
實體核數師
香港中環
遮打道10號
太子大廈8樓

法律顧問

香港法律
盛德律師事務所

網站

www.yuandacn.com

Financial Highlights

財務摘要

		2019	2018	Percentage
		(Approximately)	(Approximately)	Change
		(概約)	(概約)	變動百分比
				(Approximately)
				(概約)
Revenue (RMB million)	收入(人民幣百萬元)	4,041.3	4,615.7	(12.4)%
Adjusted gross profit margin (<i>Note</i>)	經調整毛利率(<i>附註</i>)	20.7%	15.4%	5.3%
Consolidated net profit (RMB million)	合並淨利潤(人民幣百萬元)	89.8	88.2	1.8%
Profit attributable to equity shareholders of the Company (RMB million)	本公司股東應占溢利(人民幣百萬元)	89.8	79.1	13.5%
Net cash generated from operating activities (RMB million)	經營活動產生之淨現金(人民幣百萬元)	129.9	98.2	32.3%
Basic and diluted earnings per share (RMB cents)	每股基本及攤薄盈利(人民幣分)	1.45	1.27	14.2%
Proposed final dividend per share (HKD cents)	建議每股末期股息(港仙)	NIL	NIL	

Note: Adjusted gross profit margin represents gross profit after impairment losses for trade receivables and contract assets.

附註： 經調整毛利率列示毛利率經抵減貿易應收款及合同資產之減值損失後之結果。

Corporate Culture & Mission

企業文化及使命

OPERATION PHILOSOPHY

Technology leads markets
Services create value

經營理念
科技引領市場
服務創造價值

ENTERPRISE MOTTO

To do things honestly
To treat people sincerely
To understand causes and results
To unify theory and practice

企訓
真實做事
誠實待人
深明事理
知行合一

CORPORATE MISSION

For the country
For the customers
For the employees
For the shareholders

企業使命
「四為」，即「為國家、為客戶、
為員工、為股東」

MANAGEMENT CONCEPTS

Sustainable Development
Circular Improvement
Statistics Analysis
Continuous Improvement

管理理念
持續發展
循環改進
統計分析
不斷提高

PRODUCT CONCEPTS

Service
Quality
Cost

產品理念
服務
質量
成本

WEALTH CONCEPTS

Wealth means responsibility

財富理念
財富即責任

TALENT CONCEPTS

Judging people on his performance
Talent comes first

人才理念
依事看人
人才第一

MARKETING CONCEPTS

Identify the needs of the customers
Create value for the customers
Provide best services to the customers

市場理念
發現客戶需求
創造客戶價值
提供優質服務

CULTURE CONCEPTS

Respect
Communicate
Understand
Integrate
Pursue

文化理念
尊重
溝通
理解
融合
追求

DEVELOPMENT STRATEGIES

Independent Brand
Independent Intellectual Property
Independent Marketing Network

發展戰略
自主品牌
自主知識產權
自主市場營銷網絡

“Winter will eventually pass and spring is sure to come.”

Dear shareholders,

On behalf of the board (the **“Board”**) of directors (the **“Directors”**) of Yuanda China Holdings Limited (the **“Company”**), together with its subsidiaries (the **“Group”** or **“Yuanda China”**), I hereby present to you the Group's annual report for the year ended 31 December 2019 (the **“Reporting Period”**).

The eventful year of 2019 finally came to an end after a series of major events, including the celebration of the 70th anniversary of the founding of the People's Republic of China, Sino-US trade dispute and Brexit negotiations. In 2019, the macroeconomic environment remained complicated and the industry competitions became increasingly intense with lots of uncertainties in the external operating environment. All the staff strived to improve management capability and operation efficiency, which helped the Company maintain a steady business scale. The management has also laid a solid foundation for the Company's sustainable development in the future by reviewing various internal control systems and improving management level.

BUSINESS REVIEW

For the year ended 31 December 2019, the profit attributable to equity shareholders of the Company increased by about RMB10.7 million or about 13.5% as compared with last year to about RMB89.8 million (2018: about RMB79.1 million). The improvement was mainly attributable to the strict control of contract quality and the effective contract budget management implemented by the Group during the Reporting Period, which resulted in an increase of gross profit margin from the Group's construction projects.

「沒有一個冬天不可逾越，沒有一個春天不會到來。」

尊敬的各位股東：

本人謹代表遠大中國控股有限公司（「本公司」）及其附屬公司（統稱「本集團」或「遠大中國」）董事（「董事」）會（「董事會」），向閣下呈報本集團截至2019年12月31日止年度（「報告期間」）之年度報告。

波瀾壯闊的2019年在歷經中國迎來建國七十周年慶典、中美貿易糾紛、英國脫歐談判等系列重大事件後終於完結。2019年，宏觀經濟形勢錯綜複雜，行業競爭日趨激烈，外部經營環境呈現出高度的不確定性。全體員工在嚴峻的市場形勢下，奮力拼搏、銳意進取，提升管理能力和運營效率，實現了公司業務規模的穩定，並通過多項內部管控體系的梳理與管理水平的提升，為公司未來可持續發展奠定堅實基礎。

業務回顧

截至2019年12月31日，本公司股東應佔盈利約人民幣89.8百萬元（2018年：約人民幣79.1百萬元），較去年增加約人民幣10.7百萬元或約13.5%，主要原因是本集團實施的對合同質量的嚴格把控及工程成本有效的預算管理，使得本集團工程項目毛利率上升。

Chairman's Statement

主席報告

BUSINESS PROSPECTS

At the beginning of 2020, the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") has caused a short-term impact on various industries. Past experiences here and elsewhere show that there should be a rebound once a public health threat is over. The negative effect also will not extend to a second year. Despite these difficulties, the Company remains confident in the long-term development given the loose monetary and fiscal policies adopted by global governments. The Company will carefully address the current situation of COVID-19 outbreak to reduce the risks relating to business operations and continue to adopt precautionary measures to protect the safety of all the staff members and working partners as necessary.

Kang Baohua
Chairman

24 April 2020

業務展望

2020年初，受突發2019年新型冠狀病毒肺炎疫情（「新冠肺炎疫情」）的影響，各個行業面臨短期衝擊。根據本地及海外的過往經驗，公共衛生威脅一旦結束，市況便會反彈，而負面影響也不會延伸到下一年度。儘管困難重重，基於全球貨幣及財政政策維持寬鬆，公司對長遠經濟發展的信心不變。公司謹慎處理當前新冠肺炎疫情情況以減低企業運營風險，並繼續採取必要預防措施保障所有員工及工作夥伴的安全。

主席
康寶華

2020年4月24日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Overall performance

In 2019, amid complicated macroeconomic environment, the industry competitions became increasingly intense with lots of uncertainties in the external operating environment. The domestic growth of investment in non-residential commercial real estate remained low while the floors pace of buildings started in 2019 remained steady. The Group removed redundant structures and links from organizations and enhanced the efficiency laying a solid foundation to counter downward pressure.

For the year ended 31 December 2019, the profit attributable to equity shareholders of the Company increased by about RMB10.7 million or about 13.5% as compared with last year to about RMB89.8 million (2018: about RMB79.1 million). The improvement was mainly attributable to the strict control of contract quality and the effective contract budget management implemented by the Group during the Reporting Period, which resulted in an increase of gross profit margin from the Group's construction projects.

Newly-awarded projects (including VAT)

During the year 2019, the aggregate amount of newly-awarded projects of the Group increased by about RMB42.5 million or about 0.9% as compared with last year to about RMB4,626.8 million (2018: about RMB4,584.3 million).

業務回顧

概況

2019年，宏觀經濟形勢錯綜複雜，行業競爭激烈外部經營環境呈現出高度的不確定性。國內非住宅商業房地產開發投資增速持續走低，然而2019年度新開工建築面積仍保持平穩。本集團精簡組織架構，提高運營效率，為應對經濟下行風險打下堅實基礎。

截至2019年12月31日，本公司股東應佔盈利約人民幣89.8百萬元（2018年：約人民幣79.1百萬元），較去年增加約人民幣10.7百萬元或約13.5%，主要原因是本集團實施的對合同質量的嚴格把控及工程成本有效的預算管理，使得本集團工程項目毛利率上升。

新承接工程(包含增值稅)

2019年，本集團的新承接工程總值約人民幣4,626.8百萬元（2018年：約人民幣4,584.3百萬元），較去年增加約人民幣42.5百萬元或約0.9%。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

業務回顧(續)

Newly-awarded projects (including VAT) (continued)

新承接工程(包含增值稅)(續)

		2019		2018	
		Number of projects	RMB million	Number of projects	RMB million
		項目數量	人民幣百萬	項目數量	人民幣百萬
Domestic	國內	33	1,213.5	25	1,659.9
Overseas	海外	27	3,413.3	17	2,924.4
Total	合計	60	4,626.8	42	4,584.3

Details of certain landmark projects obtained by the Group during the year ended 31 December 2019 are as follows:

截至2019年12月31日年內，本集團新接的若干地標性項目如下：

Project name

項目名稱

Pacific Park, the U.S.A.

紐約太平洋公園

Uniber tower, Italy

意大利優尼伯大廈

Shenyang Fuli IFC, PRC

瀋陽富力IFC

Xinghai International, PRC

星海國際

Fengtai Science and Technology Park, PRC

豐台科技園35#地

Mingzhu Square, Dianchi Lake, PRC

昆明滇池明珠廣場

Shanghai Fuli, PRC

上海富力

Guiyang Hengfeng, PRC

貴陽恒豐

Hangzhou Fuli, PRC

杭州富力

Shangdiyuan of Zhongguancun, PRC

中關村上地元

Category of project utilization

項目用途類別

Communal facilities

公共設施

Office building

辦公大廈

Office building

辦公大廈

Communal facilities

公共設施

Office building

辦公大廈

Office building

辦公大廈

Office building

辦公大廈

Office building

辦公大廈

Office building

辦公大廈

Communal facilities

公共設施

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Backlog

As at 31 December 2019, the remaining contract value of backlog of the Group decreased by about RMB1,030.2 million or about 7.4% as compared with last year to about RMB12,927.6 million (31 December 2018: about RMB13,957.9 million), which could support a sustainable development of the Group for the next 2-3 years.

業務回顧(續)

未完工合同

於2019年12月31日，本集團的未完工合同金額約人民幣12,927.6百萬元(2018年12月31日：約人民幣13,957.9百萬元)，較去年減少約人民幣1,030.3百萬元或約7.4%，足以為本集團未來2-3年的發展提供有力支撐。

		2019		2018	
		Remaining value of contracts		Remaining value of contracts	
		合同餘下價值		合同餘下價值	
		Number of projects	RMB million	Number of projects	RMB million
		項目數量	人民幣百萬	項目數量	人民幣百萬
Domestic	國內	218	4,682.0	292	5,428.9
Overseas	海外	85	8,245.6	87	8,529.0
Total	合計	303	12,927.6	379	13,957.9

Major technology achievements and awards

In 2019, the Group obtained 31 patents for utility model.

主要技術成果和科技獎項

2019年，本集團新獲實用新型專利31項。

BUSINESS PROSPECTS

Against the backdrop of uncertainties relating to COVID-19 outbreak, oil price plunge, political and economic risks, the Group maintains prudent but optimistic towards its business. The construction of domestic projects have been resumed in certain cities after suspension during the Chinese New Year which means the epidemic impact is not expected to have a long-term overall impact. The Group will adhere to prudent financial management in project selection and cost control for future sustainable development.

業務展望

面對爆發的新型冠狀病毒肺炎、石油價格暴跌、政治以及經濟風險造成的不確定性，本集團對公司業務保持審慎樂觀的態度。于國內符合解禁條件城市的項目繼春節停工之後已陸續復工，可見疫情的影響不會長時間持續。本集團將於項目甄選及成本控制方面堅持審慎的財務管理，穩健有序的持續發展。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

The Company aims to increase shareholder value through sustainable revenue and earnings growth and free cash flow generation. In order to achieve this objective, the Group uses the following indicators to measure business performance:

Revenue

For the year ended 31 December 2019, the revenue of the Group decreased by about RMB574.4 million or about 12.4% as compared with last year to about RMB4,041.3 million (2018: about RMB4,615.7 million). Among which:

1. the revenue from domestic market of the Group decreased by about RMB544.0 million or about 24.2% as compared with last year to about RMB1,703.6 million (2018: about RMB2,247.6 million), contributing approximately 42.2% of the total revenue of the Group. The decline was due to the revenue shrank in most of the sales regions of China except for West China; and
2. the revenue from overseas market of the Group decreased by about RMB30.5 million or about 1.3% as compared with last year to about RMB2,337.6 million (2018: about RMB2,368.1 million), contributing approximately 57.8% of the total revenue of the Group, which was due to the combined effect of decreasing revenue for contract modifications from United Kingdom and increasing revenue from Middle East.

Cost of sales

In 2019, the cost of sales of the Group decreased by about RMB664.8 million or about 17.9% as compared with last year to about RMB3,049.9 million (2018: about RMB3,714.7 million). Cost of sales decreased as a result of the corresponding decrease in revenue during the year ended 31 December 2019.

財務回顧

本公司旨在透過可持續營業收入及盈利增長以及產生自由現金流提升股東價值。為達此目標，本集團採納以下指標衡量經營情況：

營業收入

截至2019年12月31日，本集團的營業收入約人民幣4,041.3百萬元（2018年：約人民幣4,615.7百萬元），較去年減少約人民幣574.5百萬元或約12.4%。其中：

1. 本集團的國內收入約人民幣1,703.6百萬元（2018年：約人民幣2,247.6百萬元），較去年減少約人民幣544.0百萬元或約24.2%，佔整體收入約42.2%。下降的主要原因是：除華西地區中國其他大部分地區收入總計有所下降；及
2. 本集團的海外收入約人民幣2,337.6百萬元（2018年：約人民幣2,368.1百萬元），較去年減少約人民幣30.5百萬元或約1.3%，佔整體收入約57.8%。主要是英國地區因合同額變更收入減少及中東地區收入增加的聯合影響。

銷售成本

2019年，本集團的銷售成本約人民幣3,049.9百萬元（2018年：約人民幣3,714.7百萬元），較去年減少約人民幣664.8百萬元或約17.9%。隨著營業收入的減少，相關銷售成本因此而有所下降。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Adjusted gross profit margin

In 2019, the adjusted gross profit margin of the Group increased by about 5.3% to 20.7% (2018: about 15.4%). The main reason was due to the growth in both domestic and overseas adjusted gross profit margin of the Group. Among which:

1. the domestic adjusted gross profit margin of the Group increased by about 6.3% as compared with last year to about 22.4% (2018: about 16.1%); and
2. the overseas adjusted gross profit margin of the Group increased by about 4.6% as compared with last year to about 19.4% (2018: about 14.8%).

Major customers and suppliers

For the year ended 31 December 2019, revenue generated from the five largest customers of the Group accounted for an amount of less than 30% of the total operating revenues of the Group. The five largest customers were not connected to the Company in any way. None of the Directors, senior management, key technical personnel, shareholders holding 5% or more of the shares, de facto controller and other connected parties of the Company had any direct or indirect interest in any of the aforesaid five largest customers. None of the Directors of the Company or their close associates or, to the knowledge of the Board of Directors, any of the shareholders holding 5% or more of the shares of the Company had any interest in any of the five largest customers of the Group.

For the year ended 31 December 2019, purchases from the five largest suppliers of the Group accounted for an amount of less than 30% of the total annual purchases of the Group. The five largest suppliers were not connected to the Company in any way. None of the Directors, senior management, key technical personnel, shareholders holding 5% or more of the shares, de facto controller and other connected parties of the Company had any direct or indirect interest in any of the aforesaid five largest suppliers.

財務回顧(續)

調整後毛利率

2019年，本集團經調整毛利率為約20.7% (2018年：約15.4%)，比去年增加了約5.3%。主要是由於國內和海外的項目調整毛利率增加。其中：

1. 本集團的國內經調整毛利率約22.4% (2018年：約16.1%)，較去年增加約6.3%；及
2. 本集團的海外經調整毛利率約19.4% (2018年：約14.8%)，較去年增加約4.6%。

主要客戶和供貨商

截至2019年12月31日止年度，本集團從前5名最大客戶獲取的收入少於本集團之經營收入總額的30%。前5名最大客戶與本公司不存在關聯關係，本公司董事、高級管理人員、核心技術人員、持股5%以上股東、實際控制人和其他關聯方在前5名最大客戶中概無直接或者間接擁有權益。本公司董事或其緊密連絡人或據董事會所知任何擁有本公司5%或以上股份之股東概無擁有本集團任何五名最大客戶的任何權益。

截至2019年12月31日止年度，本集團向前5名最大供貨商的採購額少於本集團之年度總採購額的30%。前5名最大供貨商與本公司不存在關聯關係，本公司董事、高級管理人員、核心技術人員、持股5%以上股東、實際控制人和其他關聯方在前5名最大供貨商中概無直接或者間接擁有權益。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Other income

Other income of the Group primarily comprised of government grants, rental revenue from investment properties and operating leases, net income from provision of repairs and maintenance services and net gain on disposal of property, plant and equipment, land use rights and assets classified as held for sale.

In 2019, the other income of the Group decreased by about RMB51.3 million or about 29.7% as compared with last year to about RMB121.4 million (2018: about RMB 172.7 million). The decrease in the Group's other income was mainly due to the decline in net gain on disposal of property, plant and equipment, land use rights and assets classified as held for sale during the Reporting Period.

Selling expenses

In 2019, the selling expenses of the Group decreased by about RMB4.6 million or about 5.0% as compared with last year to about RMB86.5 million (2018: about RMB91.1 million), accounted for approximately 2.1% of the operating revenue of the Group (2018: 2.0%), which was due to the effect from improvement of working efficiency and headcount optimization policy.

Administrative expenses

In 2019, the administrative expenses of the Group decreased by about RMB34.2 million or about 6.0% as compared with last year to about RMB531.7 million (2018: about RMB565.9 million), accounted for approximately 13.2% of the operating revenue of the Group (2018: 12.3%), which was due to the effect from improvement of working efficiency and headcount optimization policy.

財務回顧(續)

其他收入

其他收入主要包括政府補助及租賃收入、提供維修及保養服務、銷售原材料的淨收益及出售物業、廠房及設備、土地使用權和持有待售資產的淨收益。

2019年，本集團的其他收入約人民幣121.4百萬元(2018年：約人民幣172.7百萬元)，較去年減少約人民幣51.3百萬元或約29.7%。本集團其他收入的減少，主要由於報告期處置物業，廠房及設備，土地使用權及持有待售資產的淨收益減少所致。

銷售費用

2019年，本集團的銷售費用約人民幣86.5百萬元(2018年：約人民幣91.1百萬元)，較去年減少約人民幣4.6百萬元或約5.0%，佔營業收入的比例為約2.1%(2018年：2.0%)。主要是因為增效減員所致。

行政開支

2019年，本集團的行政開支約人民幣531.7百萬元(2018年：約人民幣565.9百萬元)，較去年減少約人民幣34.2百萬元或約6.0%，佔營業收入的比例為約13.2%(2018年：12.3%)。主要是因為增效減員所致。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Finance costs

In 2019, the finance costs of the Group increased by about RMB73.7 million or about 107.1% as compared with last year to about RMB142.5 million (2018: about RMB68.8 million), accounted for about 3.5% of the operating revenue of the Group (2018: 1.5%). The main reasons for the increase were (i) the increase in interest expenses; (ii) the drop in net foreign exchange gain; and (iii) a net loss on forward foreign exchange contracts during the Reporting Period rather than a net gain recorded for the corresponding period in last year.

Income tax

In 2019, the income tax expense of the Group increased by about RMB40.2 million or about 60.9% as compared with last year to about RMB106.2 million (2018: about RMB66.0 million).

Consolidated net profit

As a result of the foregoing, in 2019, the consolidated net profit of the Group increased by about RMB1.6 million or about 1.8% as compared with last year to about RMB89.8 million (2018: about RMB88.2 million).

Profit attributable to equity shareholders of the Company

In 2019, the profit attributable to equity shareholders of the Company increased by about RMB10.7 million or about 13.5% as compared with last year to about RMB89.8 million (2018: about RMB79.1 million).

財務回顧(續)

融資成本

2019年，本集團的融資成本約人民幣142.5百萬元(2018年：約人民幣68.8百萬元)，較去年增加約人民幣73.7百萬元或約107.1%，佔營業收入的比例為3.5%(2018年：1.5%)。增加的主要原因為：(i)借貸利息支出的增加；(ii)外匯收益淨額的減少；及(iii)報告期內遠期外匯合約為淨虧損而去年為淨收益。

所得稅

2019年，本集團的所得稅支出約人民幣106.2百萬元(2018年：約人民幣66.0百萬元)，較去年增加約人民幣40.2百萬元或60.9%。

合併淨利潤

綜上所述，2019年，本集團的合併淨利潤約人民幣89.8百萬元(2018年：約人民幣88.2百萬元)，較去年增加約人民幣1.6百萬元或約1.8%。

本公司股東應佔盈利

2019年，本公司股東應佔盈利約人民幣89.8百萬元(2018年：約人民幣79.1百萬元)，較去年增加約人民幣10.7百萬元或約13.5%。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Net current assets and financial resources

As at 31 December 2019, the net current assets of the Group increased by about RMB116.1 million or about 7.0% as compared with last year to about RMB1,774.2 million (31 December 2018: about RMB1,658.1 million).

As at 31 December 2019, the cash on hand and in bank of the Group increased by about RMB175.3 million or 10.3% as compared with last year to about RMB 1,878.1 million (31 December 2018: about RMB1,702.8 million), mainly denominated in RMB, British Pound Sterling (“GBP”), Australian Dollars (“AUD”) Hong Kong dollar (“HKD”), Swiss Franc (“CHF”) and USD.

Bank loans and gearing ratio

As at 31 December 2019, the total bank loan of the Group decreased by about RMB704.6 million or about 30.0% as compared with last year to about RMB1,645.0 million (31 December 2018: about RMB2,349.6 million). The bank loan as at 31 December 2019 were denominated in RMB which were repayable within one year.

The Group’s gearing ratio (calculated by total liabilities divided by total assets) as at 31 December 2019 was 71.3% (31 December 2018: 73.1%).

財務回顧(續)

流動資產淨值及財務資源

於2019年12月31日，本集團的流動資產淨值約人民幣1,774.2百萬元(2018年12月31日：約人民幣1,658.1百萬元)，較去年增加約人民幣116.1百萬元或約7.0%。

於2019年12月31日，本集團的現金及銀行存款約人民幣1,878.1百萬元(2018年12月31日：約人民幣1,702.8百萬元)，較去年增加約人民幣175.3百萬元或約10.3%，主要以人民幣、英鎊、澳元、港幣、瑞士法郎及美元計值。

銀行貸款及負債比率

於2019年12月31日，本集團的銀行貸款總額約人民幣1,645.0百萬元(2018年12月31日：約人民幣2,349.6百萬元)，較去年減少約人民幣704.6百萬元或約30.0%。截至2019年12月31日銀行貸款總額以人民幣計值，須予一年內償還。

於2019年12月31日，本集團之資產負債率(總負債除以總資產計算)為71.3%(2018年12月31日：73.1%)。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

財務回顧(續)

Turnover days

周轉天數

Turnover days (day)

周轉天數(天)

		2019	2018
Receivables (note 1)	應收賬款(附註1)	427	398
Trade and bills payables (note 2)	貿易應付款及應付票據(附註2)	485	434
Inventory (note 3)	存貨(附註3)	74	63

Notes:

附註：

- The calculation of the receivables turnover days is based on the average amount of trade and bills receivables and net contract assets (contract assets less contract liabilities) as at the beginning and ending of the relevant period divided by total revenue of the relevant period and multiplied by 365 days.
- The calculation of turnover days of trade and bills payables is based on the average amount of trade and bills payables as at the beginning and ending of the relevant period divided by cost of raw materials and installation cost of the relevant period and multiplied by 365 days.
- The calculation of inventory turnover days is based on the average amount of inventory as at the beginning and ending of the relevant period (net of provision) divided by cost of raw materials of the relevant period and multiplied by 365 days.

- 應收賬款周轉天數乃通過將有關期間的期初及期末經扣除撥備的貿易應收款及應收票據及應收客戶合同資產(合同資產減合同負債)的平均金額除以相應期間的收入再乘以365天計算。
- 貿易應付款及應付票據周轉天數等於貿易應付款及應付票據的期初及期末結餘平均餘額除以原材料費用及安裝費用再乘以365天計算。
- 存貨周轉天數乃將存貨的期初及期末結餘平均餘額(扣除撥備)除以原材料費用再乘以365天計算。

During the Reporting Period, the turnover days of receivables increased by about 29 days or about 7.3% as compared with last year to about 427 days (2018: about 398 days).

報告期內，應收賬款周轉天數約427天(2018年：約398天)，較去年增加約29天或約7.3%。

During the Reporting Period, the turnover days of trade and bill payables increased by about 51 days or about 11.8% as compared with last year to about 485 days (2018: about 434 days).

報告期內，貿易應付款及應付票據周轉天數約485天(2018年：約434天)，較去年增加約51天或11.8%。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Inventories and contract costs

The Group's inventories primarily consist of materials used in fabrication of curtain wall products, including extrusions aluminum, glass, steel and sealant. Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfill a contract with a customer which are not capitalised as inventory.

As at 31 December 2019, the inventory and contract costs of the Group decreased by about RMB85.1 million or about 20.9% as compared with last year to about RMB 322.0 million (31 December 2018: about RMB407.1 million).

Capital expenditure

In 2019, the payment for capital expenditure of the Group increased by about RMB2.4 million or about 22.9% as compared with last year to about RMB12.9 million (2018: about RMB10.5 million), which was mainly related to the payment on land acquisition, construction of plant and purchase of equipment.

Foreign exchange risk

The overseas projects of the Group were mainly dominated in USD, GBP and AUD. To hedge any foreign exchange risks, the Group has entered into forward foreign exchange contracts which hedge the forecast transactions and monetary assets denominated in foreign currencies of the Group. The Group ensures that net exposure to currency risk arising from assets and liabilities maintained at an acceptable level.

Contingent liabilities

Details of the Group's contingent liabilities as at 31 December 2019 are set out in Note 33 to the Consolidated Financial Statement.

財務回顧(續)

存貨及合同成本

本集團的存貨主要由製造幕牆產品所用的材料組成，包括鋁材、玻璃、鋼材及密封膠等。合同成本是取得客戶合同的增量成本或履行客戶合同的成本，其並無資本化為存貨。

於2019年12月31日，本集團的存貨及合同成本結餘約人民幣322.0百萬元(2018年12月31日：約人民幣407.1百萬元)，較去年減少約人民幣85.1百萬元或約20.9%。

資本支出

2019年，本集團的資本支出而支付的款項約人民幣12.9百萬元(2018年：約人民幣10.5百萬元)，較去年增加約人民幣2.4百萬元或約22.9%，主要是添置土地、建設廠房和機器設備的支出。

外匯風險

本集團的海外項目主要以美元、英鎊和澳元結算。為對沖我們的外匯風險，我們訂立遠期外匯合約，對沖本集團以外幣計值的預期交易及貨幣資產。本集團會確保資產和負債產生的外匯風險淨額保持在可接受的水平。

或然負債

本集團於截至2019年12月31日的或然負債刊載於附註33。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Charge on assets

As at 31 December 2019, the aggregate carrying value of the property, plant and equipment, land use rights pledged for the Group's bank loans is RMB480.8 million.

As at 31 December 2019, no time deposits or trade receivables were pledged for the Group's long-term bank loans.

As at 31 December 2019, the carrying value of the time deposits pledged for the Group's short-term bank loans is RMB30.0 million.

As at 31 December 2019, the carrying value of the deposits pledged for the bank loans and bank bills issued by the Group is RMB356.2 million, the carrying value of the time deposits pledged for the bank bills issued by the Group is RMB650.0 million.

Save as disclosed above, the Group had no other charge on its assets as at 31 December 2019.

Material acquisitions and disposals

During the Reporting Period, the Group did not have any material acquisitions and disposals of its subsidiaries and associated companies.

Resumption of land in Foshan

On 7 August 2019, the Group entered into an agreement with local representatives in Foshan pursuant to which the Group surrendered one parcel of land in Foshan City for a compensation of RMB116,060,000. For future details, please refer to the announcement of the Company dated 7 August 2019 and Note 21 to the Consolidated Financial Statements.

Significant investment

The Group did not make any significant investments during the Reporting Period

財務回顧(續)

資產抵押

截至2019年12月31日，本集團就銀行貸款已抵押的物業、廠房及設備、土地使用權的總賬面價值為人民幣480.8百萬元。

截至2019年12月31日，本集團無質押的定期存款及貿易應收款的長期銀行貸款。

截至2019年12月31日，本集團就短期銀行貸款已質押的定期存款的賬面價值為人民幣30.0百萬元。

截至2019年12月31日，本集團為銀行貸款和發行的銀行票據所質押的存款的賬面價值為人民幣356.2百萬元，本集團為發行的銀行票據所質押的定期存款的賬面價值為人民幣650.0百萬元。

除上述披露者外，本集團於截至2019年12月31日並無其他資產抵押。

重大收購及出售

於報告期內，本集團並無任何有關附屬公司及聯營公司的重大收購及出售。

佛山土地收儲

2019年8月7日，本集團與佛山當地代表訂立協議。根據協議本集團要交還位於佛山市的一塊土地，收儲補償款總計人民幣116,060,000元。進一步詳情，請參看於2019年8月7日登載的公司公告與合併財務報表附註21。

重大投資

於報告期間內，本集團並無進行任何重大投資。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Future plans for significant investments or capital assets

The Group does not have any future plans for significant investments or capital assets as at the date of this report.

Global offering and use of proceeds

In May 2011, the Company conducted a global offering (the “**Global Offering**”) through which 1,708,734,000 new ordinary shares were offered at a price of HK\$1.50 per share. Net proceeds raised were approximately HK\$2,402,947,000. The ordinary shares of the Company were listed on the Main Board of the Stock Exchange on 17 May 2011.

As stated in the Company’s prospectus dated 20 April 2011 and the supplementary prospectus dated 5 May 2011 (the “**Prospectus**”), the Group intended to use the proceeds from the Global Offering for expansion of its production capacity, repayment of its existing debts, investment in research and development, expansion of its sales and marketing network.

As at 31 December 2019, an accumulated amount of approximately HK\$2,041 million of proceeds from the Global Offering (of which expansion of production capacity: HK\$598 million; repayment of bank loans (mainly comprised the bridge loan of Standard Chartered Bank): HK\$962 million; expenses in research and development: HK\$261 million; and expansion of its sales and marketing network: HK\$220 million) was utilized in accordance with the intended use as stated in the Prospectus. It is intended that the remaining proceeds of approximately HK\$362 million will be used in accordance to the proposed allocation as stated in the Prospectus in 1 to 5 years.

財務回顧(續)

重大投資或資本資產的未來計劃

於本報告日期，本集團並無任何重大投資或資本資產的未來計劃。

全球發售及所得款項用途

於2011年5月，本公司進行全球發售（「**全球發售**」），發售共1,708,734,000股新普通股，發售價為每股1.50港元，籌集的所得款項淨額約為2,402,947,000港元。本公司普通股於2011年5月17日在聯交所主板上市。

誠如本公司在日期為2011年4月20日的招股章程及2011年5月5日的補充招股章程（「**招股章程**」）所述，本集團擬將所得款項用作擴充產能、償還現有債務、投資於研究和開發、及擴充銷售和營銷網絡。

截至2019年12月31日，本集團累計使用約全球發售所得款2,041百萬港元（其中產能擴充：598百萬港元；償還銀行貸款（主要是渣打銀行過橋貸款）：962百萬港元；研發支出：261百萬港元；及擴充營銷網絡：220百萬港元）。餘下所得款項約362百萬港元將按照本集團招股章程及補充招股章程所載於未來1到5年內使用。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Employees and remuneration policies

As at 31 December 2019, the Group had 4,016 full-time employees in total (31 December 2018: 4,604). The decrease in number of the full-time employees was a result of the Group's headcount optimization. The Group has sound policies of management incentives and competitive remuneration, which align with the interests of management, employees and shareholders' alike. The Group sets its remuneration policy with reference to the prevailing market conditions and the performance of the individuals concerned, subject to review from time to time. The components of the remuneration package consist of basic salary, allowances, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus and share options.

財務回顧(續)

僱員及薪酬政策

截至2019年12月31日，本集團僱用合共4,016名(2018年12月31日：4,604名)全職員工。全職員工人數的下跌乃由於本集團優化員工數量所致。本集團訂有具成效的管理層獎勵制度及具競爭力的薪酬，務求令管理層、僱員及股東的利益達成一致。本集團在訂立其薪酬政策時會參考當時市況及有關個別員工的工作表現，並須不時作出檢討。薪酬待遇包括基本薪金、津貼、附帶福利(包括醫療保險及退休金供款)，以及酌情花紅及發放認股權等獎勵。

Directors and Senior Management

董事及高級管理人員

DIRECTORS

Executive Directors

Mr. Kang Baohua (康寶華), aged 66, is the founder and chairman of the Group, and was appointed as an Executive Director on February 26, 2010. Graduated from Liaoning University (遼寧大學) with a diploma in politics in 1984, Mr. Kang has over 26 years of experience in the curtain wall industry and has been responsible for the overall management and strategic development of the Group since 1992. Prior to founding the Group, Mr. Kang was an executive director of Shenyang Strong Wind Group Company (瀋陽強風集團公司). Since the establishment of the Company, Mr. Kang has been involved in the management of the Company, including business development, finance and corporate strategy formulation. Mr. Kang is also a director of various other subsidiaries of the Group.

Mr. Li Hongren (李洪人), aged 53, the chief executive officer of the Group and an Executive Director of the Company, obtained his bachelor's degree in Engineering from Northeastern Industrial College* (東北工學院) (currently known as Northeastern University (東北大學)) in 1990 with a major in machinery manufacturing processes and equipment. Mr. Li was qualified as a senior engineer by Ministry of Human Resources and Social Security of the People's Republic of China in 2006. Mr. Li joined the Group in 1999 and has more than 20 years of experience in manufacturing and marketing of curtain wall products. Since 2006, Mr. Li has been a manager of various Eurasian subsidiaries of the Group. Since 2014, Mr. Li was promoted to the vice president of the Group and is responsible for management.

董事

執行董事

康寶華先生，66歲，為本集團的創辦人兼主席，並於2010年2月26日獲委任為執行董事。康先生於1984年畢業於遼寧大學，取得政治學文憑，於幕牆行業具有逾26年經驗，自1992年起一直負責本集團的整體管理及戰略發展。於創辦本集團前，康先生為瀋陽強風集團公司的執行董事。自本公司成立以來，康先生一直涉足於本公司的管理，包括業務發展、財務及企業策略制訂。康先生亦為本集團多間其他附屬公司的董事。

李洪人先生，53歲，為本集團的行政總裁及執行董事，於1990年獲得東北工學院(現為東北大學)工程學士學位，主修機械製造工藝與設備。李先生於2006年獲中華人民共和國人力資源和社會保障局頒發高級工程師資格。李先生於1999年加入本集團及於幕牆產品的製造與營銷方面擁有逾20年經驗。自2006年起，李先生為本集團多家歐亞附屬公司的經理。自2014年起，李先生晉升為本集團副總裁，負責管理事宜。

Directors and Senior Management

董事及高級管理人員

DIRECTORS (continued)

Executive Directors (continued)

Mr. Liu Futao (劉福濤), aged 55, an Executive Director of the Company, obtained his bachelor's degree in Engineering from Shenyang Correspondence University (瀋陽廣播電視大學) in 1987 with a major in machinery manufacturing. Mr. Liu joined the Group in 1997 and has more than 22 years in manufacturing and project management. Since 2008, Mr. Liu has been a manager of various Mideast subsidiaries of the Group. In 2012, Mr. Liu was promoted to the regional manager of the northeast China of the Group.

Mr. Ma Minghui (馬明輝), aged 39, an Executive Director of the Company, obtained his bachelor's degree in Management from Shenyang Institute of Aeronautical Engineering (瀋陽航空工業學院) in 2003 with a major in public administration. Mr. Ma joined the Group in 2007 and has accumulated more than 12 years of experience in human resources management and budget management. Since 2011, Mr. Ma has been the secretary to the president of the Group. In 2015, Mr. Ma was promoted to the director of human resources of the Group.

Mr. Wang Hao (王昊), aged 39, the chief financial officer of the Company and an Executive Director of the Company, obtained his bachelor's degree in Management from Jilin University (吉林大學) in 2002 with a major in accounting. Mr. Wang Hao joined the Group in 2007 and has accumulated more than 12 years of experience in financial management.

董事 (續)

執行董事 (續)

劉福濤先生，55歲，公司的執行董事，於1987年獲得瀋陽廣播電視大學工程學士學位，主修機械製造。劉先生於1997年加入本集團及於製造及項目管理方面擁有逾22年經驗。自2008年起，劉先生為本集團多家中東附屬公司的經理。於2012年，劉先生晉升為本集團中國東北地區區域經理。

馬明輝先生，39歲，公司的執行董事，於2003年獲得瀋陽航空工業學院管理學學士學位，主修公共管理學。馬先生於2007年加入本集團及於人力資源管理及預算管理方面累積逾12年經驗。自2011年起，馬先生為本集團總裁之秘書。於2015年，馬先生晉升為本集團人力資源總監。

王昊先生，39歲，本公司首席財務官及執行董事，於2002年獲得吉林大學管理學學士學位，主修會計。王昊先生於2007年加入本集團及於財務管理方面累積逾12年經驗。

Directors and Senior Management

董事及高級管理人員

DIRECTORS (continued)

Executive Directors (continued)

Mr. Zhang Lei (張雷), aged 47, since February 2013, he acted as vice President of Shenyang Yuanda Aluminium Industry Engineering Co., Ltd.* (瀋陽遠大鋁業工程有限公司) (“**Shenyang Yuanda**”), one of the subsidiaries of the Company. Mr. Zhang joined the Group in July 2002 and has over 17 years of experience in curtain wall industry. Before joining the Group, from 1994 to 2000, Mr. Zhang held various managerial positions in Northeast Refractory Plant, including vice director in charge of production and equipment and director of equipment department in No.4 branch of Northeast Refractory Plant. From 2001 to 2002, Mr. Zhang acted as a management intern in Japanese YKK company. From 2002 to 2005, Mr. Zhang held various key positions including quality control and technology minister in Northeast Branch of Shenyang Yuanda. He acted as a designer in Zhongdong Branch of Shenyang Yuanda from 2005 to 2006. From 2006 to 2008, he acted as chief designer in Dubai Branch of Shenyang Yuanda, responsible for the Group’s ACC44 residential buildings, imperial buildings and commercial bay administration building and other projects. From 2008 to 2012, Mr. Zhang held various positions in Shenyang Yuanda, including assistant to chief engineer in International Operation of Shenyang Yuanda, deputy director of International Curtain Wall Manufacturer under Shenyang Yuanda, factory controller and factory president of Shenyang Yuanda. Mr. Zhang graduated from Shenyang Electrical Industrial School with a diploma in electrical and mechanical engineering in 1994.

Independent Non-executive Directors

Mr. Poon Chiu Kwok (潘昭國), aged 57, was appointed as an independent non-executive Director on 12 April 2011. Mr. Poon obtained a Master’s degree in international accounting, a Bachelor’s degree in laws and a Bachelor’s degree in business studies. He was awarded a postgraduate diploma in laws by the University of London. He is a fellow member of CPA Australia Ltd., the Hong Kong Securities and Investment Institute (also an associate instructor), a fellow of The Hong Kong Institute of Chartered Secretaries (“HKICS”) and The Chartered Governance Institute (formally known as The Institute of Chartered Secretaries and Administrators). He is also a member of the Technical Consultation Panel, Mainland China Focus Group and audit committee of HKICS.

董事 (續)

執行董事 (續)

張雷先生，47歲，自2013年2月起出任本公司附屬公司瀋陽遠大鋁業工程有限公司(「瀋陽遠大」)副總裁。張先生於2002年7月加入本集團，於幕牆業擁有逾17年經驗。加入本集團前，張先生於1994年至2000年在東北耐火材料廠分別擔任多個管理職位，包括東北耐火材料廠四分廠生產設備副廠長及設備處處長。自2001年至2002年，張先生於日本YKK公司出任管理實習生。張先生於2002年至2005年在瀋陽遠大東北分公司擔任多個要職，包括質檢及工藝部長。於2005年至2006年在瀋陽遠大東中分公司出任設計員，於2006年至2008年擔任瀋陽遠大迪拜分公司首席設計員，負責本集團ACC44住宅大廈、帝王大廈及商業灣行政樓等項目。自2008年至2012年，張先生出任瀋陽遠大多個職位，包括瀋陽遠大國際業務管理部總工程師助理、瀋陽遠大國際幕牆製造廠技術副廠長、瀋陽遠大工廠總監、瀋陽遠大工廠總裁。張先生於1994年在瀋陽機電工業學校獲機電工程文憑。

獨立非執行董事

潘昭國先生，57歲，於2011年4月12日獲委任為獨立非執行董事。潘先生獲英國倫敦大學授予法學深造文憑；擁有法學學士學位、商業學學士學位和國際會計學碩士學位，為澳洲會計師公會、香港證券及投資學會、英國特許公司治理公會(前稱：英國特許秘書及行政人員公會)之資深會員及香港特許秘書公會技術諮詢小組、中國內地關注組及審核委員會成員。

Directors and Senior Management

董事及高級管理人員

DIRECTORS (continued)

Independent Non-executive Directors (continued)

Mr. Poon has years of experience in regulatory affairs, investment banking and listed company management. He now serves as an executive director and company secretary of Huabao International Holdings Limited (Hong Kong stock code: 336). Currently, he is also an independent non-executive director of the following companies: Sunac China Holdings Limited (Hong Kong stock code: 1918), Changan Minsheng APLL Logistics Co., Ltd. (Hong Kong stock code: 1292), Tonly Electronics Holdings Limited (Hong Kong stock code: 1249), TUS International Limited (Hong Kong stock code: 872), AUX International Holdings Limited (Hong Kong stock code: 2080), Sany Heavy Equipment International Holdings Company Limited (Hong Kong stock code: 631), Greentown Service Group Co. Ltd. (Hong Kong stock code: 2869), Jinchuan Group International Resources Co. Ltd. (Hong Kong stock code: 2362), Honghua Group Limited (Hong Kong stock code: 196) and Yanzhou Coal Mining Company Limited (Hong Kong stock code: 1171). Mr. Poon was a non-executive director of Chong Kin Group Holdings Limited (Hong Kong stock code: 1609) from 5 January 2018 to 6 June 2018.

Mr. Woo Kar Tung, Raymond (胡家棟), aged 50 was appointed as an independent non-executive Director on 12 April, 2011. Mr. Woo has over 26 years of experience in the accounting and financial services industry. He began his career as a certified accountant at Arthur Andersen & Co where he qualified. Subsequently, he was employed in senior positions as an investment banker at ING, CITIC Securities and Credit Suisse. Mr. Woo holds a Bachelor of Commerce degree. He is a member of the Australian Society of Certified Practising Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Woo is an independent non-executive director of IRC Limited (Hong Kong stock code: 1029), and an independent non-executive director of SMIT Holdings Limited (Hong Kong stock code: 2239). Mr. Woo was an executive director of TUS International Limited (Hong Kong stock code: 872) from 1 September 2015 to 7 June 2018. Mr. Woo was an independent non-executive director of Huaneng Renewables Corporation Limited (Hong Kong stock code: 958, subsequently withdrawn listing voluntarily with effect from 24 February 2020) from 28 June 2019 to 22 April 2020.

董事 (續)

獨立非執行董事 (續)

潘先生於企業融資及上市公司合規和管理方面擁有多年經驗。潘先生目前為華寶國際控股有限公司(香港股份代號：336)的執行董事及公司秘書，亦擔任下列在聯交所主板上市公司的獨立非執行董事：融創中國控股有限公司(香港股份代號：1918)；重慶長安民生物流股份有限公司(香港股份代號：1292)；通力電子控股有限公司(香港股份代號：1249)；啟迪國際有限公司(香港股份代號：872)；奧克斯國際控股有限公司(香港股份代號：2080)；三一重裝國際控股有限公司(香港股份代號：631)；綠城服務集團有限公司(香港股份代號：2869)；金川集團國際資源有限公司(香港股份代號：2362)；宏華集團有限公司(香港股份代號：196)及兗州煤業股份有限公司(香港股份代號：1171)。潘先生在2018年1月5日至2018年6月6日期間曾為創建集團(控股)有限公司(香港股份代號：1609)之非執行董事。

胡家棟先生，50歲，於2011年4月12日獲委任為獨立非執行董事。胡先生於會計及金融服務行業擁有逾26年經驗。胡先生於香港安達信會計師事務所任職執業會計師，開展其事業，並於該會計師事務所獲取專業資格。其後，彼曾於荷蘭商業銀行(ING)、中信證券及瑞士信貸的投資銀行部任職。胡先生持有商業學士學位。彼現為澳洲會計師公會會員，並為香港會計師公會資深會員。胡先生現亦擔任鐵江現貨有限公司(香港股份代號：1029)之獨立非執行董事及國微技術控股有限公司(香港股份代號：2239)之獨立非執行董事。胡先生在2015年9月1日至2018年6月7日期間曾為啟迪國際有限公司(香港股份代號：872)之執行董事。胡先生在2019年6月28日至2020年4月22日期間曾為華能新能源股份有限公司(香港股份代號：958)隨後於2020年2月24日自願撤銷上市地位)之獨立非執行董事。

Directors and Senior Management

董事及高級管理人員

DIRECTORS (continued)

Independent Non-executive Directors (continued)

Mr. Pang Chung Fai, Benny (彭中輝), aged 47, was appointed as an independent non-executive Director on 12 April 2011. Mr. Pang is a member of each of the audit committee, nomination committee and remuneration committee of the Company. Mr. Pang is the managing partner of Benny Pang & Co. and a partner of F. Zimmern & Co. who specializes in capital markets and general corporate and commercial work. He was an independent non-executive director of Huabang since June 2012. Between 1997 and 2009, Mr. Pang practiced as a lawyer with several international law firms in Hong Kong and Sydney. Mr. Pang received his bachelor's degree in laws (honors) from Bond University, Australia, in 1996. In 1997, Mr. Pang obtained his Graduate Diploma in Legal Practice and master's degree in laws from The College of Law, Sydney and the University of New South Wales, Australia, respectively. He has been admitted as a legal practitioner of the Supreme Court of New South Wales, Australia since 1997 and as a solicitor of the High Court of Hong Kong since 2009. He is a member of both the Law Society of New South Wales, Australia and the Law Society of Hong Kong. Currently, Mr. Pang is also an independent non-executive Director of Sanbase Corporation Limited (Hong Kong stock code: 8501) and Janco Holding Limited. (Hong Kong stock code: 8035). Mr. Pang is a non-executive of Huabang Financial Holdings Limited (Hong Kong stock code: 3638).

On 15 July 2019, Mr. Pang was criticized by the Stock Exchange in relation to his breach of Rule 5.01(6) of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") and his obligations under the Declaration and Undertaking given by him to the Stock Exchange set out in Appendix 6-A of the GEM Listing Rules, in discharging his duties as an independent non-executive director (which he had retired since 1 June 2018) of China Regenerative Medicine International Limited (Stock Code: 8158) ("**CRMI**"), and for failing to use his best endeavors to procure CRMI to comply with the GEM Listing Rules in relation to certain lending activity conducted by CRMI (the "**Criticism**"). At all material times, Mr. Pang had raised his concern over the lending activity conducted by CRMI in a numerous occasions, although his recommendations were not accepted. Pursuant to the Criticism, Mr. Pang is directed to complete 24 hours of trainings in relation to the GEM Listing Rules compliance, director's duties and corporate governance matters together with four hours of training on Chapter 19 and Appendix 15 of the GEM Listing Rules. For further details, please refer to the announcement of the Company dated 8 August 2019.

Save as otherwise disclosed, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51(2)(a) to (e) and (g) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the year ended 31 December 2019. All Directors are not involved in any matters concerning Rule 13.51(2)(h) to (v) of the Listing Rules.

董事 (續)

獨立非執行董事 (續)

彭中輝先生，47歲，於2011年4月12日獲委任為獨立非執行董事。彭先生擔任本公司審核委員會、提名委員會及薪酬委員會成員。彭先生現為Benny Pang & Co.的主理合夥人及一家香港律師行施文律師行的合夥人，致力資本市場和公司及商業相關工作。2012年6月起曾為華邦的獨立非執行董事。1997年至2012年，彭先生於香港及悉尼多間國際律師行擔任律師。彭先生於1996年獲得邦德大學法律學士學位。於1997年，彭先生分別於英國法學院及新南威爾士大學獲得法律實踐研究文憑及碩士學位。彼於1997年獲得新南威爾士高級法院的認可成為執業律師，並於2009年獲得香港高等法院認可成為事務律師。彼為新南威爾士律師協會會員及香港律師會會員。彭先生目前為莊皇集團公司(香港股份代號：8501)及駿高控股有限公司(香港股份代號：8035)的獨立非執行董事。彭先生亦是華邦金融控股有限公司(香港股份代碼：3638)的非執行董事。

彭先生於2019年7月15日受到聯交所批評，因彼於履職中國再生醫學國際有限公司(股份代碼：8158)(「**中國再生醫學**」)獨立非執行董事(已於2018年6月1日辭任)期間，未能遵守聯交所GEM證券上市規則(「**GEM上市規則**」)第5.01(6)條及未能履行依據《GEM上市規則》附錄6-A向聯交所作出的《聲明及承諾》之下的彼之責任，未能盡力促使中國再生醫學在放貸事宜上遵守《GEM上市規則》(「**批評**」)。期間，彭先生在許多場合就中國再生醫學的放貸事宜表示質疑，但彼之建議仍未被採信。依據批評，彭先生須完成《GEM上市規則》、董事職責及企業管治事宜的24小時培訓及4小時有關遵守《GEM上市規則》第19章及附錄15的培訓。進一步詳情，請參看於2019年8月8日登載的公司公告。

除另有披露外，於截至2019年12月31日止年度概無任何須根據香港聯合交易所有限公司證券上市規則(「**上市規則**」)第13.51(2)(a)條至(e)條及(g)條予以披露有關董事的資料的變動。各董事並無涉及上市規則第13.51(2)(h)至(v)條所述的任何事件。

Directors and Senior Management

董事及高級管理人員

COMPANY SECRETARY

Mr. Yu Leung Fai, Philip (余亮暉), aged 43, was appointed as the company secretary and authorized representative of the Company in June 2012 and has over 13 years of experience in corporate services field. He was an auditor of Deloitte Touche Tohmatsu from 2000 to 2001. Since 2001, Mr. Yu joined Fung, Yu & Co. CPA Limited and is currently the company's managing partner. Mr. Yu has also been the company secretary of Beijing Media Corporation Ltd. (Hong Kong stock code: 1000), and Sany Heavy Equipment International Holdings Limited (Hong Kong stock code: 631) and independent non-executive director of Realord Group Holdings Limited (Hong Kong stock code: 1196) and Dowway Holding Limited (Hong Kong stock code: 8403), all of which are listed companies in Hong Kong, since 2010, 2017, 2014 and 2019, respectively. Mr. Yu graduated from the University of Toronto with a bachelor's degree in commerce in 2000 and from the University of London with a bachelor's degree in law in 2005. He is a member of the American Institute of Certified Public Accountants, Certified Practicing Accountants of Australia and the Hong Kong Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Mr. Li Hongren (李洪人), Chief Executive Officer of the Company – see the paragraph under [Executive Directors] above.

Mr. Wang Hao (王昊), the chief financial officer of the Company – see the paragraph under [Executive Directors] above.

公司秘書

余亮暉先生，43歲，於2012年6月獲委任為本公司的公司秘書以及授權代表，於企業服務領域具有逾13年經驗。彼於2000年至2001年擔任德勤•關黃陳方會計師行審計師。自2001年起，余先生加入馮兆林余錫光會計師事務所有限公司，現為該公司執行合夥人。自2010、2017、2014及2019年起，余先生亦分別擔任北青傳媒股份有限公司(香港股票代號：1000)及三一重裝國際控股有限公司(香港股票代號：631)兩家香港上市公司的公司秘書，及偉祿集團控股有限公司(香港股票代號：1196)及天平道合控股有限公司(香港股票代號：8403)之獨立非執行董事。余先生於2000年畢業於多倫多大學，取得商業學士學位，並於2005年畢業於倫敦大學，取得法律學士學位。彼為美國註冊會計師公會、澳洲會計師公會及香港會計師公會會員。

高級管理人員

李洪人先生，首席執行官 – 請參閱上文「執行董事」一段。

王昊先生，首席財務官 – 請參閱上文「執行董事」一段。

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's Annual Report for the year ended 31 December 2019.

CORPORATE GOVERNANCE PRACTICES

The Group strives to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The Group's corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to shareholders of the Company.

The Company has applied the principles as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

For the year ended 31 December 2019, the Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules as its own code to govern its corporate governance practices. The Company has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2019.

The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

THE BOARD OF DIRECTORS

Responsibilities

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance with the objective of enhancing shareholders' value including setting and approving the Company's strategic implementation, considering substantial investments, reviewing the Group's financial performance and developing and reviewing the Group's policies and practices on corporate governance and overall performance in environmental, social and governance (the "ESG"). The Board has delegated to the chief executive officer, of whom the directors also undertake, and through him, to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

董事會欣然提呈此載於本集團截至2019年12月31日止年度年報的企業管治報告。

企業管治常規

本集團致力維持高水平的企業管治，以提升股東價值及保障股東權益。本集團的企業管治原則著重優秀董事會、有效內部監控及對本公司股東負責任的重要性。

本公司已應用上市規則附錄14所載企業管治常規守則的原則。

於截至2019年12月31日止年度，本公司一直採納上市規則附錄14所載之企業管治守則（「企業管治守則」）之守則條文為其管治其企業管治常規之守則。本公司在截至2019年12月31日止年度內遵守了企業管治守則之守則條文。

本公司定期檢討其企業管治常規，以確保常規符合企業管治守則。

董事會

職責

董事會負責領導及控制本公司，並監督本集團的業務、戰略決定及表現，以提升股東價值，包括制訂及批准本公司落實策略、考慮重大投資、檢討本集團財務表現以及發展及審閱本集團企業管治的政策及常規及環境、社會及管治（「ESG」）整體表現。董事會已向行政總裁授權而董事亦承擔，並透過行政總裁向高級管理層轉授權力及職責，負責本集團日常管理及運作。此外，董事會亦已成立董事委員會，並向該等董事委員會授予多項職責，有關職責載於其各自的職權範圍內。

THE BOARD OF DIRECTORS *(continued)*

Responsibilities *(continued)*

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.

The Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and senior management arising out of corporate activities.

BOARD COMPOSITION

As at the date of this report, the Board is made up of nine members in total, with six executive Directors and three independent non-executive Directors. The composition of the Board is set out below:

Executive Directors

Mr. Kang Baohua	<i>Chairman</i>
Mr. Li Hongren	<i>Chief executive officer</i>
Mr. Liu Futao	
Mr. Ma Minghui	
Mr. Wang Hao	<i>Chief financial officer</i>
Mr. Zhang Lei	

Independent Non-Executive Directors

Mr. Poon Chiu Kwok
Mr. Woo Kar Tung, Raymond
Mr. Pang Chung Fai, Benny

董事會 *(續)*

職責 *(續)*

全體董事須確保本著真誠並遵守適用法律及法規以及於任何時候按本公司及其股東的利益履行職責。

本公司已因應公司業務就針對董事及高級管理層提出的法律訴訟所產生的董事及高級職員責任購買適當的保險。

董事會組成

於本報告日期，董事會共由九名成員組成，其中包括六名執行董事及三名獨立非執行董事。董事會組成載列如下：

執行董事

康寶華先生	<i>主席</i>
李洪人先生	<i>行政總裁</i>
劉福濤先生	
馬明輝先生	
王昊先生	<i>首席財務官</i>
張雷先生	

獨立非執行董事

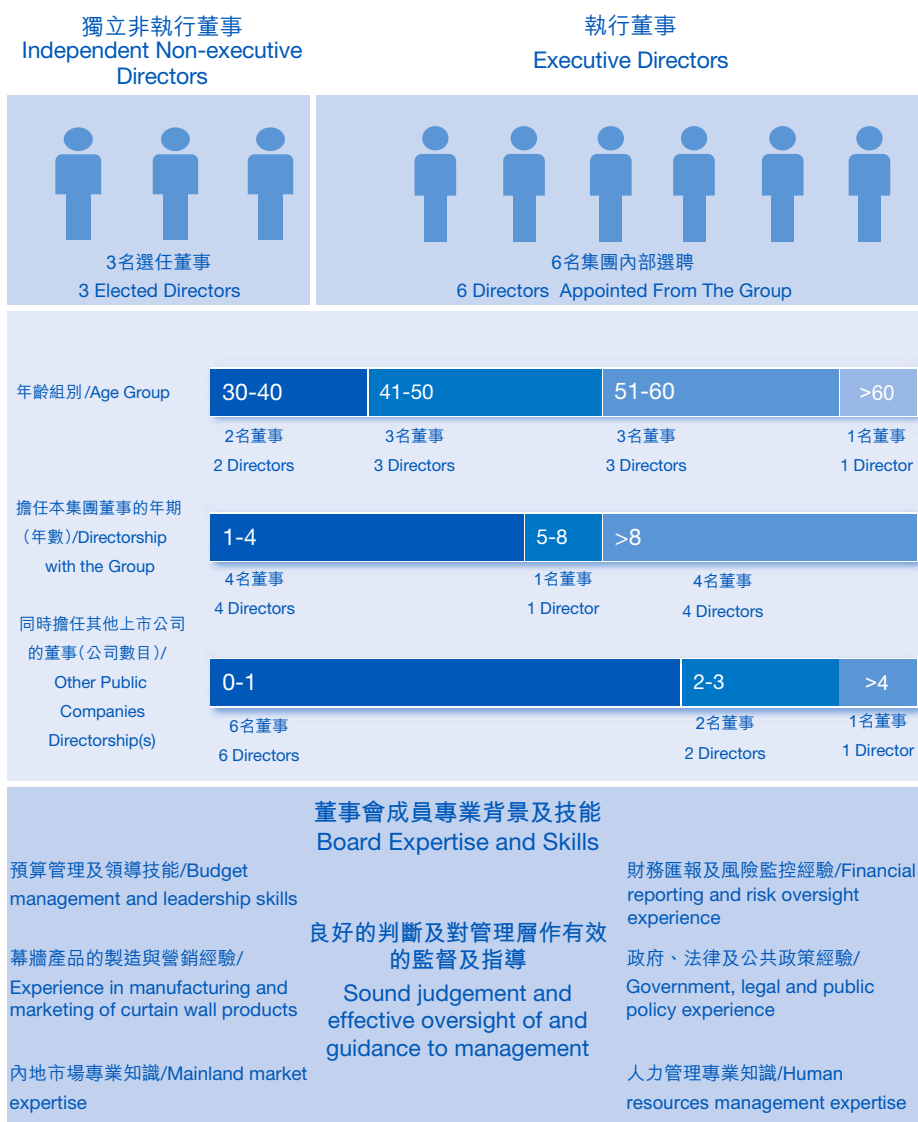
潘昭國先生
胡家棟先生
彭中輝先生

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BOARD COMPOSITION (continued)

董事會組成 (續)



The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical details of the members of the Board are disclosed under the section headed “**Directors and Senior Management**” in this report. None of the members of the Board is related to one another.

董事名單(按類別劃分)亦已根據上市規則於本公司不時刊發的所有公司通訊中披露。所有公司通訊均已遵照上市規則明確說明獨立非執行董事身份。

董事會各成員之個人履歷於本報告「**董事及高級管理人員**」一節內披露。董事會各成員間並無任何關連。

BOARD COMPOSITION (continued)

During the year ended 31 December 2019, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the audit committee (“**Audit Committee**”), remuneration committee (the “**Remuneration Committee**”) and nomination committee (the “**Nomination Committee**”) of the Company.

Save as otherwise disclosed, there is no relationship (including financial, business, family or other material relationship) between members of the Board.

NOMINATION POLICY

The Company has adopted a nomination policy (the “**Nomination Policy**”) which sets out the selection criteria and procedures to nominate candidate as a Director. Pursuant to the Nomination Policy, the Nomination Committee shall identify suitable board candidates and make recommendation to the Board on the selection of individuals nominated for directorships, after assessing a number of factors of a candidate, including, but not limited to, reputation for integrity, accomplishment and experience, commitment in respect of available time and attention on relevant matters, independence of proposed independent non-executive Directors and diversity in all aspects. The Board shall have the final decision in relation to the nomination of any candidates to stand for election at general meetings of the Company. The Nomination Committee will review the Nomination Policy, as appropriate, and recommend revision to the Board for consideration and approval.

董事會組成(續)

截至2019年12月31日止年度，董事會一直遵照上市規則要求必須委任最少三名獨立非執行董事，而其中至少一名獨立非執行董事須擁有適當的專業資格或會計或相關財務管理專業知識的規定。

本公司已接獲各獨立非執行董事根據上市規則3.13條之規定有關其獨立性的年度確認書。本公司認為，根據上市規則所載的獨立指引，全體獨立非執行董事均為獨立人士。

全體董事(包括獨立非執行董事)為董事會帶來廣泛的寶貴商業經驗、知識及專長，令其能有效運作。獨立非執行董事已獲邀請在本公司審核委員會(「**審核委員會**」)、薪酬委員會(「**薪酬委員會**」)及提名委員會(「**提名委員會**」)任職。

除另有披露外，董事會成員之間概無關係(包括財務、業務、家族或其他重大關係)。

提名政策

公司採用了提名政策(「**提名政策**」)，規定了提名董事候選人的選擇標準和程序。根據提名政策，提名委員會應在評估候選人的若干因素，包括但不限於：正直聲譽、成就和經驗、相關事宜投入的時間和精力、獨立非執行董事的獨立性和各方面的多樣性。董事會對於其推薦候選人在股東大會上參選的事宜有最後決定權。提名委員會將酌情檢討提名政策，並提出修訂建議以供董事會審議及批准。

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BOARD DIVERSITY POLICY

The Board has considered a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments are based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates is based on a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits of the selected candidates and their contribution to the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and duties of the chairman (the “**Chairman**”) and the chief executive officer (the “**Chief Executive Officer**”) of the Company are carried out by different individuals and have been clearly defined in writing.

The chairman of the Board is Mr. Kang Baohua, and the chief executive officer is Mr. Li Hongren. The positions of Chairman and Chief Executive Officer are held by separate persons in order to preserve independence and a balance of views and judgments. With the support of the senior management, the Chairman is responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. The Chief Executive Officer is in charge of the Company’s day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organizational structure, control systems and internal procedures and processes for the Board’s approval.

董事會成員多元化政策

董事會仔細考慮成員多元化政策，載明實現董事會成員多元化的方針。本公司制訂董事會成員多元化已從多個方面作出考慮，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終將按人選的長處及可為董事會作出的貢獻而作決定。

主席及行政總裁

本公司主席(「**主席**」)及行政總裁(「**行政總裁**」)的職位及職責由不同人士擔任及以書面清晰界定。

董事會主席為康寶華先生，而行政總裁為李洪人先生。主席及行政總裁的職位由不同人士擔任，以便保持獨立性及作出判斷時有平衡意見。在高級管理層協助下，主席的責任是確保董事能適時收到充分、完整及可靠數據並適時及適當簡介董事會會議上提出之事宜。行政總裁主要負責實行董事會批准及授權的目標、政策及策略。行政總裁須承擔本公司日常管理及運作的執行責任。行政總裁亦負責發展策略計劃及制訂組織架構、監控系統及內部程序及過程供董事會批准。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors is engaged on a service contract for a term of three years, and the appointment may be terminated by not less than one month's written notice. Each of the independent non-executive Directors has been appointed for a term of one year and the appointment may be terminated by not less than three months' written notice.

In accordance with the Company's articles of association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed by the Board to fill a causal vacancy or as an addition to the Board shall submit himself/herself for re-election by shareholders of the Company at the first general meeting after appointment.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's articles of association. The Nomination Committee established on 12 April 2011 is to be responsible for reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors.

In accordance with article 84 of the Company's articles of association, Mr. Ma Minghui, Mr. Wang Hao and Mr. Zhang Lei shall retire by rotation and being eligible, will offer themselves for re-election at the forthcoming annual general meeting to be held on 16 June 2020 (the "2019 AGM").

Pursuant to code provision A.4.3 of the CG Code, any further appointment of an independent non-executive Director in excess of nine years should subject to a separate resolution to be approved by shareholders. Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny were appointed as independent non-executive Directors in April 2011 and will be serving on the Board for more than nine years starting from April 2020. Therefore, separate ordinary resolutions will be proposed at the 2019 AGM to re-elect each of Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny as an independent non-executive Director.

董事委任及重選

各執行董事均訂立為期三年的服務合約，而委任可透過發出不少於一個月書面通告的方式終止。各獨立非執行董事則獲為期一年之委任，而委任可透過發出不少於三個月書面通告的方式終止。

根據本公司的組織章程細則，本公司全體董事須至少每三年輪值告退一次及任何經董事會新委任以填補臨時空缺的董事須於委任後首次股東大會上接受公司股東重選。

董事委任、重選及罷免程序及過程已載於本公司的組織章程細則。於2011年4月12日成立的提名委員會負責檢討董事會組合、向董事會推薦董事委任及繼任規劃，以及評估獨立非執行董事的獨立性。

根據本公司章程細則第84條，馬明輝先生、王昊先生及張雷先生須於2020年6月16日舉行的股東週年大會（「2019年股東週年大會」）輪值退任，彼等具有資格並願膺選連任。

根據企業管治守則第A.4.3條，對獨立非執行董事的任何進一步委任若超過九年，均須另行通過決議案尋求股東批准。潘昭國先生、胡家棟先生及彭中輝先生於2011年4月獲委任為獨立非執行董事，到了2020年4月，他們已經在董事會服務了超過9年。因此，重選潘昭國先生、胡家棟先生及彭中輝先生為獨立非執行董事在2019年股東週年大會上作為獨立決議案提出。

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BOARD MEETINGS

Board practices and conduct of Board meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to the Directors in advance.

Notices of regular Board meetings are served to all Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The Company's senior management, including the Chief Executive Officer, chief financial officer and company secretary, attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The company secretary of the Company is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to the Directors for comment within a reasonable time after each meeting and final versions are open for the Directors' inspection.

The Company's articles of association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

董事會會議

董事會會議常規及操守

各會議的年度會議程序及議程一般須事先向董事提供。

定期舉行的董事會會議通告須於會議舉行前至少十四天送交全體董事。至於其他董事會及委員會會議，則一般須給予合理時間通知。

於各董事會會議或委員會會議舉行前至少三天，向全體董事寄發董事會議程連同所有正確、完整及可靠數據，供董事知悉本公司的最新發展及財務狀況，從而令彼等可作出知情決定。董事會及各董事亦可於必要時個別獨立接觸高級管理層。

本公司的高級管理層，包括行政總裁、財務總監及公司秘書，出席全部定期舉行的董事會會議，並於必要時出席其他董事會及委員會會議，就本公司的業務發展、財務及會計事宜、法定及監管規定、企業管治及其他重大事務提供意見。

本公司的公司秘書負責所有董事會會議及委員會會議記錄，並保存有關記錄。每次舉行董事會會議及委員會會議後一段合理時間內，一般會向董事傳閱會議記錄初稿供其審閱，而定稿將可供董事查閱。

本公司的組織章程細則載有條文要求董事須在就批准董事或任何彼等的關聯人士於其中擁有重大權益的交易而召開的會議上放棄投票，及不會計入法定人數。

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BOARD MEETINGS (continued)

Directors' attendance records

The attendance records of each Director at the Board meetings and committee meetings being held during the year ended 31 December 2019 and the annual general meeting for the financial year of 2018 held on 31 May 2019 (the "2018 AGM") are set out below:

董事會會議(續)

董事出席會議記錄

截至2019年12月31日止年度，各董事出席董事會會議及委員會會議以及出席於2019年5月31日召開的2018年財政年度股東周年大會（「2018年股東周年大會」）的記錄載列如下：

Name of Director	Attendance/Number of Meetings 出席次數/會議數目					Chairman's Annual meetings with INEDs 主席與獨立 非執行董事的 年度會議
	Board	Nomination Committee	Remuneration Committee	Audit Committee	Annual General Meeting	
董事姓名	董事會	提名委員會	薪酬委員會	審核委員會	股東周年大會	
Kang Baohua 康寶華	7/7	2/2			1/1	1/1
Li Hongren 李洪人	7/7		1/1		1/1	
Liu Futao 劉福濤	7/7				1/1	
Ma Minghui 馬明輝	7/7				1/1	
Wang Hao 王昊	7/7				1/1	
Zhang Lei 張雷	7/7				0/1	
Poon Chiu Kwok 潘昭國	7/7	2/2		2/2	1/1	1/1
Woo Kar Tung, Raymond 胡家棟	7/7		1/1	2/2	1/1	1/1
Pang Chung Fai, Benny 彭中輝	7/7	2/2	1/1	2/2	1/1	1/1

Corporate Governance Report

企業管治報告

DIRECTORS' TRAINING

Directors must keep abreast of their collective responsibilities and are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide to each newly appointed Director or alternative Director an induction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Group's businesses and the statutory regulatory obligations of a director of a listed company as well as the Company's constitutional documents to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements. The Group also provides briefings and other trainings to develop and refresh the Directors' knowledge and skills from time to time. Further, the Company continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

Details regarding the trainings attended by the Directors during the year ended 31 December 2019 are as follow:

董事培訓

董事須知悉彼等共同責任，本公司鼓勵董事參與持續專業發展，以發展及改善彼等知識及技能。本公司將向每名新委任董事或替任董事提供入職簡介，簡介涵蓋香港上市公司董事的職責及責任、本集團業務及上市公司董事的法定規管責任以及本公司憲制文件，以確保其充分瞭解其於上市規則及其他規管要求下的職責及責任。本集團亦舉行簡介會及其他培訓課程，以不時發展及改善董事知識及技能。此外，本公司不斷向董事就上市規則及其他適用規管要求彙報最新發展，以確保遵守規定，並加強彼等對良好企業管治守則的認知。

董事於截至2019年12月31日止年度出席培訓的詳情如下：

Directors	董事	Types of training 培訓種類
Executive Directors	執行董事	
Kang Baohua	康寶華	A, B, C, D, E
Li Hongren	李洪人	A, B, D, E
Liu Futao	劉福濤	A, B, C, D, E
Ma Minghui	馬明輝	A, B, D, E
Wang Hao	王昊	A, B, C, D, E
Zhang Lei	張雷	A, B, D, E
Independent Non-Executive Directors	獨立非執行董事	
Poon Chiu Kwok	潘昭國	A, B, C, D, E
Woo Kar Tung, Raymond	胡家棟	A, B, C, D, E
Pang Chung Fai, Benny	彭中輝	A, B, C, D, E

DIRECTORS' TRAINING *(continued)*

Note:

- A. Attending seminar(s)/forum(s)
- B. Reading materials relating to general business, real estate development, directors' duties and responsibilities and so on
- C. Giving talks to external seminar(s)/forum(s)
- D. Attending corporate event(s)/visit(s)
- E. Directors E-Trainings in HKex

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules and devised its own code of conduct regarding directors' dealings in the Company's securities (the “**Company Code**”) on terms no less exacting than the Model Code.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code and the Company Code throughout the year ended 31 December 2019.

The Company has also established written guidelines on no less exacting terms than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company for the year ended 31 December 2019.

董事培訓 (續)

附註：

- A. 出席研討會／論壇
- B. 閱讀有關業務、地產發展、董事職責及責任等之資料
- C. 出席外部研討會／論壇致辭
- D. 出席公司活動、造訪行程
- E. 香港聯交所網上董事培訓

證券交易標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）及修訂了其條款不遜於標準守則的其本身有關董事買賣本公司證券的行為守則（「**公司守則**」）。

本公司已向全體董事作出具體查詢，而董事已確認，截至2019年12月31日止年度，彼等一直遵守標準守則及公司守則。

本公司已就可能擁有未公開的本公司內幕消息的僱員進行證券交易確立條款不遜於標準守則的書面指引（「**僱員書面指引**」）。

截至2019年12月31日止年度，本公司並未察覺僱員違反僱員書面指引的事故。

Corporate Governance Report

企業管治報告

DELEGATION BY THE BOARD

The Board undertakes responsibility for decision making in major Company matters, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers. The Board also has the full support of the Chief Executive Officer and the senior management for the discharge of its responsibilities.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2019 are set out in Note 8 to the Financial Statements.

董事會授權

董事會負責對本公司重大事宜作出決策，包括批准及監督所有政策事宜、整體策略及預算、內部監控及風險管理制度、重大交易(尤其是可能涉及利益衝突的交易)、財務數據、委任董事及其他重大財務及運作事宜。

全體董事可及時取得所有相關數據以及公司秘書的意見及服務，以確保符合董事會議事程序以及遵守所有適用規則及規例。向董事會提出要求後，各董事一般可於適當情況下徵詢獨立專業意見，費用由本公司承擔。

本公司日常管理、行政及運作均由行政總裁及高級管理層負責。本公司會定期檢討獲分派職務及工作。上述高級職員於訂立任何重大交易前，必須事先獲董事會批准。董事會亦獲行政總裁及高級管理層全力支持履行其職責。

董事及高級管理層薪酬

本公司已制定本集團高級管理層薪酬政策的正式及具透明度的程序。各董事於截至2019年12月31日止年度的薪酬詳情載列於財務報表附註8。

BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established three committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are available on the Company's website. Each of the Nomination Committee, Remuneration Committee and Audit Committee are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

Nomination Committee

The Nomination Committee comprises three members, namely Mr. Kang Baohua (chairman), Mr. Poon Chiu Kwok and Mr. Pang Chung Fai, Benny, the majority of which are independent non-executive Directors.

The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

During the year ended 31 December 2019, the Nomination Committee:

- reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board annually and made recommendations on any proposed changes to the Board to implement the Company's corporate strategy;
- made recommendations to the Board to ensure that the independent non-executive Directors comprise at least one-third of the Board;
- assessed the independence of independent non-executive Directors;

董事委員會

為符合良好企業管治常規，董事會已成立三個委員會，分別是提名委員會、薪酬委員會及審核委員會，以監管本公司特定範疇的事宜。本公司所有董事委員會乃根據已界定書面職權範圍成立，有關職權範圍資料已載於本公司網站供省覽。提名委員會、薪酬委員會及審核委員會均獲提供足夠資源，以履行其職務，倘提出合理要求後，可於適當情況下尋求獨立專業意見，費用由本公司承擔。

提名委員會

提名委員會由三名成員組成，分別是康寶華先生(主席)、潘昭國先生及彭中輝先生，大部分成員為獨立非執行董事。

提名委員會的主要職責包括檢討董事會組成、就委任及董事繼任計劃向董事會提出建議及評估獨立非執行董事的獨立性。

截至2019年12月31日止年度，提名委員會：

- 對董事會的架構、人數及組成(包括技能、知識及經驗方面)進行了年度審閱，並就任何為配合本公司的策略而擬對董事會作出的變動提出建議；
- 向董事會提供意見，確保獨立非執行董事必須佔董事會成員人數至少三分之一；
- 評核獨立非執行董事的獨立性；

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(continued)*

Nomination Committee *(continued)*

- made recommendations to the Board on the re-appointment of Directors; and
- made recommendations to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, ethnicity, professional experience, knowledge and length of service.

The Nomination Committee will meet at least once per year according to its terms of reference. Two Nomination Committee meetings were held during the year under review.

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Woo Kar Tung, Raymond (chairman), Mr. Li Hongren and Mr. Pang Chung Fai, Benny, the majority of which are independent non-executive Directors.

The Remuneration Committee is responsible for making recommendations to the Directors' remuneration and other benefits. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that level of their remuneration and compensation are reasonable. Their written terms of reference are in compliance with the provisions of the CG Code. Pursuant to code provision B.1.4 of the CG Code, the Remuneration Committee would make available its terms of reference, explaining its role and the authority delegated to it by the Board.

董事委員會 *(續)*

提名委員會 *(續)*

- 就董事重新委任向董事會提出建議；及
- 提議董事會應該在諸多方面(但不限於)(如性別、年齡、民族、職業經歷、學歷及服務任期)實現董事會的多樣性。

提名委員會將根據其職權範圍每年至少舉行一次會議。於回顧年度，提名委員會舉行了2次會議。

薪酬委員會

薪酬委員會由三名成員組成，分別是胡家棟先生(主席)、李洪人先生及彭中輝先生，大部分成員為獨立非執行董事。

薪酬委員會負責就董事薪酬及其他福利提供建議。全體董事薪酬均受薪酬委員會定期監管，以確保彼等薪酬水平及補償屬合理。彼等職權範圍乃遵照企業管治守則的條文。根據企業所管治守則條文B.1.4守則條文，薪酬委員會將制訂職權範圍，解釋其職能及獲董事會所授予的權力。

BOARD COMMITTEES (continued)

Remuneration Committee (continued)

During the year ended 31 December 2019, the Remuneration Committee:

- made recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- reviewed and approved the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- conduct an annual review with reference to companies with comparable business or scale and recommend remuneration adjustments, if appropriate;
- reviewed and approved the disclosure details of any remuneration payable to members of senior management by band in the annual reports; and
- conducted regular evaluations of the Board on its performance as it may consider appropriate.

Pursuant to code provision B.1.5 of the CG code, the remuneration of the members of the senior management by band for the year ended 31 December 2019 is set out below:

In the band of	所屬範圍	Number of individuals 人數
Nil to HK\$2,000,000	零至2,000,000港元	7
HK\$2,000,001 to HK\$6,000,000	2,000,001港元至6,000,000港元	3

The Remuneration Committee held one meeting during the year ended 31 December 2019.

董事委員會(續)

薪酬委員會(續)

截至2019年12月31日止年度，薪酬委員會主要負責：

- 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- 每年參考類似業務或規模的公司進行酬金檢討，並於適當時建議作出酬金調整；
- 檢討及批准於年報內按薪酬等級披露應付高級管理人員的任何酬金詳情；及
- 委員會按需要定期評核董事會的表現。

根據企業管治守則之守則條文第B.1.5條，高級管理層成員於截至2019年12月31日止年度之薪酬範圍載列如下：

In the band of	所屬範圍	Number of individuals 人數
Nil to HK\$2,000,000	零至2,000,000港元	7
HK\$2,000,001 to HK\$6,000,000	2,000,001港元至6,000,000港元	3

薪酬委員會於截至2019年12月31日止年度舉行了1次會議。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(continued)*

Audit Committee

The Audit Committee comprises three members, namely Mr. Poon Chiu Kwok (chairman), Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny, all of which are independent non-executive Directors.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems and to provide advice and comments to the Board.

During the year ended 31 December 2019, the Audit Committee:

- made recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approved the remuneration and terms of engagement of the external auditor;
- reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- reviewed the annual results in respect of the year ended 31 December 2018 and the interim results for the six months ended 30 June 2019 as well as significant issues on financial control, internal control and risk management systems;
- reviewed and approved the internal audit work plan for 2019, and received periodic updates on the status of internal audit activities;
- discussed the risk management and internal control systems with management to ensure that management has performed its duty to have an effective internal control system. This discussion included the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions; and

董事委員會 (續)

審核委員會

審核委員會由三名成員組成，分別為潘昭國先生(主席)、胡家棟先生及彭中輝先生，均為獨立非執行董事。

審核委員會的主要職務為檢討及監察財務申報程序及風險管理及內部監控制度，以及向董事會提供建議及意見。

截至2019年12月31日止年度，審核委員會：

- 就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款；
- 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
- 檢討公司截至2018年12月31日止年度之年度業績，截至2019年6月30日止六個月中期業績及有關財務監控、內部監控及風險管理制度的重大事項；
- 審閱及通過2019年度內部審計計劃及定期收到關於內部審計活動狀況的最新資料；
- 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的內部監控系統，討論內容應包括公司在會計及財務彙報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足；及

BOARD COMMITTEES (continued)

Audit Committee (continued)

- developed and reviewed the Company's policies and practices on corporate governance and made recommendations to the Board.

The Audit Committee held two meetings during the year ended 31 December 2019.

The Audit Committee also met the external auditors of the Company twice without the presence of the executive Directors.

MANAGEMENT OF INSIDE INFORMATION

The Group has also adopted an information disclosure policy which has set out guidelines in respect of handling and dissemination of inside information. The Board is entrusted with the responsibility for monitoring and implementing the procedural requirements in the information disclosure policy. Release of inside information shall be approved by the Board. Unless duly authorized, all staff members of the Company shall not disseminate inside information relating to the Group to any external parties and shall not respond to media report or market speculation which may materially affect the trading price or volume of the shares of the Company.

CORPORATE GOVERNANCE FUNCTIONS

During the period under review, the Board is responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties as below:

- to develop and review the Group's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the directors and senior management;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);

董事委員會(續)

審核委員會(續)

- 制定及檢討本公司政策及企業管治常規，並向董事會提出建議。

截至2019年12月31日止年度，審核委員會曾舉行2次會議。

審核委員會亦在執行董事缺席之情況下與本公司外部核數師進行兩次會面。

內幕消息管理

本集團亦已採納信息披露政策，當中載列有關處理及發佈內幕消息的指引。董事會受託負責監控及實施信息披露政策中的程序規定。內幕資料須由董事會批准。除非獲正式授權，否則本公司所有員工不得向任何外部人士傳播有關本集團的內幕消息，亦不得回應可能對本公司股份成交價或成交量造成重大影響的媒體報道或市場揣測。

企業管治職能

於回顧期內，董事會負責厘定本公司的企業管治政策，以履行企業管治職務如下：

- 制定及檢討本集團的企業管治政策及常規，並作出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本集團遵守所有法律及規管規定(如適用)的政策及常規；

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企業管治報告

CORPORATE GOVERNANCE FUNCTIONS *(continued)*

- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and
- to review the Group's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

ACCOUNTABILITY AND AUDIT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements of inside information and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

RISK MANAGEMENT AND INTERNAL CONTROLS

During the year under review, the Board, through the Audit Committee, conducted a review of the effectiveness of the internal control system of the Company including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. An internal audit department has been established to perform regular financial and operational reviews and conduct audit of the Company and its subsidiaries. The work carried out by the internal audit department ensures the internal controls are in place and functioning properly as intended.

企業管治職能 *(續)*

- 制定、檢討及監察本集團僱員及董事適用的行為守則及合規指引(如有)；及
- 檢討本集團遵守企業管治守則及企業管治報告所載披露規定的情況。

責任及審核

董事就財務報表的財務報告職責

董事確認彼等知悉編制本公司截至2019年12月31日止年度財務報表的責任。

董事會負責根據上市規則及其他法定及監管規定，對年報及中期報告、內幕消息公告及其他披露事宜提供內容持平、清晰及易明的評估。

本公司管理層已向董事會提供必要的解釋及數據，以使董事會對獲提呈待審批的本公司財務報表作出知情評估。

風險管理及內部監控

於回顧年度，董事會透過審核委員會已檢討本公司內部監控制度的有效性，其中包括資源充足性、本公司會計及財務報告人員的資格及經驗以及其培訓計劃及預算。已設立內部審核部門執行定期財務及營運檢討，及為本公司及其附屬公司進行審核。內部審核部門的工作確保內部監控系統按計劃運作及妥善執行。

RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

Risk management framework

The Board is responsible for maintaining an adequate risk management and internal control system to safeguard shareholder investments and Company assets and with the support of the Audit Committee, and reviewing the effectiveness of such system on an annual basis.

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The internal auditor and senior management review and evaluate the control process, monitors any risk factors on a regular basis, and reports to the Audit Committee on any findings and measures to address the variances and identified risks.

The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Significant risks and control measures

Business risk

As most of the Group's customers are property developers or main contractors of public infrastructure and commercial buildings, the business and prospects of the Group heavily depend on the performance of the construction and real estate industries, which are cyclical and could be significantly affected by fluctuations in economic conditions.

The time and costs involved in completing construction can be adversely affected by many factors, including shortage of materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes with contractors and subcontractors, accidents, changes in government priorities, and other unforeseen problems or circumstances. The occurrence of any of these factors could give rise to delays in the completion of a project, which may result in cost overruns and potential disputes and claims from service recipients. This may also result in the profit derived from the design, procurement, production, sale and installation of curtain wall system not being recognised in the year in which it was originally anticipated to be recognised.

風險管理及內部監控(續)

風險管理框架

董事會負責維持適當的風險管理及內部監控制度，以保障股東投資及本公司資產，並審核委員會每年對其有效性進行檢討。

本集團的內部監控制度乃設計為協助有效及高效的運作，從而確保財務報告的可靠性及遵守適用法律及法規、識別及管理潛在風險，以及保障本集團資產。內部核數師及高級管理層須定期檢討及評估監控程序，並監察任何風險因素，以及就任何調查結果、應付各種變量及已識別風險的措施向審核委員會報告。

本公司的風險管理和內部控制制度旨在管理而非消除未能實現經營目標的風險，只能對重大錯報損失提供合理而非絕對的保證。

重大風險及監控措施

業務風險

本集團大部份客戶為物業發展商或公共基建及商業大廈的主要承包商，本集團的業務及前景很大程度上依賴建築及房地產行業的表現，其表現屬周期性，且很受經濟狀況的波動影響。

建築項目所涉及的時間及成本可能受多項不利因素影響，這些因素包括材料、設備及勞動力短缺、不利的天氣狀況、自然災害、與總包商及分包商的勞資糾紛、意外事故、政府工作重點的變動及其他不可預見的問題或情況。發生任何前述因素，均可能導致項目竣工延後，繼而或導致成本超支以及服務接受方的潛在糾紛及索償，且於原本預期年度內確認的來自設計、採購、生產、銷售及安裝幕牆系統的合同利潤亦可能因此而無法予以確認。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

Significant risks and control measures (continued)

Business risk (continued)

The industry in which the Group operates is closely related to the macro-economy and people's livelihood. In 2019, domestic and foreign risk challenges have risen significantly. Economic structural, institutional and cyclical issues intersected and increased the pressure on growth. Some of the traditional factors which have contributed to economic growth over a long period of time, such as demographic dividends, capital investment and export mobility, have all shown signs of fatigue. At the same time, the COVID-19 epidemic in early 2020 temporarily affected the normal operation of various industries.

In order to better respond to the opportunities and challenges from the changes in economy environment and policies, the Company carries out in-depth study on the macro-economy and policies all over the world to implement its strategies to develop and strengthen penetration of different regional markets thereby reducing its dependence on specific markets.

Industrial risk

However, the industry will remain polarized and extremely competitive; leading towards the Matthew Effect of "the strong becomes stronger" as the sector centralises and segregates. As the market becomes more concentrated, market share will quickly gravitate towards leading companies.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Delay in supply of construction materials, unskilled construction workers, safety accidents, natural disasters, adverse weather and other factors may bring risks such as construction progress, project cost, construction quality and customers satisfaction, and thus affecting the results of operation and reputation of the Company.

風險管理及內部監控 (續)

重大風險及監控措施 (續)

業務風險 (續)

本集團所處的行業與宏觀經濟和國民生活緊密相關。2019年，國內外風險挑戰明顯上升。經濟結構性、體制性、周期性問題相互交織，增速壓力加大。長期以來促進經濟增長的一些傳統因素，如人口紅利、資本投入、出口拉動等均出現趨緩。同時，2020年初出現的新冠疫情暫時影響了各行各業的正常運行。

為了更好應對經濟環境變化和政策變化帶來的機遇與挑戰，本公司深入研究全球各地宏觀經濟走勢和政策動態，續實施策略，以發展和加強不同的地區市場的滲透，從而減少對特定市場的依賴。

產業風險

但是行業的分化格局將延續，行業洗牌加劇，馬太效應之「強者愈強、弱者愈弱」的現象突顯，行業集中度將大大提升，市場份額加速向龍頭企業集中。

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由各個功能之分部及部門肩負。建築材料供應不及時、施工人員勞動熟練度不足、安全意外事故、自然災害、惡劣氣候等因素，均可能帶來工程進度、項目成本、建築質量和客戶滿意度等風險，對公司經營業績和品牌聲譽造成影響。

RISK MANAGEMENT AND INTERNAL CONTROLS

(continued)

Significant risks and control measures (continued)

Operational risk (continued)

The Company has established various systems for management of quality, progress, safety, material and cost of project development to strengthen the overall management of construction schedule, quality and safety, reduced construction risks and emphasize safe development.

Compliance risk

The Company's operation is subject to a wide range of policies and regulations, including the company ordinance of the region where it locates, financial and taxation regulations and regulations in relation to construction and listing rules of Hong Kong and mainland China etc., and the requirements and changes of laws, regulations and policies may also affect the Company. In 2019, the Company actively complied with laws, regulations and policies, and continuously improved its knowledge and management awareness of compliance requirements.

The Company has designated special personnel to study new regulations and policies and make relevant arrangements, and reflected the requirements of relevant laws and regulations in its business activities and operation management in a timely manner. The Company also consults external experts for handling compliance matters in order to comply with various relevant regulations, policies and guidelines.

Credit risk

The Group is serving a large customer base with different credit status, and its business development will inevitably be affected by the varied credit profiles of these customers. The Group seeks to reduce the aforesaid impact by identifying and managing credit risks through internal credit management measures, such as credit search, credit rating, credit limit management, overall credit risk assessment and stringent credit control against customers with faulty payment records, as well as by transferring credit risks through the purchase of credit insurance.

風險管理及內部監控 (續)

重大風險及監控措施 (續)

營運風險 (續)

本公司建立了項目開發過程中的質量、進度、安全、材料、成本管理體系，加強對施工進度、質量、安全的全面管理，減少施工風險，強調安全發展。

合規風險

本公司的業務受到廣泛的法規及政策監管，其中包括所處地區的公司條例、財務及稅務法規及建築法規，以及中國大陸及香港的上市規則等，其要求或變動對公司亦會產生影響。本公司在2019年持續積極遵守有關法律法規及政策的規定，對合法合規要求的認知水平和管理意識不斷提升。

本公司設立了專門人員對法規和政策的變化進行研究，並將相關要求及時落實到業務活動和運營管理中。公司還結合諮詢外部專家，確保管理運營遵守各項相關法規、政策及指引。

客戶信用風險

由於本集團客戶群體龐大，各類客戶的資信存在一定差異，不同的資信狀況對本集團的業務發展帶來一定的影響，本集團主要通過客戶資信調查、客戶資信評級與授信、客戶信用額度管理及風險總量控制、對付款記錄不良客戶實施信用管控等內部信用管理措施識別和管理信用風險，及通過購買信用保險轉移信用風險，以減少上述影響。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

Significant risks and control measures (continued)

Financial risk

The financial risk management of the Group are set out in note 31 to the Consolidated Financial Statements.

The Audit Committee reviewed the findings of investigations on material internal control and the management's feedback thereof.

Based on the assessments made by the management and taking into account the audit works of the independent auditor, the Board and the Audit Committee considered that no significant areas of concern in respect of the Group's risk management and internal control systems were identified during the year of 2019.

Based on the review of the effectiveness of the risk management and internal control systems performed during the year, the Board considers such systems effective and adequate.

COMPANY SECRETARY

Mr. Yu Leung Fai of Yu & Co. CPA Limited, the external company secretary service provider of the Company, has been engaged by the Company as its company secretary since 30 June 2012. The primary corporate contact person at the Company is Alice Li, the secretary of the Finance and Securities Department of the Company.

The company secretary's biography is set out in the section headed "**Directors and Senior Management**" of this report. During the year ended 31 December 2019, the company secretary undertook over 15 hours of professional training to update his skills and knowledge.

風險管理及內部監控 (續)

重大風險及監控措施 (續)

財務風險

本集團之財務風險管理載列於合併財務報表附註31內。

審核委員會審閱了重大內控調查結果及管理層的回應進行檢討。

根據管理層之評估，以及經考慮獨立核數師的審計工作結果，董事會及審核委員會認為於2019年內，並無與風險管理及內部監控有關的重大事宜需予關注。

根據年內對風險管理及內部監控系統表現有效性的檢討，董事會認為該等系統有效及正確。

公司秘書

馮兆林余錫光會計師事務所有限公司(向本公司提供外部公司秘書服務之公司)之余亮暉先生已自2012年6月30日起受本公司聘任為其公司秘書。本公司主要公司聯絡人為本公司金融及證券部秘書李雪嬌。

公司秘書履歷載於本報告「**董事及高級管理人員**」一節。截至2019年12月31日止年度，公司秘書獲授15小時以上之專業培訓，以提升彼等技能及知識。

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The statement of the external auditors of the Company about their reporting responsibilities for the financial statements of the Company is set out in the “**Independent Auditor’s Report**” on pages 112 to 119.

The remuneration paid to the external auditors of the Company in respect of audit services for the year ended 31 December 2019 amounted to approximately RMB9.3 million. The external auditors of the Company provided non-audit services with contract-value of about RMB0.6 million to the Company for the year ended 31 December 2019.

SHAREHOLDERS' RIGHTS

Procedures for shareholders of the Company to convene an extraordinary general meeting (including making proposals/moving a resolution at the extraordinary general meeting)

- Any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the “**Eligible Shareholder(s)**”) shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the “**Company Secretary**”), to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at an extraordinary general meeting.
- Eligible Shareholders who wish to convene an extraordinary general meeting for the purpose of making proposals or moving a resolution at an extraordinary general meeting must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at Unit E 14/F, Hang Seng Tsuen Wan Building, 289 Sha Tsui Road, Tsuen Wan, New Territories Hong Kong, for the attention of the Company Secretary.

外聘核數師及核數師薪酬

本公司外聘核數師就其對本公司的財務報表的申報職責的聲明載列於第112至119頁的「**獨立核數師報告**」。

就截至2019年12月31日止年度提供之審計服務而向本公司外部核數師支付之薪酬約為人民幣9.3百萬元。截至2019年12月31日止年度，本公司外部核數師向本公司提供價值約為人民幣0.6百萬元之非審計服務。

股東權利

本公司股東召開股東特別大會(包括股東特別大會上提出提案/決議案)的程序

- 任何一個或多個本公司股東在遞交該申請書當日須持有本公司不少於十分之一附帶投票權可於本集團股東大會上投票的已繳足資本(「**適格股東**」)有權隨時向本公司董事會或公司秘書(「**公司秘書**」)遞交書面申請，要求董事會為該書面申請中所述的任何業務交易召開股東特別大會(包括股東特別大會上提出提案/決議案)。
- 希望召開股東特別大會以於股東特別大會上提出提案或決議案的適格股東必須將經相關適格股東簽署的書面申請(「**申請書**」)交存本公司在香港的主要營業地點，地址為香港新界荃灣沙咀道289號恒生荃灣大廈14樓E室(致公司秘書)。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (continued)

Procedures for shareholders of the Company to convene an extraordinary general meeting (including making proposals/moving a resolution at the extraordinary general meeting) (continued)

- The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an extraordinary general meeting, the agenda proposed to be included the details of the business(es) proposed to be transacted in the extraordinary general meeting, signed by the Eligible Shareholder(s) concerned.
- If within 21 days of the deposit of the Requisition, the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene an extraordinary general meeting, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the memorandum and articles of associations of the Company, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Disclaimer

The contents of this sub-section headed “**Shareholders’ Rights**” are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to its shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as shareholders of the Company. The Company disclaims all liabilities for losses incurred by its shareholders in reliance on any contents of this sub-section headed “Shareholders’ Rights”.

股東權利(續)

本公司股東召開股東特別大會(包括股東特別大會上提出提案/決議案)的程序(續)

- 申請書必須載明相關適格股東的姓名、彼等持有的本公司股份、召開股東特別大會的理由、擬議的議程、在股東特別大會上擬議的交易詳情，並由相關適格股東簽署。
- 倘董事會未能在申請書遞交後21天內向股東報告任何進展或未能召開股東特別大會，適格股東有權根據本公司組織章程大綱及細則的相關規定自行召開股東特別大會；對於適格股東因董事會未能召開大會而產生的所有合理費用，本公司應當向相關適格股東進行補償。

免責聲明

本「**股東權利**」分節所載內容僅供參考及遵守披露規定。有關資料並不代表亦不應視作本公司給予股東的法律或其他專業意見。股東應就彼等作為本公司股東的權利，自行尋求獨立法律或其他專業意見。本公司不會就股東因依賴本「**股東權利**」分節所載內容而產生的損失承擔任何責任。

SHAREHOLDERS' RIGHTS (continued)

Making enquires to the Board

Shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong by post or through the following means:

Telephone number: (86) 24 25273288
By post: 20, Street 13 Shenyang Economic & Technological Development Area, Shenyang, 110027, China
Attention: Investor Relations Department
By email: investors@yuandacn.com

INVESTOR RELATIONS

Amendments to the articles of association of the Company

During the year under review, the Company has not made any changes to its articles of association. An up-to-date version of the Company's articles of association is also available on the Company's website and the Stock Exchange's website.

Investors communication policy

The Company regards the communication with institutional investors as important means to enhance the transparency of the Company and collect views and feedbacks from institutional investors. To promote effective communication, the Company maintains a website at www.yuandacn.com, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted are available for public access. During the year under review, the Directors and senior management of the Company participated in numerous road shows and investment conferences. In addition, the Company also maintains regular communication with the media through press conferences, news releases to the media and on the Company's website, and answering enquiries from the media.

股東權利(續)

向董事會作出查詢

股東可藉郵寄至本公司於香港的主要營業地點或通過以下方式向董事會發送其查詢及關注：

電話號碼：(86) 24 25273288
郵遞：中國瀋陽市
瀋陽經濟技術開發區
13號街20號郵編110027
致：投資者關係部
電郵：investors@yuandacn.com

投資者關係

本公司組織章程細則的修訂

於回顧年度，本公司並無更改其組織章程細則。本公司最新的組織章程細則亦於本公司及聯交所網站上刊載。

投資者通訊政策

本公司將與機構投資者溝通視為提高本公司透明度及收集機構投資者的意見和響應的重要途徑。為促進有效溝通，本公司設有網站www.yuandacn.com，載有有關本公司業務及發展的最新消息及更新數據、財務數據、企業管治常規及其他數據，以供公眾人士瀏覽。於回顧年度，本公司董事及高級管理層曾參與多項路演及投資會議。此外，本公司亦通過新聞發佈會、向媒體發放消息、在本公司網站登載消息及回答媒體的發問而定期與媒體溝通。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS *(continued)*

Investors communication policy *(continued)*

The general meetings of the Company provide a forum for communication between the Board and the shareholders of the Company with face-to-face dialogue. The Chairman of the Board as well as chairmen of each of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, are available to answer questions at general meetings.

The annual general meeting regarding the financial results for the year ended 31 December 2019 (“AGM”) will be held on 16 June 2020. The notice of AGM will be sent to shareholders of the Company at least 21 clear business days before the AGM.

DIVIDEND POLICY

Any declaration of dividends will depend upon a number of factors including earnings and financial conditions, operation requirements, capital requirements and any other conditions that any other Directors may deem or are relevant and will be subject to the approval of our shareholders of the Company. There can be no assurance that dividends of any amount will be declared or distributed in any given year.

股東權利(續)

投資者通訊政策(續)

本公司股東大會為董事會與股東之間提供了面對面的溝通平臺。董事會主席以及提名委員會、薪酬委員會及審核委員會之主席(或倘彼等缺席)各委員會的其他成員及(倘適用)獨立董事委員會之主席，將於股東大會上解答提問。

本公司將就截至2019年12月31日止年度的財務業績於2020年6月16日舉行股東周年大會(「股東周年大會」)。股東周年大會通告將於股東周年大會日期前至少二十一個完整營業日寄往予本公司股東。

股息政策

任何股息之派付及金額將視多項因素而定，包括收益和財務狀況、運營需求、資金需求以及董事會視為相應之任何其他因素並且需要公司股東的同意。無任何保證在指定的任何年份派付任何金額的股息。

The Directors of the Company are pleased to present their report and the audited financial statements for the year ended 31 December 2019 of the Group.

BUSINESS REVIEW AND PERFORMANCE

A review of the business of the Group and a discussion and analysis of the Group's performance during the year under review and a discussion on the Group's future business development and outlook of the Company's business, possible risks and uncertainties that the Group may be facing and important events affecting the Company occurred during the year ended 31 December 2019 are provided in the section headed "Management Discussion and Analysis" on pages 9 to 21 of this annual report. An account of the Company's relationships with its key stakeholders is included in the paragraph headed "Relationships with Employees, Suppliers and Customers" of the Report of the Directors on page 56 of this annual report.

An analysis of the Group's performance during the year ended 31 December 2019 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 9 to 21 of this annual report and the Group's "Five Year Financial Summary" on page 276 of this annual report.

In addition, more details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact on the Company are provided in the report headed "Environmental, Social and Governance" on pages 74 to 111 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Since early 2020, the Group's operation has been adversely affected by quarantine measures imposed by the government to contain the COVID-19 outbreak. The Group has been paying close attention to the impact of the situation on the operation and taking all possible and reasonable measures to mitigate and limit the impact on the Group's operation. As how the COVID-19 outbreak will continue is uncertain, the overall effect that the COVID-19 outbreak may have on the Group's businesses cannot be reliably estimated as at the date when the financial statements were authorised for issue.

本公司董事欣然提呈彼等的報告以及本集團截至2019年12月31日止年度的經審核財務報表。

業務回顧及表現

本集團的業務回顧、本集團回顧年度內表現的討論及分析、本集團未來業務發展的討論、本公司業務前景、本集團或會遇到的潛在風險及不明朗因素，以及發生於截至2019年12月31日止年度影響本公司的重要事項載列於本年報第9頁至第21頁的「管理層討論及分析」一節。有關本公司與主要利益相關者的關係載列於本年報第56頁的董事會報告內「與僱員、供應商及客戶之間的關係」一段內。

本集團截至2019年12月31日止年度運用財務業績指標所作出的業績分析載列於本年報第9頁至第21頁的「管理層討論及分析」一節。五年財務摘要載列於本年報第276頁。

此外，有關本集團參考對本公司產生重要影響的環境及社會相關主要表現指標及政策，以及遵守相關法律及法規的表現，更多詳情載列於本年報第74頁至第111頁的「環境、社會及管治」報告。

報告期後事件

自2020年年初以來，政府為遏制新冠肺炎疫情而實施隔離措施，本集團的營運因此受到不利影響。本集團一直密切關注當前局勢對營運的影響，並採取一切可能及合理的措施來減少及降低該事件對本集團營運之影響。由於新冠肺炎疫情情況尚不確定，因此，於授權發布財務報表之日，無法可靠地估計新冠肺炎疫情對本集團業務的整體影響。

Report of the Board of Directors

董事會報告

ENVIRONMENTAL PROTECTION

Environmental conservation remains a key focus for the Group. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection and complies with environmental legislation and promotes awareness towards environmental protection to the employees.

The PRC government has imposed strict requirements of the laws of production safety and environmental protection for enterprises. Since the PRC government is adopting laws on strengthening environmental protection from time to time and implementing stricter environmental protection standards, it is expected that the Group will have to comply with more regulations in the future. In addition, the Group predicts this trend will continue and additional expenses may be incurred for complying with new regulations, thus increasing the Group's operating costs.

To cope with the risk, not only are we certified with ISO 14001 Environmental Management System, but we have also set up an Environmental Division to monitor and manage the environmental performance of our plants and maintain communication with the Ministry of Environmental Protection. In addition, the Group has been optimising its management system for safety and environmental protection, regularly keeping abreast of the relevant laws and regulations of environmental protection in order to ensure full compliance with local laws of environmental protection. Further details are set forth in the Environmental, Social and Governance Report as set forth in this annual report

MAJOR BUSINESS

The Company is principally engaged in the provision of one-stop integrated curtain wall solutions for its customers to meet the technical specifications and performance requirements of their projects. The analysis of the revenue of the Group for the year is set out in Note 4 to the Financial Statements.

環境保護

環境保護仍是本集團關注的重點。貫穿於本集團的業務之中，資源的審慎利用和最佳行為標準的採用成為保護環境的保證。本集團鼓勵環境保護並遵守環境立法，提升員工對環境保護意識。

國家關於生產安全及環境保護的法規對企業提出了嚴格的要求，由於中國政府不斷增加對環保措施的法律，以及更為嚴謹的環保標準，故本集團預期日後將須遵守更多規定。此外，本集團預期這種趨勢將持續，而為遵守新的法規將可能需要額外開支，從而增加本集團的營運成本。

為應對此風險，本集團不僅取得ISO 14001環境管理體系認證，還成立環保科監督及管理工廠的環境表現，並與政府環境保護部門保持聯繫。此外，本集團不斷完善安全環保管理制度，定期查閱相關的環境法規和條例，確保業務完全符合當地環境法律。進一步的細節載列於年度報告「環境、社會和管治」報告中。

主要業務

本公司的主要業務為向客戶提供一站式綜合幕牆解決方案，以滿足彼等的項目技術規格及性能要求。年內，本集團的收入分析載於財務報表附註4。

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2019 and financial condition of the Company and the Group as at that date are set out in the Financial Statements on pages 120 to 275.

SHARE CAPITAL

The changes in the share capital of Company during the year ended 31 December 2019 are set out in Note 29 to the Financial Statements.

FINAL DIVIDENDS

The Board has resolved not to declare any annual dividend for the year ended 31 December 2019.

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

BOOK CLOSURE PERIOD AND RECORD DATE

For the purpose in determining who will be eligible to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 11 June 2020 to Tuesday, 16 June 2020 (both days inclusive), during which time no transfer of shares will be registered. To ensure that the shareholders of the Company are entitled to attend and vote at the Annual General Meeting, the shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Group's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Wednesday, 10 June 2020 for registration of the relevant transfer.

RESERVE

Details of movements in reserve of the Group during the year ended 31 December 2019 are set out in the Consolidated Statement of Changes in Equity of the Financial Statements. Details of movements in the reserves of the Company during the year are set out in Note 29 to the Financial Statements.

財務報表

本集團截至2019年12月31日止年度的利潤以及本公司及本集團截至該日止的財務狀況載於第120至275頁的財務報表。

股本

截至2019年12月31日止年度本公司股本變動載於財務報表附註29。

末期股息

董事會決定不派付截至2019年12月31日止年度的年度股息。

概無任何安排股東放棄或同意放棄任何股息。

暫停辦理股東登記期間及紀錄日期

為確定參加股東周年大會及於股東周年大會投票資格，本公司的股份登記將於2020年6月11日(星期四)至2020年6月16日(星期二)(包括首尾兩天)暫停辦理本公司股份過戶登記手續。為確保本公司股東有權出席股東周年大會並於會上投票，股東須於2020年6月10日(星期三)下午4時30分前，將彼等妥為蓋印的過戶文件連同有關股票送交本集團的香港證券登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號室，辦理有關過戶登記手續。

儲備

本集團於截至2019年12月31日止年度的儲備變動詳情載於財務報表的合並權益變動表內。年內，本公司的儲備變動詳情載於財務報表附註29。

Report of the Board of Directors

董事會報告

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, the share premium of the Company is available for distribution of dividends to the shareholders subject to the provisions of the Company's articles of associations, and with the sanction of an ordinary resolution, dividend may be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose. As at 31 December 2019, the distributable reserves from share premium of the Company were RMB574.0 million (31 December 2018: RMB574.0 million).

PROPERTY, PLANT AND EQUIPMENTS

The changes in property, plant and equipments of the Group during the year ended 31 December 2019 are set out in Note 12 to the Financial Statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the percentage of purchases attributable to the Group's largest suppliers and the Group's five largest suppliers in aggregate accounted for approximately 1.9% and 7.7% of the Group's total purchase, respectively. The percentage of turnover attributable to the Group's largest customers and the Group's five largest customers in aggregate accounted for approximately 6.1% and 20.5% of the Group's total turnover, respectively.

Save as disclosed herein, so far as is known to the Directors, none of the Directors or his/her close associates and none of the shareholders possessing over 5% of the interest in the share capital of the Company possessed any interest in the abovementioned suppliers and customers.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

可供分派儲備

根據開曼群島公司法，本公司的股份溢價可用作為分派予股東的股息，惟須符合本公司的組織章程細則規定，且通過普通決議案批准後，可自股份溢價賬或任何獲准作此用途的其他資金或賬戶中宣派或派付股息。於2019年12月31日，本公司的可自股份溢價分派儲備為人民幣574.0百萬元（於2018年12月31日：人民幣574.0百萬元）。

物業、廠房及設備

截至2019年12月31日止年度，本集團的物業、廠房及設備變動載於財務報表附註12。

主要客戶及供貨商

於回顧年內，本集團最大供貨商及本集團五大供貨商應佔採購百分比總額分別佔本集團總採購額約1.9%及7.7%。本集團最大客戶及本集團五大客戶應佔營業額百分比分別佔本集團總營業額約6.1%及20.5%。

除本報告披露者外，就董事所知，概無董事或彼等的緊密連絡人士及擁有本公司股本超過5%權益的股東於上述供貨商及客戶中擁有任何權益。

與僱員、供應商及客戶之間的關係

本集團明白，僱員是我們的寶貴資產。本集團提供具競爭力的薪酬待遇，以吸引並激勵僱員。本集團定期檢查僱員的薪酬待遇，並會因應市場標準而作出必要的調整。

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS *(continued)*

The Group's business is built on a customer-oriented culture. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards and high quality products to its customers. During the year under review, there was no material and significant dispute between the Group and its most suppliers and/or customers.

DIRECTORS

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

Executive Directors

Kang Baohua (*Chairman*)
Li Hongren (*Chief Executive Officer*)
Liu Futao
Ma Minghu
Wang Hao (*Chief Financial Officer*)
Zhang Lei

Independent non-executive Directors

Poon Chiu Kwok
Woo Kar Tung, Raymond
Pang Chung Fai, Benny

Biographical details of the Directors and senior management are set forth in the section "Directors and Senior Management" of this report.

SERVICE CONTRACTS OF DIRECTORS

Details of service contracts for our executive Directors and non-executive Directors of the Company are set out under the section headed "Appointment and Re-election of Directors" of the Corporate Governance Report. There was no service contract entered by the Company and any Directors to be re-elected in the coming annual general meeting stipulating that the Company may not terminate the appointment within one year without compensation payment (other than the statutory compensation).

與僱員、供應商及客戶之間的關係(續)

本集團業務乃建基於以客戶為本的文化。本集團亦明白，與供應商及客戶保持良好商業關係，對我們達成即期及長遠目標很重要。為維持行業內的市場競爭力，本集團以持續帶給客戶高水平及高質量的產品為目標。於回顧年度內，本集團與大部分供應商及／或客戶之間並沒有重大而明顯的糾紛。

董事

年內及截至本報告日期止的在任董事如下：

執行董事

康寶華(主席)
李洪人(行政總裁)
劉福濤
馬明輝
王昊(首席財務官)
張雷

獨立非執行董事

潘昭國
胡家棟
彭中輝

董事及高層管理人員的履歷詳情載於本報告「董事及高層管理人員」一節中。

董事服務合約

有關本公司各執行董事及非執行董事的服務合約詳細載於企業管治報告中「董事委任及重選」一節。本公司概無與擬於應屆股東周年大會重選的董事訂立本公司不可於一年內終止而免付賠償(法定賠償除外)的服務合約。

Report of the Board of Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Other than those transactions disclosed in Note 30 to the Financial Statements, there was no other transaction, arrangement or contract of significance with any member of the Group as the contracting party and in which the Directors of the Company possessed direct or indirect substantial interests, and which was still valid on the year end date or any time during the year and related to the business of the Group.

DIRECTORS' INTERESTS IN COMPETITIVE BUSINESS

Our Chairman, Mr. Kang Baohua, owns and through Best Outlook Limited (“**Best Outlook**”) and Neo Pioneer Limited (“**Neo Pioneer**”) owns in aggregate approximately 53.96% of the issued share capital in the Company as at the date of this report. Mr. Kang Baohua, Best Outlook and Neo Pioneer are the controlling shareholders of the Company. Mr. Kang Baohua also owns 100% interest in Yuanda Aluminium Industry Engineering (Singapore) Pte. Ltd. (“**Yuanda Singapore**”) through Yuanda Group, which is owned by Mr. Kang Baohua. Yuanda Singapore is primarily engaged in curtain wall works and trading as well as investment holding. Although the Company has established a wholly owned subsidiary in Singapore to carry out curtain wall contracting projects, the ability to contract for large-scale public curtain wall projects in Singapore is dependent on local contracting experience. Given the lack of direct local contracting experience, the Group has been cooperating with Yuanda Singapore on the contracting of large scale public curtain wall projects in Singapore during the last five years and will continue to supply curtain wall products to Yuanda Singapore until the Company’s wholly owned subsidiary will be able to undertake such projects in Singapore on its own. Please see the section headed “Connected Transactions” in the prospectus of the Company dated 20 April 2011 (the “**Prospectus**”) for details. For the aforesaid purpose, Yuanda Singapore has been excluded from the deed of non-competition (“**Deed of Non-competition**”) provided by the controlling shareholders to the Company on 21 April 2011.

董事於合約的權益

除財務報表附註30披露的交易外，並無本集團成員公司為訂約方而本公司董事於當中擁有直接或間接重大權益，且於年結日或年內任何時間仍然生效及與本集團業務有關的其他重大交易、安排及合約。

董事於競爭性業務的權益

我們的主席康寶華先生於本報告日期擁有及通過佳境有限公司(「佳境」)及新創有限公司(「新創」)擁有本公司已發行股本共約53.96%。康寶華先生、佳境及新創為本公司的控股股東。康寶華先生通過由其擁有的遠大集團，亦擁有 Yuanda Aluminium Industry Engineering (Singapore) Pte. Ltd.(「新加坡遠大」)之100%權益。新加坡遠大主要從事幕牆工程及貿易以及投資控股業務。儘管本公司已於新加坡成立全資附屬公司以承接幕牆承包項目，惟在新加坡外包大型公共幕牆項目的能力仍取決於地方外包經驗，鑒於本公司缺乏直接的地方外包經驗，因此在過去五年，本集團一直與新加坡遠大就於新加坡承接的大型公共幕牆項目合作，並將繼續向新加坡遠大供應幕牆產品，直至本公司之全資附屬公司能夠自行在新加坡承接該等項目。詳情請參閱本公司日期為2011年4月20日的招股章程(「招股章程」)「關連交易」一節。就上述而言，新加坡遠大不包括於控股股東於2011年4月21日向本公司提供的不競爭契據(「不競爭契據」)之中。

DIRECTORS' INTERESTS IN COMPETITIVE BUSINESS

(continued)

The Company has received an annual written confirmation from each of the Company's controlling shareholders in respect of the compliance by them and their associates with the Deed of Non-competition. Each of the controlling shareholders of the Company have also confirmed that all of them have abided by the Deed of Non-competition during the year ended 31 December 2019.

The independent non-executive Directors have reviewed the Deed of Non-competition, the confirmation given by each of the Company's controlling shareholder and whether the controlling shareholders have abided by the non-competition undertaking under the Deed of Non-competition. The independent non-executive Directors confirmed that they had determined that the controlling shareholders have not been in breach of the Deed of Non-competition during the year ended 31 December 2019.

Save as disclosed, no Directors nor their respective connected persons possessed any interests in any business that competed or might compete with the business that the Group conducted.

PERMITTED INDEMNITY PROVISION

Each Director or other officer of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she may incur or sustain in or about the execution of the duties of his or her office or otherwise in relation thereto in accordance with the Company's articles of association.

董事於競爭性業務的權益 (續)

本公司已收到本公司各控股股東就本身及彼等之連絡人士遵守不競爭契據而發出的年度確認函。本公司各控股股東亦確認，彼等於截至2019年12月31日止年度間均遵守不競爭契據。

獨立非執行董事已審閱不競爭契據、本公司控股股東各自給予的確認以及控股股東有否遵守不競爭契據項下的不競爭承諾。獨立非執行董事確認，彼等確定控股股東於截至2019年12月31日止年度並無違反不競爭契據。

除所披露者外，概無董事或彼等各自的關連人士於與本集團所從事業務構成競爭或可能構成競爭的任何業務中擁有任何權益。

獲准許的彌償條文

根據本公司組織章程細則，本公司各位董事或其他高級人員均有權從本公司之資產及利潤獲得彌償，以補償履行其職務時因進行或未進行而招致或蒙受之所有訴訟、費用、收費、損失、損害及開支或有關其他情況，確保免於就此受損。

Report of the Board of Directors

董事會報告

SHARE OPTION SCHEME

On 12 April 2011, the Company adopted a share option scheme (“**Share Option Scheme**”) whereby the Board of Directors can grant options for the subscription of the Company’s shares to the employees, managerial staff and senior employees of the Group and those other persons that the Board of Directors considers that they will contribute or have contributed to the Group (the “**Participants**”) as described in the Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group. The maximum number of shares that may be issued under the Share Option Scheme was 600,000,000 shares which is equivalent to 10% of the issued capital of the Company after completion of the Global Offering (as defined in the Prospectus). The number of shares that may be granted pursuant to the terms of the Share Option Scheme shall not exceed 10% of the issued shares of the Company immediately after the completion of the Global Offering. Unless otherwise approved by the shareholders of the Company in general meeting, the number of shares that may be granted to the Participants under the Share Option Scheme shall not exceed 1% within any 12-month period (other than those granted to the substantial shareholders (as defined in the Listing Rules)), or the total number of shares that may be granted under the options to the independent non-executive Directors or any of their respective connected persons shall not exceed 0.1% of the shares in issue of the Company from time to time. There is no minimum period that the options must be held before they become exercisable, and the options granted shall be exercised within the period decided by the Board of Directors, and however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the highest of:

- (a) the closing price of the Shares on the daily quotation sheet of the Stock Exchange on the date of grant;
- (b) the average closing price of the Shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) nominal value of the Share.

Each grantee shall pay a consideration of HK\$1.00 at the time the option is granted.

購股權計劃

於2011年4月12日，本公司採納一項購股權計劃（「**購股權計劃**」），據此，董事會可向本集團僱員、行政人員及高級職員以及購股權計劃所述董事會認為將會對或曾經對本集團作出貢獻的該等其他人士（「**參與人士**」）授出購股權，以認購本公司股份，藉此向彼等給予獎勵及回報彼等對本集團作出的貢獻。根據購股權計劃可發行的最高股份數目為600,000,000股股份，相當於全球發售（定義見招股章程）完成後本公司已發行股本的10%。可根據購股權計劃條款授出的股份數目不得超過緊隨全球發售完成後本公司已發行股份10%。除非本公司股東於股東大會另行批准，否則可根據購股權計劃授予參與人士的股份數目於任何12個月內不得超過1%（向主要股東（定義見上市規則）授出者除外），或可根據購股權計劃授予獨立非執行董事或任何彼等各自的關連人士授出的股份總數不得超過本公司不時已發行股份的0.1%。概無規定購股權可行使前須持有的最短期間，而授出的購股權須於董事會決定的期間內行使，但並無購股權可於授出後超過10年行使。購股權行使價須為以下三者之較高者：

- (a) 股份於授出日期聯交所每日報價表的收市價；
- (b) 股份於緊接授出日期前五個營業日聯交所每日報價表的平均收市價；及
- (c) 股份的面值之較高者。

各承授人須於獲授購股權之時支付1.00港元之代價。

SHARE OPTION SCHEME (continued)

The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

Since the Share Option Scheme was adopted, no options have been granted.

SHARE AWARD SCHEME

A share award scheme (the “**Share Award Scheme**”) was adopted on 10 April 2013 to recognize and motivate the contributions made to the Group by its employees and to give incentives in order to retain them for the continuous operation and development of the Group. For the year ended 31 December 2019, no shares had been awarded under the Share Award Scheme. Details of the rules of the Share Award Scheme are set out in the announcement of the Company dated 10 April 2013.

The Share Award Scheme shall be valid and effective for a term of 10 years commencing on the date of adoption on 10 April 2013. Pursuant to the Share Award Scheme, the shares will be acquired by the independent trustee at the cost of the Company and be held in trust for the selected employees until the end of each vesting period. The maximum number of shares which may be granted to the selected employees under the Share Award Scheme shall not exceed five percent (5%) of the total issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed one percent (1%) of the total issued share capital of the Company from time to time.

DEBENTURE

For the year ended 31 December 2019, the Company, its holding company or its subsidiaries were not the contracting parties of any arrangements from which the Directors could make a profit by purchasing the shares or debentures of the Company or any other companies.

購股權計劃(續)

購股權計劃於獲採納當日生效，直至該日起10年內期間仍然有效。

自採納購股權計劃以來並未授出任何購股權。

股份獎勵計劃

一項股份獎勵計劃(「**股份獎勵計劃**」)於2013年4月10日獲採納，以表揚及激勵本集團僱員對本集團作出貢獻，並作為激勵，為本集團持續營運及發展挽留僱員。截至2019年12月31日止年度，股份獎勵計劃下無授出股份。有關股份獎勵計劃規則的詳情載列於本公司日期為2013年4月10日的公佈。

股份獎勵計劃自2013年4月10日的採納日期起計10年之年期有效。根據股份獎勵計劃，獨立受託人將收購股份(相關費用由本公司承擔)並受託代獲選僱員持有股份，直至各歸屬期末。根據該計劃可能授予獲選僱員之最多股份數目不可超過本公司已發行股本總數百分之五(5%)。根據該計劃可能獎勵一名獲選僱員之最多股份數目不可超過本公司已發行股本總數百分之一(1%)。

債券

截至2019年12月31日止年度，本公司、其控股公司或其附屬公司並非屬任何安排的訂約方，致使董事可藉購入本公司或任何其他公司的股份或債券而獲利。

Report of the Board of Directors

董事會報告

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme disclosed above, the Company has not entered into any equity-linked agreements during the year ended 31 December 2019.

INTEREST AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interest or short position of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange, pursuant to Model Code, are as follows:

(i) Interest of the Company

Name of Director 董事姓名	Nature of Interest 權益性質
Kang Baohua 康寶華	Beneficial owner 實益擁有人
	Interest of controlled corporation 受控法團的權益
Li Hongren 李洪人	Beneficial owner 實益擁有人
Liu Futao 劉福濤	Beneficial owner 實益擁有人
Wang Hao 王昊	Beneficial owner 實益擁有人
Zhang Lei 張雷	Beneficial owner 實益擁有人

股權關聯協議

除上述披露的購股權計劃外，截至2019年12月31日止年度，本公司尚未簽訂任何股權相關協議。

董事於股份、相關股份及債券的權益及淡倉

於2019年12月31日，董事及本公司最高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第XV部)的股份、相關股份及債券中，根據證券及期貨條例第352條須記入該條所指的登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉如下：

(i) 於本公司的權益

Number of Shares 股份數目	Approximate Percentage of Shareholding 股權概約百分比
228,636,000 (L)	3.68%
3,403,588,694 (L)	54.82%
831,333 (L)	0.01%
3,603,333 (L)	0.06%
150,000 (L)	0.01%
3,000,000 (L)	0.05%

INTEREST AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(i) Interest of the Company (continued)

Notes:

- (1) The letter "L" denotes long position in such securities.
- (2) Of the shares held by Mr. Kang Baohua, 2,582,971,923 Shares were held by Best Outlook Limited and 820,616,771 Shares were held by Neo Pioneer Limited, both companies of which are wholly-owned by Mr. Kang Baohua.

(ii) Interest in associated corporations

Name of Director 董事姓名	Name of Associated Corporation 相關法團名稱	Number of Shares 股份數目	Percentage of Shareholding 股權百分比
Kang Baohua 康寶華	Best Outlook Limited 佳境有限公司	1 (L)	100%
Kang Baohua 康寶華	Neo Pioneer Limited 新創有限公司	1 (L)	100%

- (1) The letter "L" denotes long position in such securities.

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations which were required to be 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.

董事於股份、相關股份及債券的權益及淡倉(續)

(i) 於本公司的權益(續)

附註：

- (1) 字母「L」代表於該等證券的好倉。
- (2) 於康寶華先生所持有的股份當中，佳境有限公司持有2,582,971,923股股份，而新創有限公司則持有820,616,771股股份，兩家公司均為康寶華先生全資擁有。

(ii) 於相關法團的權益

- (1) 字母「L」代表於該等證券的好倉。

除上文所披露者外，於2019年12月31日，董事及本公司主要行政人員概無於本公司或其任何相聯法團的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須記錄於本公司存置的登記冊內或根據標準守則須另行知會本公司及聯交所的任何權益或淡倉。

Report of the Board of Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at the date 31 December 2019, the following persons (other than the Directors and chief executives of the Company) had an interest and/or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of SFO:

Interest of the Company

Name 名稱	Capacity 身份	Number of Shares 股份數目	Approximate Percentage of Shareholding 股權概約百分比
Best Outlook Limited ⁽¹⁾ 佳境有限公司 ⁽¹⁾	Beneficial owner 實益擁有人	2,582,971,923 (L)	41.60%
Neo Pioneer Limited ⁽²⁾ 新創有限公司 ⁽²⁾	Beneficial owner 實益擁有人	820,616,771 (L)	13.22%

Notes:

(1) Best Outlook Limited and Neo Pioneer Limited are companies incorporated in the BVI and are wholly-owned by Mr. Kang Baohua.

(2) The letter "L" denotes long position in such securities.

Save as disclosed above, as at 31 December 2019, the Directors are not aware of any persons, other than a Director or chief executives of the Company, had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SUBSIDIARIES

Details of the major subsidiaries of the Company as of 31 December 2019 are set out in Note 15 to the Financial Statements.

主要股東的權益及淡倉

於2019年12月31日，按記錄於本公司根據證券及期貨條例第336條須存置的登記冊，下列人士(董事及本公司最高行政人員除外)於股份或相關股份中須予披露的權益及／或淡倉：

於本公司的權益

Number of Shares 股份數目	Approximate Percentage of Shareholding 股權概約百分比
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附註：

(1) 佳境有限公司及新創有限公司為於英屬維京群島註冊成立的公司，並由康寶華先生全資擁有。

(2) 字母[L]代表於該等證券的好倉。

除上文所披露者外，於2019年12月31日，概無任何其他人士，除董事及本公司主要行政人員外，於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記錄於本公司存置的登記冊內的權益或淡倉。

附屬公司

本公司於2019年12月31日的主要附屬公司詳情載於財務報表附註15。

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 year under review.

CONFIRMATION OF INDEPENDENT STATUS

The Company received the letters of confirmation of independence issued by all the independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules.

The Board has noted that as at 31 December 2019, Mr. Poon Chiu Kwok was an executive director or an independent non-executive director of a total of 12 Hong Kong listed companies (including the Company). However, the Board is of the view that Mr. Poon would still be able to devote sufficient time to the Board. Mr. Poon as a FCPA (Aust.), Chartered Secretary, Executive Director of a listed company and an experienced trainer to the securities participants and listed company management keeping himself abreast of the latest governance trends of the companies listed in HK by attend seminar and self-studying of related articles with over 80 hours in 2019 and has strong experience in corporate governance and is familiar with management of Hong Kong listed companies. During the year 2019, based on the attendance record in the meetings of the Company, Mr. Poon has participated in all Board meetings and has good communication with the Board and other independent non-executive Directors and performs his obligations and responsibility gives impartial advice and suggestion as an independent non-executive director.

The Board of Directors was satisfied with the independent status of all the independent non-executive Directors.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The details are disclosed in the paragraph “Global offering and use of proceeds” under the section “**Management Discussion and Analysis**”.

管理合約

於回顧年內，概無訂立或存在任何有關本公司全部或任何重大部分業務管理及行政的合約。

確認獨立身份

本公司已接獲全體獨立非執行董事根據上市規則第3.13條發出的獨立確認函。

於2019年12月31日，董事會瞭解到潘昭國先生任命為12家上市公司(包括本公司)的執行董事或獨立非執行董事。但是，董事會認為潘先生仍能向董事會投入足夠的時間。潘先生作為澳洲資深會計師、特許秘書、證券從業人員及上市公司高管的資深培訓員，在2019年通過參加研討會及自學相關文章(超過80小時)保持自己瞭解掌握上市公司治理方面的最新動態，在企業管治方面擁有豐富經驗，且熟悉香港上市公司的管理。根據2019年本公司參會記錄，潘先生參加了所有董事會會議並且與董事會及其他獨董事都有很好的交流，並給出公平的意見和建議來履行其獨立董事的責任和義務。

董事會信納全體獨立非執行董事的獨立身份。

首次公開發售所得款項用途

詳情參見「全球發售及所得款項用途」於本報告「**管理層討論及分析**」一節內披露。

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS

The Group owns only 49% of the equity interests of its operating companies, Yuanda Kuwait General Contracting for Buildings Underes (“**Yuanda Kuwait**”) and Yuanda Qatar Aluminium Industry Engineering Co., W.L.L. (“**Yuanda Qatar**”), in Kuwait and Qatar respectively, as both Kuwait and Qatar laws do not allow foreign companies to own a majority interest in a local operating company. The Group had no operation in Qatar prior to the establishment of Yuanda Qatar and prior to the establishment of Yuanda Kuwait, the Group supplied products to a local company for projects it undertook in Kuwait.

Yuanda Kuwait

Under Kuwait law, the Group is not allowed to own a majority interest in the local operating company. In order to enable it to govern and control the financial and operation of Yuanda Kuwait and capture its entire economic interest from its operations, the Group entered into an agreement on 30 March 2009 (the “**Kuwait Incorporation Agreement**”) with Mr. Mohamed Tareq Al Essa (the “**Kuwait Local Partner**”), an independent third party, pursuant to which the Kuwait Local Partner agreed to be the facilitator of the Group in relation to the conduct of the Group’s business in Kuwait. Pursuant to the Kuwait Incorporation Agreement, the Kuwait Local Partner has declared that:

- all the capital and assets belong to Shenyang Yuanda;
- he has no share (and hence no voting rights) or the right to get any share in Yuanda Kuwait or any entitlement to the profit of Yuanda Kuwait;
- he is not involved in the day-to-day operation of Yuanda Kuwait, save for assisting Yuanda Kuwait with coordination with the local government authorities;
- all works in relation to tendering, execution of contracts and collection of proceeds are carried out by Yuanda Kuwait under the management of Shenyang Yuanda;

科威特及卡塔爾業務

由於科威特及卡塔爾法律不容許外國公司擁有當地營運公司的多數權益，故本集團於科威特及卡塔爾，僅分別擁有其營運公司遠大科威特綜合建築承包有限責任公司（「**科威特遠大**」）及遠大鋁業（卡塔爾）工程有限公司（「**卡塔爾遠大**」）的49%股權。本集團於卡塔爾遠大成立前，在卡塔爾並無業務營運。而在科威特遠大成立前，本集團在科威特向一家當地公司提供產品供其於科威特所承接的項目所用。

科威特遠大

根據科威特法律，本集團不可擁有當地營運公司的多數權益。為使其可管治及控制科威特遠大的財政及營運，並從其營運中取得全部經濟利益，本集團已於2009年3月30日與獨立第三方Mohamed Tareq Al Essa先生（「**科威特當地夥伴**」）訂立一項協議（「**科威特成立協議**」），據此，科威特當地夥伴同意成為本集團於科威特進行本集團業務的協調人。根據科威特成立協議，科威特當地夥伴已聲明：

- 所有資本及資產均屬於瀋陽遠大；
- 彼於科威特遠大概無股份（故此並無投票權），亦無權取得科威特遠大的任何股份或享有科威特遠大的利潤；
- 除與當地政府機關協調以協助科威特遠大外，彼並不涉及科威特遠大的日常營運；
- 所有有關投標、簽立合同及收取所得款項的工作均在瀋陽遠大的管理下由科威特遠大進行；

KUWAIT AND QATAR OPERATIONS (continued)

Yuanda Kuwait (continued)

- he would not be held liable for any losses; and
- the above terms in the Kuwait Incorporation Agreement is irrevocable for three years effective from the date of signing and will be automatically renewed for a similar period unless and until terminated by both parties with a notice at least 90 days in advance.

Through the above arrangement, the Group is able to control the operation of Yuanda Kuwait. As advised by the legal advisors of the Company as to Kuwait law, the Kuwait Incorporation Agreement is legal, valid and binding to its parties and constitutes legally binding and enforceable obligations against the Kuwait Local Partner under Kuwait law and is in compliance with the laws and regulations of Kuwait. Based on the above, and in accordance with relevant accounting standards, the Group consolidated Yuanda Kuwait into its consolidated financial statements as a wholly-owned subsidiary.

As disclosed in the Prospectus and the annual report of the Company in respect of the year ended 31 December 2011, notwithstanding that the Company considers that it is able to effectively operate and conduct the business of Yuanda Kuwait under the present arrangement, the Company has undertaken that in order to protect the interests of the Company, it will introduce further measures, including using our best efforts to amend the terms of the Kuwait Incorporation Agreement, by entering into supplemental agreements that would include, among others, revisions that the Kuwait Local Partner will not transfer any of its shares in Yuanda Kuwait without the prior written consent of the Company, it will vote for any resolutions of Yuanda Kuwait in accordance with the instruction of the Company, and if there shall be any change to the Kuwait laws or regulations and/or policies such that a foreign entity becomes legally entitled to hold a majority interest in Yuanda Kuwait, it will promptly transfer its relevant interest in Yuanda Kuwait to the extent permitted by the then applicable laws or regulations to Shenyang Yuanda to enable the Company to become the majority shareholder of Yuanda Kuwait.

科威特及卡塔爾業務 (續)

科威特遠大(續)

- 彼不會因任何虧損負上責任；及
- 上述科威特成立協議的條款於簽署日期起計三年內不可撤銷，並將自動按相若年期重續，除非及直至雙方預早最少90日發出通知予以終止為止。

通過上述安排，本集團能控制科威特遠大的營運。根據本公司的科威特法律顧問所告知，科威特成立協議根據科威特法律為合法、有效及對其訂約各方具有約束力，對科威特當地夥伴構成有法律約束力及可強制執行的責任，並符合科威特的法律及法規。根據上文所述以及按照相關會計準則，本集團將科威特遠大作為全資附屬公司於其合並財務報表內綜合入賬。

誠如招股章程及本公司截至2011年12月31日止年度報告所披露，本公司認為根據現時的安排，其能夠有效經營及進行科威特遠大的業務。儘管如此，為維護本公司的利益，本公司已承諾並開始引入進一步措施，包括對科威特成立協議條款盡力修訂，訂立補充協議以包括(但不限於)規定科威特當地夥伴在未獲得本公司事先書面同意的情況下，不得轉讓其持有的科威特遠大股份，其將按照本公司的指示就科威特遠大的任何決議案投票，及倘科威特法律或法規及／或政策出現任何變動導致外國實體可能有權合法持有科威特遠大的多數權益，其將會隨即轉讓當時適用法律或法規下允許的其於科威特遠大中的相關權益予瀋陽遠大，以使本公司成為科威特遠大的大股東。

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS (continued)

Yuanda Kuwait (continued)

If the above additional measures cannot be implemented, there will not be any legal consequences assumed by the Company arising solely as a result of the Company's failure to enter into the supplemental agreements to implement these additional measures. However, in order to better protect the Company's interests, the Company will search for a replacement for its existing local partner who is willing to enter into a cooperation agreement with the Company that will contain the terms of the abovementioned additional measures which are in compliance with the requirements of the Stock Exchange.

As of the date of this annual report, the Company is still in negotiation with the Kuwait Local Partner on the implementation of the above additional measures and the Company will disclose any measures implemented and/or replacement of existing local partner in the Company's future annual reports.

Yuanda Qatar

Under Qatar law, the Group is not allowed to own a majority interest in the local operating company. In order to enable the Company to govern and control the financial and operation of Yuanda Qatar and capture its entire economic interest from its operations, the Company has entered into the memorandum of association of Yuanda Qatar dated 20 January 2008 (the "**Qatar Articles**") with Mr. Ahmed Omar Bbhaa Ahmed (the "**Qatar Local Partner**"), an independent third party, and an agreement dated September 16, 2007 (the "**Qatar Incorporation Agreement**") entered into between Shenyang Yuanda and Actrade for Trading & Contracting, a company of which the Qatar Local Partner was the authorized signatory with respect to the governing of the operation of Yuanda Qatar.

科威特及卡塔爾業務 (續)

科威特遠大 (續)

倘不能實行上述額外措施，本公司不會僅因未能訂立補充協議去實行額外措施，而受任何法律後果。然而，為更好地保障本公司的利益，本公司將尋找另外的願意與本公司訂立含有符合聯交所規定的上述額外措施條款的合作協議的夥伴以替代其現有當地夥伴。

於本年報日期，本公司仍就實行上述額外措施與科威特當地夥伴磋商。本公司將於本公司未來刊發的年報內，披露任何實行的措施及／或替代現有當地夥伴事宜。

卡塔爾遠大

根據卡塔爾法律，本集團不可擁有當地營運公司的多數權益。為使本公司可管治及控制卡塔爾遠大的財政及營運，並從其營運中取得全部經濟利益，本公司已與獨立第三方Ahmed Omar Bbhaa Ahmed先生(「**卡塔爾當地夥伴**」)訂立日期為2008年1月20日的卡塔爾遠大組織章程大綱(「**卡塔爾章程細則**」)，而瀋陽遠大亦於2007年9月16日與Actrade for Trading & Contracting(一家由卡塔爾當地夥伴擔任授權簽署人的公司)就管治卡塔爾遠大的營運訂立一項協議(「**卡塔爾成立協議**」)。

KUWAIT AND QATAR OPERATIONS *(continued)*

Yuanda Qatar *(continued)*

Pursuant to the Qatar Articles and the Qatar Incorporation Agreement, Yuanda Qatar was established and held as to 51% by the Qatar Local Partner and as to 49% by Shenyang Yuanda. Pursuant to the Qatar Articles:

- representatives of Shenyang Yuanda are responsible for managing the company during the entire term of its existence;
- profits of the company will be distributed as to 95% to Shenyang Yuanda and as to 5% to the Qatar Local Partner;

The Qatar Articles were supplemented by the Qatar Incorporation Agreement pursuant to which it was agreed that:

- the Qatar Local Partner will facilitate Shenyang Yuanda to conduct business in Qatar;
- instead of receiving dividends from Yuanda Qatar, the Qatar Local Partner will be paid an annual service fee of US\$40,000 plus a scalable commission calculated based on 1% to 5% of the contract value of projects that Yuanda Qatar won with the assistance of the Qatar Local Partner;
- the dividends declared by Yuanda Qatar may be used to offset and settle any service fees due or payable to the Qatar Local Partner;
- save for assisting Yuanda Qatar with coordination with the local government authorities, the Qatar Local Partner is not involved in the day-to-day operations of Yuanda Qatar;
- all works in relation to tendering, execution of contracts and collection of proceeds are carried out by Yuanda Qatar under the management of Shenyang Yuanda.

科威特及卡塔爾業務 *(續)*

卡塔爾遠大 *(續)*

根據卡塔爾章程細則及卡塔爾成立協議，卡塔爾遠大已告成立，並由卡塔爾當地夥伴及瀋陽遠大分別持有51%及49%。根據卡塔爾章程細則：

- 瀋陽遠大的代表負責於該公司存在的整個期間管理該公司；
- 該公司的利潤將按95%及5%分發予瀋陽遠大及卡塔爾當地夥伴；

卡塔爾章程細則乃由卡塔爾成立協議作補充，據此，雙方同意：

- 卡塔爾當地夥伴將協助瀋陽遠大於卡塔爾進行業務；
- 卡塔爾當地夥伴並不會收取卡塔爾遠大的股息，而會收取每年服務費用40,000美元，另加按卡塔爾遠大在卡塔爾當地夥伴協助下投得的項目的合同價值1%至5%計算的可變佣金；
- 卡塔爾遠大宣派的股息可用於抵銷及清償到期或應付予卡塔爾當地夥伴的任何服務費用；
- 除與當地政府機關協調以協助卡塔爾遠大外，當地夥伴並不涉及卡塔爾遠大的日常營運；
- 所有有關投標、簽立合同及收取所得款項的工作，均在瀋陽遠大的管理下由卡塔爾遠大進行。

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS *(continued)*

Yuanda Qatar *(continued)*

As advised by the legal advisors of the Company as to Qatar law, subject to the Qatar Articles, the Qatar Incorporation Agreement is legal, valid, binding and enforceable under Qatar law, and as the Qatar Incorporation Agreement and the Qatar Articles are related to the same subject matter, the Qatar Incorporation Agreement is considered to be an explanatory to the Qatar Articles under Qatar law. The Company's legal advisors as to Qatar law has further advised that the Qatar Articles is a validly binding and legally enforceable document and constitutes legal, valid, binding and enforceable obligations of the parties thereto with respect to the governance of the affairs of Yuanda Qatar and is in compliance with the relevant laws and regulations of Qatar and the Qatar Incorporation Agreement is enforceable against the Qatar Local Partner.

The Company entered into this arrangement in Qatar in order to enable it to control and operate Yuanda Qatar and capture the economic interest from its operations, and these are supported by the following terms in the Qatar Articles and the Qatar Incorporation Agreement:

- the representatives from Shenyang Yuanda are entitled to similar responsibilities and authorities in Yuanda Qatar as board members in other subsidiaries of Shenyang Yuanda;
- the representatives from Shenyang Yuanda are responsible for managing Yuanda Qatar during the entire term of its existence and they may not be removed without the approval from Shenyang Yuanda;
- resolutions of the shareholders of Yuanda Qatar will only be valid by approval from a majority of the shareholders holding 75% of the shares in Yuanda Qatar;

科威特及卡塔爾業務 *(續)*

卡塔爾遠大 *(續)*

根據本公司的卡塔爾法律顧問所告知，在符合卡塔爾章程細則的規定下，卡塔爾成立協議根據卡塔爾法律為合法、有效、具約束力及可強制執行，而由於卡塔爾成立協議與卡塔爾章程細則均關於相同的主题，故卡塔爾成立協議根據卡塔爾法律被視為對卡塔爾章程細則的解釋。本公司的卡塔爾法律顧問進一步告知，卡塔爾章程細則乃具有有效約束力及可合法強制執行的文件，且對有關各方就管治卡塔爾遠大的事務構成合法、有效、具約束力及可強制執行的責任，並符合卡塔爾的相關法律及法規，而卡塔爾成立協議可對卡塔爾當地夥伴強制執行。

本公司於卡塔爾訂立該項協議以令其能控制及經營卡塔爾遠大的業務，並從其營運中取得經濟利益，而此乃由卡塔爾章程細則及卡塔爾成立協議的下列條款所支持：

- 瀋陽遠大的代表於卡塔爾遠大享有的責任及權力與作為於瀋陽遠大其他附屬公司董事會成員所享有者相近；
- 瀋陽遠大的代表負責於卡塔爾遠大存在的整個期間管理卡塔爾遠大，且未經瀋陽遠大批准不得被免職；
- 卡塔爾遠大的股東決議案須經持有卡塔爾遠大75%股份的多數股東批准後方為有效；

KUWAIT AND QATAR OPERATIONS (continued)

Yuanda Qatar (continued)

- Yuanda Qatar is managed exclusively by Shenyang Yuanda and its representatives for the period of its existence. Shenyang Yuanda and its representatives shall have full and absolute authority and exclusive right to manage and operate the business of Yuanda Qatar. Such powers are irrevocable and the Qatar Local Partner may not intervene in managing the company or bind or commit Yuanda Qatar in any way whatsoever except with prior written consent from Shenyang Yuanda;
- Pursuant to the Qatar Articles, the profits of Yuanda Qatar will be distributed as to 95% to Shenyang Yuanda and as to 5% the Qatar Local Partner, while the dividends declared by Shenyang Yuanda may be used to offset and settle any service fees due or payable under the management of Shenyang Yuanda under the Qatar Incorporation Agreement.

Based on the above, and in accordance with relevant accounting standards, the Group consolidated Yuanda Qatar into its consolidated financial statement as a wholly owned subsidiary of the Group.

As disclosed in the Prospectus and subsequent annual reports of the Company, notwithstanding that the Company considers that it is able to effectively operate and conduct the business of Yuanda Qatar under the present arrangement, the Company has undertaken that in order to protect the interests of the Company, it will introduce further measures, including using its best efforts to amend the terms of the Qatar Incorporation Agreement, by entering into supplemental agreements that would include, among others, provisions that the Qatar Local Partner will not transfer any of its shares in Yuanda Qatar without the Company's prior written consent, it will vote for any resolutions of Yuanda Qatar in accordance with our instruction, and if there shall be any change to the Qatar laws or regulations and/or policies such that a foreign entity becomes legally entitled to hold a majority interest in Yuanda Qatar, it will promptly transfer its relevant interest in Yuanda Qatar to the extent permitted by the then applicable laws or regulations to Shenyang Yuanda to enable the Company to become the majority shareholder in Yuanda Qatar.

科威特及卡塔爾業務(續)

卡塔爾遠大(續)

- 卡塔爾遠大於該公司存在期間由瀋陽遠大及其代表專門管理。瀋陽遠大及其代表擁有全面及絕對權力以及獨家權利管理及經營卡塔爾遠大業務。該等權力不可撤銷，除非事先獲得瀋陽遠大的書面同意，否則卡塔爾夥伴不可以任何方式干涉管理該公司或約束或使卡塔爾遠大承擔任何責任；
- 根據卡塔爾章程細則，卡塔爾遠大的利潤將按95%及5%分發予瀋陽遠大及卡塔爾當地夥伴，而瀋陽遠大所宣派的股息可用於抵銷及清償在瀋陽遠大管理下根據卡塔爾成立協議的任何到期或應付服務費用。

根據上文所述以及按照相關會計準則，本集團將卡塔爾遠大作為全資附屬公司於其合並財務報表內綜合入賬。

誠如招股章程及本公司之後的年度報告所披露，本公司認為，根據現時的安排，本公司能夠有效經營及進行卡塔爾遠大的業務。儘管如此，為維護本公司的利益，本公司已承諾並開始引入進一步措施，包括對卡塔爾成立協議條款盡力修訂，訂立補充協議以包括(但不限於)規定卡塔爾當地夥伴在未獲得本公司事先書面同意的情况下，不得轉讓其持有的卡塔爾遠大股份，其將按照我們的指示就卡塔爾遠大的任何決議案投票，及倘卡塔爾法律或法規及/或政策出現任何變動導致外國實體可能有權合法持有卡塔爾遠大的多數權益，其將會隨即轉讓當時適用法律或法規下允許的其於卡塔爾遠大中的相關權益予瀋陽遠大，以使本公司成為卡塔爾遠大的大股東。

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS *(continued)*

Yuanda Qatar *(continued)*

If the above additional measures cannot be implemented, there will not be any legal consequences to the Company arising solely as a result of our failure to enter into the supplemental agreements to implement these additional measures. However, in order to better protect the Company's interests, the Company will search for a replacement for its existing local partner who is willing to enter into a cooperation agreement with the Company that will contain the terms of the abovementioned additional measures which are in compliance with the requirements of the Stock Exchange.

As of the date of this annual report, the Company is still negotiation with the Qatar Local Partner on the implementation of the above additional measures and the Company will disclose any measures implemented and/or replacement of its existing local partner in its future annual reports.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report in this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

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

DISCLOSURE UNDER RULE 13.20 OF THE LISTING RULES

The Directors are not aware of any circumstances resulting in the responsibility of disclosure under Rule 13.20 of the Listing Rules regarding the provision of advances by the Company to an entity.

科威特及卡塔爾業務 *(續)*

卡塔爾遠大 *(續)*

倘不能實行上述額外措施，本公司不會僅因未能訂立補充協議去實行該等措施，而受任何法律後果。然而，為更好地保障本公司的利益，本公司將尋找另外的願意與本公司訂立含有符合聯交所規定的上述額外措施條款的合作協議的當地夥伴以作替代。

於本年報日期，本公司仍就實行上述額外措施與卡塔爾當地夥伴磋商。本公司將於其未來刊發的年報內，披露任何實行的措施及／或替代其現有當地夥伴事宜。

企業管治

本公司採納之主要企業管治常規載於本報告內企業管治報告。

購買、出售或贖回本集團上市證券

截至2019年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本集團任何上市證券。

根據上市規則第13.20條作出披露

據董事所知悉，並無任何情況導致出現須根據上市規則第13.20條有關本公司向實體提供墊款作出披露的責任。

FIVE YEAR FINANCIAL SUMMARY

The summary of the results, assets and liabilities of the Group in the past five years is set out on page 276 of this report.

PRE-EMPTIVE RIGHTS

There is no provision regarding pre-emptive rights in the Articles of Association of the Company or the ordinance of Cayman Islands, stipulating that any new shares shall be offered according to the respective shareholding of the existing shareholders of the Company when new shares are issued by the Company.

TAX RELIEF

The Directors are not aware of any tax relief to which shareholders the Company are entitled by reason of their holdings of the Company's securities.

SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Group and within the knowledge of the Directors as at the date of this annual report, the Group maintained adequate public float throughout the year ended 31 December 2019.

AUDITOR

The Company has appointed KPMG as the auditor of the Company for the year ended 31 December 2019. The Company will submit a resolution in the coming annual general meeting to re-appoint KPMG as the auditor of the Company.

By order of the Board

Kang Baohua

Chairman

24 April 2020

五年財務概要

本集團於過去五年的業績、資產及負債概要載於本報告第276頁。

優先購買權

本公司的組織章程細則或開曼群島法例並無任何有關優先購買權的條文，規定本公司須於發行新股份時，按本公司現有股東各自的持股比例提呈新股份。

稅收減免

董事未獲悉本公司股東因持有公司證券而享有的任何稅收減免。

充足公眾持股量

根據於本年度報告日期本集團獲得的公開數據及就董事所知，本集團於截至2019年12月31日止年度一直保持足夠公眾持股量。

核數師

本公司已委聘畢馬威會計師事務所為本公司截至2019年12月31日止年度的核數師。本公司將於應屆股東周年大會上提呈決議案，續聘畢馬威會計師事務所為本公司核數師。

承董事會命

主席

康寶華

2020年4月24日

Environmental, Social and Governance

環境、社會及管治報告

INTRODUCTION

This is the ESG report of Yuanda China Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019. The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems.

The Company believes that this ESG Report enables the Company to communicate the Group’s sustainability related matters in a transparent and accountable manner, which is key to gaining the trust of its stakeholders. The Group is committed to making continuous contribution to the sustainable development in China and overseas, and fulfilling corporate social responsibilities at various operational levels. This ESG Report provides an overview of the Group’s performance related to sustainable development in the areas of the environment, community, employment and labor practices and operation convention for the year ended 31 December 2019, with a coverage of the Company’s PRC office and its operation sites in overseas.

Reporting standard and scope

This ESG Report has been prepared with reference to the ESG Reporting Guide as set forth under Appendix 27 of the Listing Rules. A detailed ESG content index has been included at the back of this report to aid the reader and facilitate greater transparency. This ESG Report describes the initiatives of the Group and its progress with regard to ESG issues for the period from 1 January 2019 to 31 December 2019.

This ESG report covers the Group’s overall performance in four production bases located in Shenyang, Chengdu, Foshan and Shanghai in Mainland China from 1 January 2019 to 31 December 2019, unless otherwise stated.

The Company has complied with the “comply or explain” provisions set out in the ESG Reporting Guide for the year ended 31 December 2019.

引言

本報告為遠大中國控股有限公司（「**本公司**」，連同其附屬公司稱「**本集團**」）截至2019年12月31日止之環境、社會及管治報告。本集團主營業務為設計、採購、生產、銷售及安裝幕牆系統。

公司認為環境、社會及管治報告使得公司可以一種透明、可量化的方式傳達公司可持續性發展的相關事宜，這是取得利益相關者信任的關鍵。集團致力於為中國及海外的可持續性發展做出持續貢獻，在多層次的執行層面實現公司社會責任。環境、社會及管治報告概述了截至2019年12月31日集團在可持續發展領域取得成就，包括環境、社區、僱傭和勞動實踐及操作慣例，涵蓋了公司中國及海外運營機構的情況。

報告準則及範圍

環境、社會及管治報告乃根據上市規則附錄27之環境、社會及管治報告指引編製。詳細的環境、社會及管治內容索引已經附在這個報告結尾處，來幫助讀者和促進更大的透明度。環境、社會及管治報告，闡述了公司2019年1月1日至2019年12月31日期間環境、社會及管治方面公司的舉措及進展。

除另有說明外，本環境、社會及管治報告涵蓋本集團在中國內地四大生產基地（瀋陽、成都、佛山、上海）於2019年1月1日至2019年12月31日的整體表現。

截至2019年12月31日止年度，本公司遵守環境、社會及管治報告指引有關的「不遵守就解釋」條款。

Environmental, Social and Governance

環境、社會及管治報告

Role of Board Meeting

The Board of the Group is the highest governance body for the ESG work which is responsible for the ESG matters and is responsible for ensuring the effectiveness of the established ESG risk management system and an internal control system, as well as assessing and approving the annual ESG report.

In accordance with the requirements of the Group, all departments and subsidiaries are responsible for communicating with their relevant stakeholders and identifying stakeholders' concerns on sustainability initiatives. Besides, relevant departments are responsible for collecting ESG information and data, adhering to the plan of the Group. The Company regularly compiles the ESG data of the entire Group, in order to review and supervise related performance.

Operating in compliance with the laws

The Group has ensured and will continue to ensure basically compliance with relevant laws and regulations that have significant impact on its operations, including but not limited to laws and regulations in relation to product safety and liabilities, customer rights protection and employment and occupational safety. The management will monitor the impact for any changes in the relevant laws and regulations from time to time and seek external advice if considered necessary.

董事會角色

本集團董事會乃環境、社會及管治工作的最高決策機構，確保集團內建立起有效的環境、社會及管治風險管理及內部監控體系，並負責審議及批准年度環境、社會及管治報告。

各部門及附屬公司按照集團要求，負責分別與其相關權益人開展溝通工作，識別持份者對可持續發展工作的看法。同時，相關部門根據集團統一規劃，負責收集環境、社會及管治相關資料和數據。本公司定期匯總全集團可持續發展數據，以審視及監督有關工作表現。

經營守法

本集團確保及將繼續確保基本符合對運營有著重大影響的相關法律、法規，包括但不限於關於產品安全與責任，消費者權益的保護和就業和職業安全相關法律、法規。管理層將時常監控有關法律、法規的變化所帶來的影響，在被認為是必要的時候，尋求外部的建議。

Environmental, Social and Governance

環境、社會及管治報告

Materiality identification and communication with stakeholders

The Group's operations involve a wide range of environmental and social issues. The Company refers to the ESG Reporting Guide issued by the Stock Exchange to identify the Group's material topics through the process of identification, prioritisation, validation and review.

Based on the guideline mentioned above, peer analysis and media coverage, the Company has identified 18 potential material topics, covering corporate governance, environment, employment and labor, community and operation practice. The Company then invited various stakeholders to assess the importance of potential topics.

Stakeholders are groups which directly related to the Group's ESG and play an important role in the Group's decision-making process. The Group has always been committed to various communication and dialogue with all stakeholders via different communication channels for different stakeholders, so as to understand their needs, collect their opinions, share and discuss various issues closely related to the development of the Group, and to actively respond to the opinions and appeals of the stakeholders in the course of the operation, and achieve the Group's overall and sustainable development.

The Group communicates with its stakeholders to understand their concerns, and regularly reviews the effectiveness of the relevant actions and improves communication channels to gain a broader and more intensive understanding of its stakeholder's opinions. The following table set out the issues that different stakeholder categories are particularly concerned about and the materiality analysis:

重要性識別及權益人溝通

本集團經營過程中涉及的環境及社會議題廣泛。本公司參考港交所《環境、社會及管治報告指引》，通過識別、排序、確證和檢視四個過程，篩選本集團的實質性議題。

根據上述指引，以及同業分析及媒體報導，識別出18項潛在實質性議題，涵蓋公司治理、環境、僱傭與員工、社區、市場運營層面。其後，公司邀請不同的持份者對潛在議題進行重要性評估。

權益人作為與本集團ESG直接相關的群體，在本集團決策過程中發揮著重要的作用。本集團一直致力於與所有權益人進行多方面的溝通與交流，針對各類別權益人通過不同溝通渠道，深入瞭解各方需求、收集各方意見、分享並討論與本集團發展密切相關的各項議題，以便在行動中積極響應權益人的意見和要求，進而實現本集團的全面、可持續發展。

本集團通過與權益人的溝通交流，瞭解他們所關心的議題，並定期檢討有關行動的成效，完善溝通渠道以更全面深入地瞭解權益人意見。下表列出不同權益人組別重點關注的議題以及重要性分析：

Environmental, Social and Governance

環境、社會及管治報告

Table 1
Topics that stakeholders are primarily concerned about

表格 1
權益人重點關注議題

Stakeholder Categories	Topics that stakeholders are primarily concerned about	Communication or response methods	權益人組別	權益人重點關注議題	溝通途徑或響應方式
Employees	<ul style="list-style-type: none"> Compliant operation Quality guarantee Remuneration and benefits Health and safety Care career development of employees 	<ul style="list-style-type: none"> Trainings on regulations Solicit rational suggestions Survey on the development of employees and their satisfaction Workers' congress Day-to-day work communication 	員工	<ul style="list-style-type: none"> 合規運營 質量保障 薪酬福利 健康安全 關注員工發展 	<ul style="list-style-type: none"> 制度培訓 徵求合理化建議 員工發展情況與員工滿意度調查 工會 日常工作溝通
Shareholders/ Investors	<ul style="list-style-type: none"> Compliant operation Quality assurance of on-going profitable projects 	<ul style="list-style-type: none"> Shareholder general meeting 	股東/ 投資者	<ul style="list-style-type: none"> 合規運營 持續盈利項目質量保障 	<ul style="list-style-type: none"> 股東大會
Government authorities	<ul style="list-style-type: none"> Compliant operation Promote local employment and economic and social development Fulfill social responsibility. 	<ul style="list-style-type: none"> Obtain permits for projects Communicate through meetings Formulate specifications and exchange of ideas Special topic meeting (report) and information reporting Business communication with counterpart departments 	政府機構	<ul style="list-style-type: none"> 合規運營 推動地方就業與經濟社會發展 承擔企業社會責任 	<ul style="list-style-type: none"> 項目證件獲取 會議溝通 規範制定與執行交流 專題會議彙報和信息報送 對口部門業務溝通
Subcontractors	<ul style="list-style-type: none"> Compliant operation The environmental impact of construction work 	<ul style="list-style-type: none"> Daily communication throughout the process, including changes of design and construction 	分包方	<ul style="list-style-type: none"> 合規運營 施工對環境的影響 	<ul style="list-style-type: none"> 包括設計變更、施工等在內的全階段日常交流
Proprietors	<ul style="list-style-type: none"> Quality guarantee Protection of commercial information Provide satisfied services 	<ul style="list-style-type: none"> Communication of sales and inspection Documents and mails Customer assessment and management 	業主	<ul style="list-style-type: none"> 質量保障 商業信息保護 提供滿意服務 	<ul style="list-style-type: none"> 銷售交流與考察 文檔函電來往 業主評價與管理
Suppliers	<ul style="list-style-type: none"> Industry participation Requirements of suppliers on environmental and social influence Supply chain management Keep good cooperative relations 	<ul style="list-style-type: none"> Daily transactions Qualification review Communication throughout the tendering and bidding process 	供貨商	<ul style="list-style-type: none"> 行業參與 對供貨商的環保、社會影響要求 供應鏈管理 良好合作關係 	<ul style="list-style-type: none"> 日常交易 資質審核 招投標全過程交流
Communities	<ul style="list-style-type: none"> Charity Promote local employment and economic and social development 	<ul style="list-style-type: none"> Charity activities Activities to promote community's development 	社區	<ul style="list-style-type: none"> 公益慈善 推動地方就業與經濟社會發展 	<ul style="list-style-type: none"> 公益慈善活動 促進社區發展活動

Environmental, Social and Governance

環境、社會及管治報告

Table 2
Identification of topics

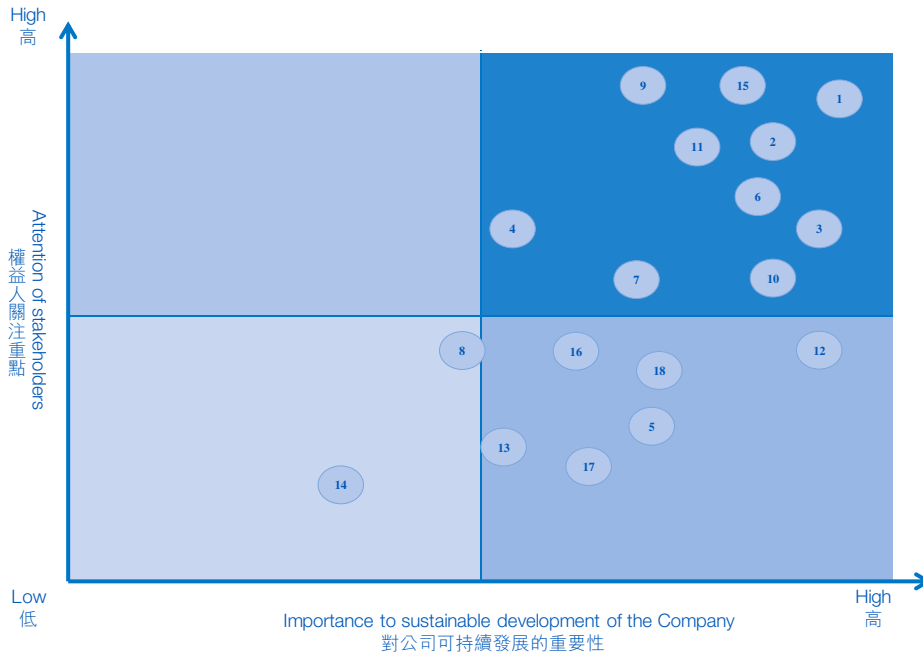
表格2
議題識別

Category	No.	Topics	類別	編號	議題
Corporate governance	1	Compliant operation	公司治理	1	合規運營
	2	Risk management		2	風險管理
	3	Prohibit bribery and corruption		3	禁止商業賄賂及腐敗
	4	Stakeholder communication		4	利益相關方溝通
Environment	5	Establishment of environmental management systems	環境	5	建立環境管理體系
	6	Energy-saving and emission reduction		6	節能減排
	7	Resource recycling		7	資源循環利用
	8	Green concept		8	環保理念
Employment and labour	9	Remuneration and welfare system	僱用與員工	9	薪酬與福利體系
	10	Occupational safety		10	職業安全
	11	Training and career development		11	培訓與職業發展
	12	Caring about employees		12	員工關愛
Community	13	Public welfare and charity	社區	13	公益慈善
	14	Volunteer activities of employees		14	員工志願者活動
Operation practice	15	Product responsibility and project quality assurance	市場運營	15	產品責任及工程質量
	16	Supply chain management		16	供應鏈質量管理
	17	Requirements of suppliers on environmental and social impact		17	對供貨商的環保、社會影響要求
	18	Intellectual rights protection		18	知識產權保護

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Chart 1
Materiality analysis

圖表1
重大性分析



Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL

The Group proactively responds to the national environmental protection policies with an objective (i) to reduce the adverse effect that the operational production may bring to the environment; and (ii) to ensure the harmonious development of the Group and environmental sustainability. The Group strives to reduce energy and other energy consumption, reduce waste emissions, to fully utilise recyclable resources, increase area of greening and introduce the concept of green environmental protection in the Group's products.

A.1 Energy preservation and emission reduction

The Group always concerns itself with environmental protection and works on energy saving and emission reduction.

For the year ended 31 December 2019, the Group has strengthened energy saving, emission reduction and waste reduction in various aspects of its production process as follows:

Production process	Related policy and Management method
Product Design	<ul style="list-style-type: none"> The Company has instilled the concept of green-building into the products and gained the certification of green building materials and products.
Choice of Supplier	<ul style="list-style-type: none"> Suppliers are asked to provide environmental assessment reports or guarantee of environmental protection to help suppliers to enhance energy conservation and emissions reduction in production. Purchasing materials according to order demand, the Company preferentially chooses the nearby suppliers to reduce the energy consumption of delivery.

A. 環境

集團積極響應國家環境保護相關政策旨在(i)降低運營生產對於環境可能造成的不利影響，及(ii)確保集團與環境可持續性的和諧發展。集團努力減少能源及其他資源的消耗、減少廢物的排放、充分及循環利用可循環使用資源、增加廠區的綠化面積、在產品設計中推廣綠色環保概念。

A.1 節能及排放的減少

集團一直關注環境保護並致力於節能減排。

截至2019年12月31日，集團已在生產的各個環節加強節能減排力度：

生產環節	相關政策及管理方法
產品設計	<ul style="list-style-type: none"> 積極參與到綠色建築項目中，生產的門窗、幕牆產品已經獲得《綠色建築選用產品證明》。
供應商的選擇	<ul style="list-style-type: none"> 選擇供應商時，會要求其提供環保監測證書或者環保聲明書，促進供應商在生產中節能減排。 根據訂單需求採購材料，優先選取臨近的供應商，減少物流產生的能源消耗。

Environmental, Social and Governance 環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.1 Energy preservation and emission reduction (continued)

Production process	Related policy and Management method
Production	<ul style="list-style-type: none"> Dust Control: For dust generated during our sealant processing, the Company uses filters to control and recover dust. For dust generated during our spraying process, the Company have adopted both filter method and cyclone method to control and recover dust. Noise Control: The Company adopted various measures to control the noise generated from our production process, including implementation of shock absorption, appropriate design of factory layout, and cultivation of plants at our production facilities. Waste Water Control: Waste water generated from our spraying process is gathered and reused in our spraying process in a closed loop after flotation, flocculation, sedimentation and other procedures. The Company also generate waste water during material pre-treatment in our production. Such waste water is discharged into municipal sewage processing plant after flocculation, sedimentation, sand filtration, carbon filtration and other procedures.

A. 環境 (續)

A.1 節能及排放的減少 (續)

生產環節	相關政策及管理方法
生產過程中	<ul style="list-style-type: none"> 灰塵控制: 就密封膠加工所產生的灰塵而言，公司使用過濾器以控制及收回灰塵。而就噴塗過程所產生的灰塵而言，公司同時採用過濾方法及氣旋方法以控制及收回灰塵。 噪音控制: 公司採用多種措施以控制生產過程所產生的噪音，包括於生產設施實施震動吸收、適當設計廠房布置，以及栽種植物。 污水控制: 噴塗過程產生的污水於浮游、絮凝、沉積及其他程序後以閉環收集及重用於噴塗程序。公司亦於生產的預先處理材料期間產生污水。該等污水於絮凝、沉積、砂濾、碳濾及其他程序後排放至市政污水處理廠。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.1 Energy preservation and emission reduction (continued)

Production process	Related policy and Management method
	<ul style="list-style-type: none"> Air Emission Control: The air must be purified before emission and shall meet the relevant requirements stipulated by the laws. Air emissions generated during the production process of the Group include nitrogen oxide, particulates, sulphur dioxide and organic waste gas (benzene and xylene).
Policies	<ul style="list-style-type: none"> Regularly conduct a comprehensive energy audit to analyse the energy management, discover weakness in energy utilization and give suggestions for improvements. The Group is effectively operating the Environmental Management System ISO14001 : 2004. The Group implemented "Safe, saving energy and reducing consumption" management in all the operation sites to regulate the behaviour of employees and lower energy consumption. Production planning department reasonably arrange the production shift to avoid racing production equipment and electric usage at rush hour. All the office room equipped with the curtain wall to ensure efficient usage of sunlight and save energy.

A. 環境 (續)

A.1 節能及排放的減少 (續)

生產環節	相關政策及管理方法
	<ul style="list-style-type: none"> 氣體排放控制: 需排放的氣體必須經過淨化處理，符合相關法律要求標準。本集團在生產過程中產生的氣體包括氮氧化物、粉塵、二氧化硫及有機廢氣(苯、二甲苯)。
監管制度	<ul style="list-style-type: none"> 定期委託獨立第三方進行全面能源審計，分析能源管理現狀並提出改進措施及建議。 集團有效運營環境管理體系 ISO14001 : 2004 認證。 集團所有基地實行《安全用電、節能降耗日常管理辦法》，規範員工行為，降低能源消耗。生產計劃部門通過合理安排生產班次，避免生產設備空轉運行，避免用電高峰用電；辦公區充分利用自然光照，節省能源。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.1 Energy preservation and emission reduction (continued)

Production process	Related policy and Management method
	<ul style="list-style-type: none"> The Group has a comprehensive non-hazardous treatment and re-utilisation system to recycle and re-use the waste

In 2019, the Company has not been challenged or questioned by any competent government authorities of relevant bodies in relation to issue on environmental pollution caused by emission.

Plan for the year 2020

- To increase our transparency by developing company-wide guidelines for energy consumption, as well as setting greenhouse gas emission target of 3% reduction from 2020 to 2022.
- To further reduce paper use by enhancing the paperless system for internal communications.

A. 環境(續)

A.1 節能及排放的減少(續)

生產環節	相關政策及管理方法
	<ul style="list-style-type: none"> 集團建立了綜合無害處理和再利用系統以回收和再次利用本集團在所有生產過程中產生的廢物。

2019年，本公司沒有受到任何相關資質政府機構或主體有關排放物引起環境污染事宜的反對和詢問。

2020年的計劃

- 計劃通過制訂公司的能源使用指引，以及訂立減少2020年到2022年的溫室氣體排放百分之三為目標，增加透明度。
- 優化內部通訊無紙化系統，進一步減少用紙。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.1 Energy preservation and emission reduction (continued)

Energy and resource Consumption and Pollutant Emissions of the Group

The main greenhouse gas emissions of the Group are carbon dioxide, nitrogen oxides, sulfur dioxide and particulate matter which are monitored to ensure compliance with standards before being discharged. The Company was removed from the closely-monitoring list for organic waste gas by environmental government authorities for optimization of production process.

Table 3
Resources consumption of the Group

	Power consumption (KWH) 耗電量 (千瓦時)	Diesel (L) 柴油 (升)	Gasoline (L) 汽油 (升)	Water consumption (m³) 耗水量 (立方米)
Annual Consumption of 2019 2019年全年消耗量	11,490,376	203,446	73,999	71,227
Consumption Intensity/Thousand yuan revenue during 2019 消耗密度／每千元2019年內營收	2.84	0.05	0.02	0.02
Annual Consumption of 2018 2018年全年消耗量	13,881,845	543,710	100,255	132,441
Consumption Intensity/Thousand yuan revenue during 2018 消耗密度／每千元2018年內營收	3.01	0.12	0.02	0.03

A. 環境(續)

A.1 節能及排放的減少(續)

本集團的能源、資源消耗及污染排放物

本集團的主要排放物溫室氣體主要為二氧化碳、氮氧化物、二氧化硫、顆粒物。所有的排放均經過檢測，以確保符合標準後排放。因改良工藝，公司不再因有機氣體受到政府環保部門的重點監測。

表格3
集團消耗資源

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環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.1 Energy preservation and emission reduction (continued)

Table 4
Indirect emissions of the Group

	Co₂ emissions (kg) 二氧化碳 排放量 (千克)	No_x emissions (kg) 氮氧化物 排放量 (千克)	So₂ emissions (kg) 二氧化硫 排放量 (千克)	Particulate matter (kg) 顆粒物 (千克)
Annual emissions of 2019 2019年全年排放量	12,162,349*	434,334	344,711	3,125,382
Emissions Intensity/Thousand yuan revenue during 2019 排放密度／每千元2019年內營收	3.01	0.11	0.09	0.77
Annual emissions of 2018 2018年全年排放量	15,498,060 *	563,777	416,455	3,775,862
Emissions Intensity/Thousand yuan revenue during 2018 排放密度／每千元2018年內營收	3.36	0.12	0.09	0.82

* Scope 1 –Co₂ from the combustion of petroleum, diesel, kerosene and LPG is about 706,444 kg; Scope 2 –Co₂ from the use of purchased electricity and thermal power is about 11,455,905 kg.

A. 環境(續)

A.1 節能及排放的減少(續)

表格4
集團間接排放物

	Co₂ emissions (kg) 二氧化碳 排放量 (千克)	No_x emissions (kg) 氮氧化物 排放量 (千克)	So₂ emissions (kg) 二氧化硫 排放量 (千克)	Particulate matter (kg) 顆粒物 (千克)
Annual emissions of 2019 2019年全年排放量	12,162,349*	434,334	344,711	3,125,382
Emissions Intensity/Thousand yuan revenue during 2019 排放密度／每千元2019年內營收	3.01	0.11	0.09	0.77
Annual emissions of 2018 2018年全年排放量	15,498,060 *	563,777	416,455	3,775,862
Emissions Intensity/Thousand yuan revenue during 2018 排放密度／每千元2018年內營收	3.36	0.12	0.09	0.82

* 其中範疇一溫室氣體來自汽油、柴油、煤油和液化石油氣的燃燒，約706,444千克；範疇二溫室氣體來自外購電力、外購熱力的使用，約11,455,905千克。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.2 Green concept

In order to be more effective in utilisation of resources and achieve waste reduction and environmental protection, all the operation sites of the Group began to implement 'Green' office, 'Green' material and 'Green' filing management. Employees are also encouraged to save documents, files and product information electronically and go paperless, thus resolving the difficulty in file searching and management and realising resources sharing. In term of production technology, selects and uses lighter and more environmental-friendly materials to ease the burden to the environment.

The Group focuses on the greening of production bases. In 2019, total carbon dioxide annually absorbed by green plants was about 595,378 kg (2018: about 634,570 kg) which was due to the resumption of land in Foshan.

Table 5
Green planting area

	2019		2018	
	Green area of the base 廠區綠化面積*	Absorbed Co ₂ (kg) 吸收二氧化碳量(kg)	Green area of the base 廠區綠化面積	Absorbed Co ₂ (kg) 吸收二氧化碳量(kg)
Production base in Shenyang 瀋陽生產基地	95,000 m ²	595,378	100,000 m ²	634,570
Production base in Chengdu 成都生產基地	8,167 m ²		8,167 m ²	
Production base in Foshan 佛山生產基地	480 m ²		4,000 m ²	
Production base in Shanghai 上海生產基地	2,5783 m ²		25,783 m ²	

* Including rented area.

A. 環境(續)

A.2 綠色理念

為了更有效地利用資源，達到減少廢物和環境保護，本集團所有基地開始實施「綠色」辦公室，「綠色」材料和「綠色」歸檔管理。鼓勵員工保存電子化和無紙化文檔，文件和產品信息，從而解決文件搜索和管理中的困難，實現資源共享。關於生產技術方面，選擇和使用更輕質更環保的材料以減輕環境負擔。

本集團注重生產基地的綠化。2019年，綠色植被年吸收二氧化碳總量約為595,378千克(2018：約為634,570千克)，減少主要系佛山土地收儲所致。

表格5
綠色植被面積

	2019		2018	
	Green area of the base 廠區綠化面積*	Absorbed Co ₂ (kg) 吸收二氧化碳量(kg)	Green area of the base 廠區綠化面積	Absorbed Co ₂ (kg) 吸收二氧化碳量(kg)
Production base in Shenyang 瀋陽生產基地	95,000 m ²	595,378	100,000 m ²	634,570
Production base in Chengdu 成都生產基地	8,167 m ²		8,167 m ²	
Production base in Foshan 佛山生產基地	480 m ²		4,000 m ²	
Production base in Shanghai 上海生產基地	2,5783 m ²		25,783 m ²	

* 包含租用廠區。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL *(continued)*

A.3 Waste management

Due to the industry attributes, main wastes of the Group are non-hazardous wastes other than hazardous wastes. The non-hazardous wastes are mainly the waste metal, waste paint, waste paper, waste timber even the waste packing materials which the Group has a comprehensive non-hazardous treatment and re-utilisation system to recycle and re-use.

The company have strictly complied with the Environmental Protection Law, Cleaner Production Promotion Law, Water Pollution Prevention and Control Law, Integrated Wastewater Discharge Standard, etc. A designated department was set up to monitor the wastewater discharge in daily production, to ensure clean production.

The amount of industrial and domestic wastewater discharged and concentration of pollutants are greatly reduced after onsite treatment, recycling and reuse. The company have established a sewage treatment plant in the factory for treating chemicals to meet the environmental standard before discharging to municipal sewage pipe network according to regulations.

A. 環境 (續)

A.3 廢物管理

由於行業屬性原因，本集團主要廢棄物類別為無害廢棄物而非有害廢棄物。無害廢棄物主要為廢金屬、廢漆、廢紙張、廢木材及包裝材料。集團建立了綜合無害處理和再利用系統以回收和再次利用無害廢棄物。

公司謹遵《環境保護法》、《清潔生產促進法》、《水污染防治法》及污水綜合排放標準等相關法律法規，設立專門的工作部門，對日常生產的廢水排放進行監察，確保清潔生產。

工業廢水及生活廢水經廠內處理和循環再用後，大幅度降低廢水排放量和污染物濃度。廠內建設污水處理車間，排放前進行化學處理，以達到環保標準，方可按規定排放至市政污水管網。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.3 Waste management (continued)

Table 6
Waste recycling management

	2019					2018				
	Metal 金屬	Wood 木材	Plastic 塑料	Paper 紙	Other waste 其他	Metal 金屬	Wood 木材	Plastic 塑料	Paper 紙	Other waste 其他
Recycling weight (kg) -production base in Shenyang 瀋陽生產基地-回收重量(kg)	4,078,548	1,112,455	497,286	127,500	588,380	6,297,104	1,482,240	388,602	423,627	1,249,392
Recycling weight (kg) -production base in Foshan 佛山生產基地-回收重量(kg)	186,700	28,797	7,430	6,260	1,767	1,067,850	185,554	55,510	31,840	384,180
Recycling weight (kg) -production base in Chengdu 成都生產基地-回收重量(kg)	138,795	-	-	150	-	186,151	-	-	3,000	-
Recycling weight (kg) -production base in Shanghai 上海生產基地-回收重量(kg)	654,237	24,149	12,615	13,200	-	801,983	29,827	7,256	41,525	7,000

A.4 Impact of climate change

The Company puts strong emphasis on the impacts that climate change may have on daily operations identifying risks related to climate changes and conducting preliminary scenario analysis.

A. 環境 (續)

A.3 廢物管理 (續)

表格6
廢料回收清理

	2019					2018				
	Metal 金屬	Wood 木材	Plastic 塑料	Paper 紙	Other waste 其他	Metal 金屬	Wood 木材	Plastic 塑料	Paper 紙	Other waste 其他
Recycling weight (kg) -production base in Shenyang 瀋陽生產基地-回收重量(kg)	4,078,548	1,112,455	497,286	127,500	588,380	6,297,104	1,482,240	388,602	423,627	1,249,392
Recycling weight (kg) -production base in Foshan 佛山生產基地-回收重量(kg)	186,700	28,797	7,430	6,260	1,767	1,067,850	185,554	55,510	31,840	384,180
Recycling weight (kg) -production base in Chengdu 成都生產基地-回收重量(kg)	138,795	-	-	150	-	186,151	-	-	3,000	-
Recycling weight (kg) -production base in Shanghai 上海生產基地-回收重量(kg)	654,237	24,149	12,615	13,200	-	801,983	29,827	7,256	41,525	7,000

A.4 氣候變化影響

本公司重視氣候變化可能對日常運營帶來的影響，識別氣候變化相關風險及初步進行情景分析等。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A. 環境 (續)

A.4 Impact of climate change (continued)

A.4 氣候變化影響 (續)

No. 風險編號	Risk Type 風險類型	Impact aspects 影響層面	Risk description 風險描述	Impact analysis 影響分析
1	Frequent extreme weather	Business operation	<ul style="list-style-type: none"> Extreme weather damages projects under construction or completed projects 	<ul style="list-style-type: none"> Decrease in revenue: affects some business operations Increase in expenditure: repairs to damaged construction
1	極端天氣頻發	業務經營	<ul style="list-style-type: none"> 極端天氣破壞在建或已建成項目 	<ul style="list-style-type: none"> 收入減少：部分業務經營受影響 支出增加：修護毀損建築
2	Frequent extreme weather	Supply chain	<ul style="list-style-type: none"> Affects the speed of project construction by sub-contractors Affects the normal supply of materials with soaring price of construction material 	<ul style="list-style-type: none"> Increase in operation cost: delays in completion of projects, construction cost increases
2	極端天氣頻發	供應鏈	<ul style="list-style-type: none"> 影響工程分包商進行專案建設速度 影響材料正常供應，建材價格上升 	<ul style="list-style-type: none"> 營運成本增加：工程竣工時間延後，工程建設成本增加
3	Technology transformation	Business operation	<ul style="list-style-type: none"> Peers increase investment in green buildings, existing inventories face the risk of being replaced 	<ul style="list-style-type: none"> Depreciation of existing inventories Increase in operation cost: application of BIM technology
3	技術轉型	業務經營	<ul style="list-style-type: none"> 同業加大對綠色建築的投入，現有存貨面臨被替代風險 	<ul style="list-style-type: none"> 企業現有庫存貶值 營運成本增加：BIM技術的運用
4	Technology transformation	Supply chain	<ul style="list-style-type: none"> The supply chain is unable to support future construction requirements that need to deal with more severe weather conditions 	<ul style="list-style-type: none"> Increase in operating expenses: increase procurement costs for new suppliers
4	技術轉型	供應鏈	<ul style="list-style-type: none"> 供應鏈無法支撐未來需應對更惡劣天氣情況的建築要求 	<ul style="list-style-type: none"> 經營費用增加：加大物識新供應商的採購成本

Environmental, Social and Governance

環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS

The Group's sustainability and development cannot be separated from the value of its employees. The Group strives to continuously establish and improve its staff management system, including the recruitment of quality employees, establish and improve the welfare system to provide employees with a safe working environment, improve the professional development of employees with an objective that employees can grow together with the Company.

Provide a good working environment to attract outstanding employees	Clear job description, appointment criteria and performance appraisal standards
Cultivate staff development	Regular business training and education
Well-being of employees	Conduct regular physical examination, games, convenient staff commuting and sudden disaster weather timely evacuation
Importance of work safety	Regular equipment maintenance, safety training, dangerous operating practices
Promote a fair and honest corporate culture	Anti-corruption, anti-discrimination awareness of publicity, reporting as well as internal audit and other measures

B. 僱傭及員工規範

該集團的可持續性和發展離不開員工的價值。本集團努力不斷建立和完善員工管理體系，包括招聘優質員工，建立健全福利體系，為員工提供一個安全的工作環境，提高員工的職業發展，為了共同的目標讓員工能與公司共同成長。

提供良好工作環境吸引優秀員工	明晰的崗位權責說明書、聘任標準、績效考核標準
提升員工的成長空間	定期的業務培訓、教育
關愛員工的生活	組織定期體檢、運動比賽、便捷員工通勤、突發災害天氣及時疏散
重視安全生產	定期設備維檢、安全培訓、危險作業操作守則
宣揚公平廉潔的企業文化	反貪腐、反歧視意識的宣導、舉報、內部審計等措施

Environmental, Social and Governance

環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS *(continued)*

B.1 Working Environment

To enable the growth and development of the Group's employees, the Group strives to build a collaborative and harmonious working environment. The Company rewards its employees with competitive remuneration packages and fringe benefits which commensurate with their experience and job task. Staff members are also informed of requirements on expected professional conduct. The Company adheres to the "fairness, equality, diversity" principle for its staff management and does not tolerate discrimination or harassment in any form, and allow its staff members to realise their full potential at work.

The Company adopted a transparent system for assessing staff performance. At the end of each year, the Company will appraise the performance of all employees, and together with the results of the assessment results and employees' personal desire to adjust their job nature and pay arrangement as appropriate.

In terms of talent recruitment, the Group attracts the best talents through various channels such as social recruitment, internal recommendation and campus recruitment, and strengthen the talent deployment between different regions. All employment with the Group is voluntary. The Group complies with national and local laws and all employees are voluntary and do not employ any child labor. The Group is dedicated to ensuring that operations remain free from child labor, and is developing systems and procedures to handle the management of such incidents. Should a child be discovered working on our premises, he or she will immediately be transported back to their hometown or place of origin. The Group will then file necessary documentation with the local authorities while consulting with the child's guardians on avenues for his or her return to school.

B. 僱傭及員工規範(續)

B.1 工作環境

確保集團的員工的成長和發展，集團致力於建立一個協作的、和諧的工作環境。公司以具有優勢的薪酬待遇以及與員工經驗和工作完成情況成比例的附加福利獎勵員工。員工也會被告知相關崗位所需要的必須技能。公司在員工管理上堅持「公平、平等、多樣性」原則，不容忍任何形式的歧視或騷擾，並允許其員工在工作中發揮他們的潛能。

公司採用了透明的體系來評估員工的表現。每年年底，公司將評估所有員工的表現，並結合評估的結果和員工個人意願適當調整他們的工作內容和薪酬。

在人才招聘方面，該集團通過各種渠道如社會招聘、內部推薦和校園招聘吸引最好的人才，加強不同地區之間的人才部署。本集團內所有就業是自願的。本集團遵守國家和地方法律，所有員工是自願並且沒有僱傭童工。集團致力於確保沒有童工參與實際業務運營，並且正在開發系統和程序來處理這類事件的管理。一旦發現童工出現他或她會立即被遣返家鄉或原所在地。隨後集團將在當地權力機構進行必要的登記備案，並與其監護人協調商議返校事宜。

Environmental, Social and Governance

環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.2 Cultivate Staff Development

The Company encourages its staff to undertake training and further studies to enhance their job-related skills and knowledge. This training shall contribute to a more productive and effective workforce that is able to address the challenges that the Company may face as a company. In 2019, the Company further improved the Company's training management system. The Company uses internal and external training resources to actively organize 4-level education and trainings covering "company level", "headquarter level", "subsidiary level" and "department level".

Changes in social and business environments may require updated skill sets to deal with new market opportunities. The Group has devoted plenty resources in offering staff training and development programmes. The Company encourages continuous learning via training and further studies to enhance our staff's job-related skills and knowledge. It does not only increase staff satisfaction and reduce staff turnover but also enhances ability for staff to adapt to change.

The Company also has a strong desire to develop its own pool of talents in view of the uniqueness and diversity of its business. The Company provides graduates with the opportunity to make their way up in their career as qualified professionals. Other training, such as seminars, workshops and technical visits are aligned to the specific needs of individuals, covering professional development as well as management and technical skills.

For the year ended 31 December 2019, total trainings organized by the Group were more than 3,000 person time. The Company also built E-platform for sharing training materials for employees to study anytime and anywhere.

B. 僱傭及員工規範 (續)

B.2 培養員工發展

公司鼓勵員工參加培訓和進修來提高他們的工作技能和知識。作為公司一員，培訓有助於更高效和有效的勞動力，能夠解決公司可能面臨的挑戰。2019年度，公司進一步完善了培訓管理體系。充分利用內外部培訓資源，積極開展「公司層面」「總部部門層面」「所屬單位層面」「所屬部門層面」四個層次教育培訓。

社會和商業環境的變化可能需要更新的技能來應對新的市場機會。集團投入了大量的資源為員工提供培訓和發展項目。本公司鼓勵持續學習，通過培訓和進修提高本公司員工的與工作相關的技能和知識。它不僅提高員工滿意度，降低員工流失率，還增強了員工適應變化的能力。

在獨特性和多樣性的企業願景下，公司亦有一個強烈的願望發展自己的人才池的。公司為畢業生提供了機會，使他們邁上成為合格專業人士的職業道路。其他培訓形式，例如研討會，講習班和技術訪問會滿足個人的特定需求，涵蓋職業發展以及管理和技術技能。

截至2019年12月31日，集團組織培訓超過3,000人次。另外，相關技術培訓資料也實現了網絡化共享，便於員工隨時隨地進行學習。

Environmental, Social and Governance

環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.2 Cultivate Staff Development (continued)

Employees	Type of trainings
Management level	Managerial and compliance
Design department	Software operation
Workshop and construction site	Safety operation, safety installation training and raw material production
Sales department	Business etiquette and language

B.3 Well-being of Employees

A healthy work-life balance is encouraged among the Group's staff members. The Company have organised a wide array of staff activities including badminton contest, ping pong contest and Yuanda Marathon, amongst others, to cater to the diverse interests of its employees.

As the fast pace and pressure of life, the Group and the specialized medical institutions reached a long-term cooperation agreement, pursuant to which staff can enjoy a medical check-up and examination on an annual basis. Further, the Company also arranged and invited relevant medical specialists to the factory and production site to arrange physical examination for staff free-of-charge.

B. 僱傭及員工規範(續)

B.2 培養員工發展(續)

員工類別	培訓內容
管理層	管理、合規培訓
設計部門	軟件操作培訓
車間部門 施工現場	安全操作、安全安裝培訓、生產原材料性能培訓等
銷售部門	商務禮儀、語言培訓

B.3 員工健康

健康的工作與生活的平衡是集團所提倡的。本公司有組織各種員工活動，包括羽毛球比賽，乒乓球比賽以及遠大馬拉松，以滿足員工不同興趣愛好。

隨著生活的快節奏和壓力，集團和專業醫療機構達成長期合作協議，按照計劃，員工可享受每年一次體檢。此外，該公司還安排邀請相關醫學專家到工廠和生產現場為員工義診。

Environmental, Social and Governance

環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.4 Occupational Safety

The health and safety of the Group's employees are of utmost concern. The Group has adopted the Management System GB/T28001-2011OHSAS18001 : 2007 as a standard to guide our approach in mitigating occupational health and safety hazards.

Different safety-related initiatives and measures have been rolled out in the Group's operations. Risk assessments are also conducted to identify risks in special working environments, while detailed safety instructions have been formulated and communicated to workers as part of their safety training sessions. Safety officers are appointed to coordinate and communicate safety-related matters to workers on site.

Safety instructions In order to clarify the operational steps and risk points of each process, the Group has prepared a number of safety instructions.

Training In order to ensure the safety of employees in practice, the Group conducts training on theory and field safety on a regular basis to promote safety awareness.

Inspection Perform regular maintenance and inspection on the production sites with higher tendency of safety issues.

B. 僱傭及員工規範 (續)

B.4 職業安全

員工的健康和安全是集團最關心的問題。集團採用了管理體系GB/T28001-2011OHSAS18001 : 2007作為標準來制定本公司管理方法以減少職業健康安全危害。

在集團的各個業務操作環節中實施了多種安全措施和方法。執行風險評估以識別特殊的工作環境中的風險，同時制定詳細的安全指引說明並以安全培訓的方式傳達給工人。安全生產負責人將與現場工人協調和溝通安全問題。

安全操作說明 為了明確各工序的操作步驟和風險點，集團編製了若干安全操作說明。

培訓 為了在實際中確保員工的安全，集團定期為員工進行理論及實地安全培訓，推廣安全意識。

檢查 對於工傷多發的生產環境進行安全巡邏及檢查。對於設備進行定期的維護。

Environmental, Social and Governance

環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.4 Occupational Safety (continued)

Certification The Group has passed the GBT28001-2011/OHSAS18001:2007 safety management certification, during the process of which, a comprehensive review of the Group's safety risks had been conducted and thorough rectification.

Accountability Strengthen the Group's safety management by way of annual assessment of the responsible person responsible the safety issue of each workshop and production site.

The Group also seeks to influence its subcontractors and collaborate with them to heighten their understanding of safety concerns at the workplace.

During the year ended 31 December 2019, there was no confirmed material non-compliance incident or grievance in relation to human rights and labour practices. Reported headcount due to work related injuries amounted to 17.

B.5 Fair and honest corporate culture

The Group adheres to high standards of business ethics and integrity, all staff members are required to abide by the requirements of professional conduct specified in the employee's handbook. Strict rules have also been laid out on accepting gifts from business partners during festive seasons.

B. 僱傭及員工規範 (續)

B.4 職業安全 (續)

認證 本集團通過了 GBT28001-2011/OHSAS18001 : 2007安全管理認證，在認證審核過程中對於安全隱患處進行全面徹底的整改。

問責 對於各個車間及生產現場制定安全負責人，通過安全表現與年度考核相掛鉤的方法，加強安全管理

集團亦試圖帶動其分包商，與他們一同提高對工作場所的安全問題認識。

截至2019年12月31日期間，無已確認的重大違規事件及人權和勞工的申訴。與工作相關的傷害人數為17人。

B.5 宣揚公平廉潔的企業文化

集團堅持高標準的商業道德和廉政，所有員工都必須遵守在員工手冊中規定的職業行為的要求。廉潔準則也體現在節日期間的收受禮物方面。

Environmental, Social and Governance

環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS *(continued)*

B.5 Fair and honest corporate culture *(continued)*

In order to promote a corporate culture with high integrity standard, the Company not only regularly conducts lectures on anti-corruption, it also encourages all employees to participate in anti-corruption activities. Complementing this effort is the implementation of an anti-fraud policy as well as a whistle-blowing policy, which provides a reporting channel for employees and stakeholders such as customers, suppliers, amongst others to report any misconduct or malpractice. During the reporting year, there had been no confirmed case of corruption.

B.6 Compliance

During the year ended 31 December 2019, the Group had no material incidences of non-compliance with relevant laws and regulations regarding employment and labour practices.

Plan for 2020

- To offer the opportunity to employees for furthering their skills.
- To increase employees' knowledge on health protection and introduce health and hygiene knowledge.

B. 僱傭及員工規範 *(續)*

B.5 宣揚公平廉潔的企業文化 *(續)*

為了促進企業文化高廉潔的規定，公司不僅定期進行反腐敗專題講座，它還鼓勵所有員工參與反腐敗活動。為這一舉措集團還配套實行反舞弊及舉報政策，它為員工和利益相關者如客戶、供應商提供了一個報告渠道揭發不端或不當行為。本報告年度期間無證實的腐敗案例。

B.6 合規

截至2019年12月31日期間，集團無違反就業和勞動實踐有關的法律、法規重大的事故發生。

2020年的計劃

- 為員工提供進一步深造技能的機會。
- 開展員工健康防護知識培訓，不定期介紹健康衛生知識。

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環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.6 Compliance (continued)

As at 31 December 2019, the Group had a total of 4,016 employees. The formation of our staff was as follows:

Table 7
Employees of the Group

		2019	2018
		Number of employees	Number of employees
		員工人數	員工人數
Total		4,016	4,604
總數			
Gender	Male	3,426	3,928
按性別	男性		
	Female	590	676
	女性		
Age	Under the age of 30	283	451
按年齡	30歲以下		
	Between the age of 30 and 50	3,192	3,686
	30-50歲		
	Above the age of 50	541	467
	50歲以上		
Region	Northeast of China	3,013	3,384
按地區	中國東北地區		
	Other regions	1,003	1,220
	其他地區		
Job category	Senior management	170	191
職級	管理層		
	Ordinary employee	3,846	4,413
	普通員工		

The turnover rate of the company is 12.8%.

本公司人員流失率為12.8%。

B. 僱傭及員工規範(續)

B.6 合規(續)

截至2019年12月31日，本集團共有僱員人數合計4,016人，集團僱員數據信息如下：

表格7
集團職工情況

		2019	2018
		Number of employees	Number of employees
		員工人數	員工人數
Total		4,016	4,604
總數			
Gender	Male	3,426	3,928
按性別	男性		
	Female	590	676
	女性		
Age	Under the age of 30	283	451
按年齡	30歲以下		
	Between the age of 30 and 50	3,192	3,686
	30-50歲		
	Above the age of 50	541	467
	50歲以上		
Region	Northeast of China	3,013	3,384
按地區	中國東北地區		
	Other regions	1,003	1,220
	其他地區		
Job category	Senior management	170	191
職級	管理層		
	Ordinary employee	3,846	4,413
	普通員工		

Environmental, Social and Governance

環境、社會及管治報告

C. OPERATION PRACTICES

Since establishment, the Group has been committed to building and improving the supply chain of products. On the basis of traditional curtain wall products, the Group adopts relatively complex designs, uses new materials or advanced technology to develop a variety of products, which has proven to be able to provide different functions, such as environmental protection, energy saving and intelligent control. A comprehensive product supply has laid a solid foundation for the Group's development in the China and overseas markets. In order to ensure products are of high quality, the Group screens its suppliers strictly in terms of quality provided, and pay close attention to maintain a good relations of cooperation with customers to ensure efficient and smooth operation of the Group.

C.1 Product responsibility

The Group performs a number of product performance tests before, during and after installation to ensure a high level of safety as follows:

Before installation	Safety test for curtain wall connectivity	The test will usually be conducted during the embedment and after the embedment of the curtain wall parts. The Group will firstly apply for testing, and then conduct sample testing on site as approved by the site supervisor. Testing will be conducted by a professional testing company, which will issue a test report to guide us on the rectification step thereafter, if any.
	Re-testing of materials	This is a quality test of curtain wall components. The site supervisor will select the material samples from the site. Thereafter, samples will be sent to the laboratory for chemical and physical testing, with conclusions being delivered by the laboratory with reference to the national and industry-related standards.

C. 市場運營

自創立以來，本公司一直致力建設及完善產品供應。在傳統幕牆產品的基礎上，本公司應用更多複雜的設計、新材料或先進技術，開發多種產品，以提供不同功能，如環保、節能及智能控制。全面的產品供應為本公司奠定下堅實的基礎，利於中國和海外市場業務的拓展。為保證產品的高品質，本公司嚴格篩選優質的供應商，並注重與供應商保持緊密良好的合作關係，保證集團運營高效順暢。

C.1 產品責任

本公司在幕牆產品安裝前、安裝時和安裝後，均實施多項產品性能測試，以確保項目的高安全性：

安裝前	幕牆連接性的安全測試	此項測試主要在幕牆的預埋件及後補埋件進行。本公司首先申請測試，然後在工地挑選經現場監督員核准的測試樣本。測試由專業檢測公司進行，檢測公司會發出測試報告，指引本公司隨後要採取的步驟。
	材料的複檢測試	這是幕牆部件的質量測試。現場監督員會從工地挑選材料樣本，樣本送往實驗室進行化學性能和物理性能的檢測，實驗室然後按國家及行業相關標準，得出檢測結論。

Environmental, Social and Governance

環境、社會及管治報告

C. OPERATION PRACTICES *(continued)*

C.1 Product responsibility *(continued)*

Material compatibility testing This is a safety and performance test to determine if the sealant and curtain wall components have any bonding problems or harmful chemical effects. Samples of curtain wall components will be provided to the relevant sealant manufacturers who will conduct the tests and provide written reports to the Group.

Curtain wall performance testing This test is used to ensure that the performance of the curtain wall in use, with four basis tests to be conducted, including wind pressure, water-tightness, air tightness, in-plane deformation. Inspections may also include insulation, sound insulation, seismic and optical performance as part of the test, as appropriate. Performance testing is conducted by national laboratory with reference to the relevant project curtain wall performance and performance indicators.

During installation **Conformance testing of lightning protection grid** The purpose of the test is to ensure that people and property in the building will not be damaged by lightning. Detection will be carried out in each lightning protection grid.

C. 市場運營 (續)

C.1 產品責任 (續)

材料的兼容性的測試 這是安全和性能的檢測，以確定密封膠與幕牆部件有沒有粘合問題或有有害的化學作用。本公司向相關密封膠生產商提供幕牆部件樣本，該等生產商會進行測試，並向本公司提供書面報告。

幕牆性能的測試 這個檢測用以確保幕牆在使用時的性能，內容包括抗風壓、水密性、氣密性、平面內變形等四項基本性能的測試。視乎情況，檢測內容也可能包括隔熱、隔聲、抗震和光學性能。性能檢測由國家檢測實驗室根據相關項目的幕牆圖紙和性能指針進行。

安裝時 **防雷網格的導通測試** 檢測目的是確定建築物內的人和財產不會因幕牆受雷擊而受損傷。檢測會在每個防雷網格進行。

Environmental, Social and Governance

環境、社會及管治報告

C. OPERATION PRACTICES *(continued)*

C.1 Product responsibility *(continued)*

Strength testing of structural adhesives The structural adhesive is used to connect the curtain wall panel and aluminum. This is what is required to be done after applying the structural adhesive and applying the sealant to the curtain wall component.

After installation On-site water spray test This is a field test of whether the curtain wall has water leakage, i.e., a five-minute water spray test for each cross-connector.

In case of complaint(s) To be handled as soon as possible We attach enormous significance to customer satisfaction and regard customers' feedback as the motivation for advancement and innovation. Any complaint to our operation sites will be recorded and dealt with immediately.

During the year ended 31 December 2019, the customers' complaints rate of the Group is under 5%. The Company will continue to enhance its product quality to strive to reduce the number of complaints in the future.

C. 市場運營 (續)

C.1 產品責任 (續)

結構膠的強度測試 結構膠用於連接幕牆板塊及鋁材。這是本公司在塗上結構膠後並於幕牆部件上塗上密封膠前需要進行的檢測

安裝後現場噴水試驗 這是對幕牆有否滲水的現場試驗，即對每個十字接口進行五分鐘噴水試驗。

受理投訴時 立即處理 立即對客戶的投訴進行反饋，展開調查，並迅速解決。

截至2019年12月31日止年度內，本集團客戶投訴率低於5%。本公司將繼續加強產品質量，努力減少未來的投訴數量。

C. OPERATION PRACTICES *(continued)*

C.2 Supply chain management

The Group relies on an extensive network of suppliers and subcontractors to ensure the quality and consistency of its services. The proactive management of the Group's supply chain helps the Group mitigate and manage related risks that may affect its operations. The Group continuously engages with its subcontractors and raise their awareness on occupational health and safety issues. The Group also assesses its suppliers and subcontractors by reviewing their services, product quality, safety, financial performance on an annual basis. Substandard suppliers and subcontractors will be suspended or even removed from our approved vendor list. To ensure consistent implementation of sustainable development across the Company's supply chain, in selecting suppliers, the Company also takes into consideration their historical performance in the social responsibility aspect, as well as their environment management system and safety management system.

The Company has established a very perfect supplier evaluation system, evaluation factors include not only the strength and credibility of the supplier, the quality control system, technology, production capacity, supply ability, management and product price, also consider whether the factors such as environmental protection, harmless to the human body. According to the evaluation results, compiled annually qualified supplier list, and qualified suppliers can be divided into A, B, C three categories, the Company usually only buys from this year's list of qualified suppliers in the purchase of raw materials, including class A is preferred, class C as a last resort. In order to reduce carbon emissions in the process of transportation and save the transportation cost at the same time, the Company gives priority to local quality qualified suppliers.

C. 市場運營 (續)

C.2 供應鏈管理

本集團依賴於廣泛的供應商和分包商網絡，以保證自身產品的質量和服務品質。本集團對於供應鏈的主動式管理可以幫助緩解和控制可能影響業務運轉的相關的風險。集團不斷和其分包商進行磨合以提高他們對職業健康安全問題的認識。本集團還評估供應商和分包商通過檢查他們的服務，產品質量，安全，每年的財務業績。不合格的供應商和分包商將暫停甚至從本公司經批准的供應商名單上刪除。為確保可持續發展的理念貫徹于本公司整個供應鏈，本公司在選擇供應商時亦會考慮其過往在履行社會責任方面的表現，以及其環境管理系統及職業健康與安全管理體系等作為考慮。

本公司已經建立了十分完善的供應商評估系統，評估因素不僅包括供貨商的實力和信譽、質量控制系統、技術、產能、供應能力、管理及產品價格，還考慮了是否環保、對人體無害等因素。根據評估結果，每年編撰合格供應商名單，並將合格供應商分為A、B、C三類，公司一般只從該年名單的合格供應商中購買原材料，其中A類是首選，C類是最後之選。為了減少運輸過程中的碳排放量，降低運輸成本，優先考慮本地優質合格的供應商。

Environmental, Social and Governance

環境、社會及管治報告

C. OPERATION PRACTICES *(continued)*

C.2 Supply chain management *(continued)*

Preliminary review of documents and discussion on bidding proposals will be conducted. When the final decision is made after deliberation, the Group will enter into a purchase agreement with the selected supplier.

Necessary due diligence is also performed where required, with site visits and verification of products or services arranged to ensure that suppliers conform to the Group's high standards.

Table 8
Qualified suppliers of the Group

Number of suppliers
供應商數量

Geographical region
按地區

Northeast of China
東北

Other regions of China
其他省市

2019 2018

101 124

264 324

C.3 Intellectual Rights Protection

In order to provide consumers with genuine high quality products and protect our product and installation method of intellectual property rights, in 2019, the Group obtained 31 patents for utility model.

C. 市場運營 (續)

C.2 供應鏈管理 (續)

隨後，我們將對投標文件進行初步的審查並進行討論。當經審議後做出最終決議時，該集團將與選定的供應商簽訂購買協議。

必要時也會展開對供應商的盡職調查，通過現場考察以及產品及服務驗證的方式確保供應商達到了本集團對產品的高標準。

表格8
集團合格供應商情況

2019 2018

101 124

264 324

C.3 知識產權保護

為了真正為消費者提供高質量的產品，為保護有關我們的產品及安裝方法的知識產權，於2019年，本集團新獲專利授權31項實用新型專利。

Environmental, Social and Governance

環境、社會及管治報告

D. COMMUNITY

The Group as a corporation, should take up and be accountable for social responsibility. The Group actively cares about the society and fulfills its corporate social responsibilities. Ever since the establishment, the Group has been maintaining close communications and interactions with local communities in order to contribute to local development. As a result of which, the Group actively participates in community and government livelihood activities, to create a harmonious society.

Table 9
Social responsibility activities

Date 日期	Main community activities 主要活動
2019-12-20	Organized long-distant race 長跑
2019-9-30	Chorus competition to celebrate the 70th anniversary of the founding of the People's Republic of China 國慶70周年合唱比賽
2019-7-18	Organized tug-of-war competition 拔河比賽
2019-6	Charity activities in 14 children's welfare homes in Liaoning Province 遼寧境內14家兒童福利院愛心公益活動
2019-5-25	Organized the stride race 健步走
2019-3-7	Organized free medical consultation clinic for female employees 女職工義診活動
2019-1-23	Arranged for employees' return to their hometown to celebrate the Chinese New Year 護送員工返鄉度新春

In 2019, total expense of community activities is about RMB4.0 million paid by Yuanda Federation of trade union which is responsible for all the employees' interests in the Company and the companies controlled by the Controlling Shareholder.

D. 社區

作為一個公司，應該承擔社會責任。本集團積極關心社會和履行企業社會責任。自成立以來，集團一直保持與當地社區密切溝通和互動來促進當地的發展。為此，集團積極參與社區和政府生計活動，為創建一個和諧社會貢獻力量。

表格9
社會責任活動

2019年，社會責任活動總支出約為人民幣4.0百萬元由遠大總工會統一支付。遠大總工會對本公司及控股股東控制的其他公司的全體員工利益負責。

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環境、社會及管治報告

E AWARDS AND HONOR

The Company have long been striving for innovation and providing qualified products to customers. In 2019, the Company was awarded the following awards and honors:

Date 日期	Main honors 主要名譽名稱
2019-12-10	Awarded with Luban Prize for construction project for 2018-2019
2019-11	2018-2019年度中國建設工程魯班獎 Outstanding companies for industrial product with green design
2019-7-29	工業產品綠色設計示範企業 Top 20 international contractor for construction projects 對外承包工程企業房建工程業務20強
2019-7-27	Top 225 international companies for construction design 國際工程設計公司225強
2019-2-22	Top 100 Chinese companies ordered by amount of newly-awarded overseas contract 2018年我國對外承包工程業務新簽合同額前100家企業

E 獲得獎項及榮譽

公司一直力求創新，為客戶提供高品質的產品。於2019年，我們獲得了以下的獎項及榮譽：

Awards Sponsor 主辦單位
Ministry of Housing and Urban-Rural Development of the People's Republic of China and China Construction Industry Association 住房和城鄉建設部、中國建築業協會
Ministry of industry and information technology of the people's Republic of China 中華人民共和國工業和信息化部
China International Contractors Association 中國對外承包商會
American Engineering News Record 美國《工程新聞記錄》
Department of foreign investment and economic cooperation, Ministry of Commerce 商務部對外投資和經濟合作司

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環境、社會及管治報告

Compliance with relevant laws and regulations having a significant impact on the Company

遵守對本公司有重大影響的相關法律法規

Aspect 層面	Applicable Laws and Regulations 適用的法律及法規	Corresponding Section 對應章節
Emissions 排放物	<p>Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》</p> <p>Water Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國水污染防治法》</p> <p>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes 《中華人民共和國固體廢棄物污染環境防治法》</p> <p>Soil Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國土壤污染防治法》</p> <p>Cleaner Production Promotion Law of the People's Republic of China 《中華人民共和國清潔生產促進法》</p> <p>Directory of National Hazardous Wastes 《國家危險廢物名錄》</p> <p>Integrated Emission Standards of Air Pollutants 《大氣污染物綜合排放標準》</p> <p>Integrated Wastewater Discharge Standards 《污水綜合排放標準》</p> <p>Standards on Storage and Pollution Control of Hazardous Wastes 《危險廢物貯存污染控制標準》</p> <p>Administrative Regulations on Environmental Protection for Development Projects 《建設項目環境保護管理條例》</p>	A.1
Use of Resources 資源使用	<p>Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》</p> <p>Circular Economy Promotion Law of the People's Republic of China 《中華人民共和國循環經濟促進法》</p>	A.2,A.3
Environmental and natural resources 環境及天然資源	<p>Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》</p>	A.2

Environmental, Social and Governance

環境、社會及管治報告

Compliance with relevant laws and regulations having a significant impact on the Company (continued)

遵守對本公司有重大影響的相關法律法規(續)

Aspect 層面	Applicable Laws and Regulations 適用的法律及法規	Corresponding Section 對應章節
Employment 僱傭	Labour Law of the People's Republic of China 《中華人民共和國勞動法》 Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》	B.1
Labour standards 勞工準則	Provisions on the Prohibition of Using Child Labour 《禁止使用童工規定》 Law of the People's Republic of China on the Protection of Minors 《中華人民共和國未成年人保護法》	B.1
Health and safety 健康與安全	Production Safety Law of the People's Republic of China 《中華人民共和國安全生產法》 Fire Control Law of the People's Republic of China 《中華人民共和國消防法》	B.4
Product responsibilities 產品責任	Product Quality Law of the People's Republic of China 《中華人民共和國產品質量法》 Law of the People's Republic of China on the Protection of Consumer Rights and Interests 《中華人民共和國消費者權益保護法》 Intellectual Property Law of the People's Republic of China 《中華人民共和國知識產權法》 Patent Law of the People's Republic of China 《中華人民共和國專利法》	C.1,C.3
Anti-corruption 反貪腐	Criminal Law of the People's Republic of China 《中華人民共和國刑法》 Anti-unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》	B.5

During the year ended 31 December 2019, the Company has complied with the above laws and regulations that have a significant impact on the Company.

截至2019年12月31日止年度，本公司遵守了上述對本公司有重大影響的法律法規。

Environmental, Social and Governance

環境、社會及管治報告

ESG content index

ESG索引

Aspect 層面	KPI 指標	Description 描述	Remarks 標注
A. Environmental			
A.環境			
A1 Emission			
A1 排放物			
	A1	General Disclosure 一般披露	A1.1
	A,A.1	Types of emissions and respective emissions data 排放物種類及相關排放數據。	Table 4 表格4
	A1.2	Greenhouse gas emissions in total and where appropriate, intensity 溫室氣體總排放量及(如適用)密度	Table 4 表格4
	A1.3	Total hazardous waste produced and where appropriate, intensity 所產生有害廢棄物總量及(如適用)密度	Not Applicable 不適用
	A1.4	Total non-hazardous waste produced and where appropriate, intensity 所產生無害廢棄物總量及密度	A.3, Table 6 A.3,表格6
	A1.5	Measure to mitigate emissions and results achieved 描述減低排放量的措施及所得成果	A.2, Table 5 表格5
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	A.3, Table 6 A.3,表格6
A2 Use of Resources			
A2資源使用			
	A2	General Disclosure 一般披露	A
	A2.1	Direct and/or indirect energy consumption by type in total and intensity 按類型劃分的直接及/或間接能源總耗量及密度	A.1, Table 3 A.1,表格3
	A2.2	Water consumption in total and intensity 總耗水量及密度	A.1, Table 3 A.1,表格3
	A2.3	Energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果	A.1
	A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	A.1, Table 3 A.1,表格3
	A2.5	Total packaging material used for finished products 製成品所用包裝材料的總量及(如適用)每生產單位佔量	A.3

Environmental, Social and Governance

環境、社會及管治報告

ESG content index (continued)

ESG索引(續)

Aspect 層面	KPI 指標	Description 描述	Remarks 標注
A3 The Environment and Natural Resources A3環境及天然資源	A3	General Disclosure 一般披露	A
	A3.1	Significant impacts of activities on the environment and natural resources and the actions taken to manage them 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	A.1, Table 1 A.2, Table 5 A.1, 表格1 A.2, 表格5
A4 The climate change A4氣候變化	A4	General Disclosure 一般披露	A.4
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them. 描述已影響及可能對發行人產生影響的重大氣候相關事宜，及應對行動。	A.4 A.4 A.4
B. Social B.社會			
Employment and Labour Practices 僱傭及勞工準則			
B1 Employment B1僱傭	B1	General Disclosure 一般披露	B
	B1.1	Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數	B.6 Table7 B.6表格7
	B.2	Employee turnover rate by gender, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員流失率	B.6 B.6
B2 Health and Safety B2健康與安全	B2	General Disclosure 一般披露	B.1
	B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	B.4 B.4
	B2.2	Lost days due to work injury 因工傷損失工作日數	B.4 B.4

Environmental, Social and Governance

環境、社會及管治報告

ESG content index (continued)

ESG索引(續)

Aspect 層面	KPI 指標	Description 描述	Remarks 標注
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 描述所採納的職業健康與安全措施，以及相關執行及監察方法	B.1
B3 Development and Training B3發展及培訓	B3	General Disclosure 一般披露	B.2
	B3.1	Percentage of employees trained by gender and employee category 按性別及僱員類別劃分的受訓僱員百分比	B.2 B.2
	B3.2	Average training hours completed per employee by gender and employee category 按性別及僱員類別劃分，每名僱員完成受訓的平均時數	B.2 B.2
B4 Labour Standards B4勞工準則	B4	General Disclosure 一般披露	B.3,B.4
	B4.1	Measures to review employment practices to avoid child and forced labour 描述檢討招聘慣例的措施以避免童工及強制勞工	B.1
	B4.2	Steps taken to eliminate such practices when discovered 描述在發現違規情況時消除童工及強制勞工情況所採取的步驟	B.1
Operating Practices 運營			
B5 Supply Chain Management B5供應鏈管理	B5	General Disclosure 一般披露	C
	B5.1	Number of suppliers by geographical region 按地區劃分的供應商數目	C.2, Table 8 C.2, 表格8
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法	C, C.2

Environmental, Social and Governance

環境、社會及管治報告

ESG content index (continued)

ESG索引(續)

Aspect 層面	KPI 指標	Description 描述	Remarks 標注
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法	C.2
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored 描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察的方法	C.2
B6 Product Responsibility B6產品責任	B6	General Disclosure 一般披露	C.1
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons 已售或已運送產品總數中因安全與健康理由而須回收的百分比	C.1
	B6.2	Number of products and services related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	C.1
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Environmental, Social and Governance

環境、社會及管治報告

ESG content index (continued)

ESG索引(續)

Aspect 層面	KPI 指標	Description 描述	Remarks 標注
B7 Anti-corruption B7反貪污	B7	General Disclosure 一般披露	B.5 · B.6
	B7.1	Number of concluded legal cases regarding corrupt practices during the reporting period and the outcomes of the cases\ 于匯報期內對發行人或其雇員提出並已審結的貪污訴訟案件的數目及訴訟結果	B.5 · B.6
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored 描述防範措施及舉報程序，以及相關執行及監察方法	B.5 · B.6
	B7.3	Description of anti-corruption training provided to directors and staff 描述向董事及員工提供的反貪污培訓	B.5 B.5
B8 Community Investment B8社會責任	B8	General Disclosure 一般披露	D
	B8.1	Focus areas of contribution 專注貢獻範疇	Table 9 表格9
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Independent Auditor's Report

獨立核數師報告



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF YUANDA CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Yuanda China Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 120 to 275, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") 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 ("HKSAAs") issued by the Hong Kong Institute of Certified Public Accountants ("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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致遠大中國控股有限公司 股東的獨立核數師報告

(於開曼群島註冊成立之有限公司)

意見

吾等已完成審核遠大中國控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）載於第120頁至第275頁之合併財務報表，包括貴集團於2019年12月31日之合併財務狀況表，及貴集團截至該日止年度之合併損益表、合併損益及其他全面收益表、合併權益變動表及合併現金流量表以及合併財務報表附註，包括主要會計政策概要。

吾等認為，合併財務報表已根據國際會計準則理事會（「國際會計準則理事會」）頒布的國際財務報告準則（「國際財務報告準則」）真實而中肯地反映了貴集團於2019年12月31日之合併財務狀況以及截至該日止年度之合併財務表現及合併現金流量，並已按照香港公司條例之披露規定妥為編製。

意見之基礎

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。吾等在該等準則下承擔的責任已在本報告核數師就審核合併財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」）以及與吾等對開曼群島合併財務報表的審計相關的道德要求，吾等獨立於貴集團，並已履行該等道德要求以及守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的審計意見提供基礎。

Independent Auditor's Report (continued)

獨立核數師報告(續)

KEY AUDIT MATTERS

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

Recognition of construction contract revenue

Refer to Note 4 to the consolidated financial statements and the accounting policies in Note 2(u)(i).

The Key Audit Matter

The Group is primarily engaged in the design, production and installation of curtain wall systems for commercial buildings and high-end residential buildings. The Group normally enters into construction contracts with main contractors or real estate developers.

The Group recognises construction contract revenue progressively overtime using input method based on the proportion of total contract costs incurred at the end of reporting period compared to the estimated total budgeted contract costs to complete the contract when control of the goods or service is transferred to the customer.

The measurement of the revenue therefore relies on estimations of total budgeted contract costs. Changes to estimated total budgeted contract costs could give rise to material variances in the amount of revenue recognised.

How the matter was addressed in our audit

Our procedures to assess the recognition of construction contract revenue included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the budgeting process for construction contracts;
- scrutinising the key clauses of construction contracts on a sample basis, and assessing whether these key clauses had been appropriately reflected in the estimation of total budgeted contract costs applied in revenue recognition;
- challenging the Group's estimates of budgeted costs to complete the contract on a sample basis by considering the Group's historical records of gross profit margins for similar contracts;

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對本期合併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合併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。

建築合同收入確認

請參閱合併財務報表附註4及附註及2(u)(i)的會計政策。

關鍵審計事項

貴集團主要從事為商業大廈及高端住宅大廈設計、生產及安裝幕牆系統。貴集團一般與主要承包商或房地產開發商訂立建築合同。

貴集團根據於報告期末產生的合同成本總額使用投入法隨著時間逐步確認建築合同收入，並與在商品或服務的控制權轉移至客戶時完成合同的估計總預算合同成本相比較。

因此，收入的計量依賴對總預算的估計。估計總預算的變動或會引起收入確認的金額產生重大差異。

吾等的審計如何處理該事項

吾等就確認建築合同收入執行的程序包括：

- 評估有關建築合同預算編製過程的關鍵內部控制的設計、執行及運行有效性；
- 以抽樣方式核對合同的關鍵條款，並評估該等關鍵條款是否已在估計總預算中適當反映，並於收入確認中應用；
- 透過考慮貴集團類似合同的毛利率的歷史記錄，以抽樣方式評價貴集團對項目總預算的估計是否合理；

Independent Auditor's Report (continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (continued)

Recognition of construction contract revenue (continued)

Refer to Note 4 to the consolidated financial statements and the accounting policies in Note 2(u)(i).

The Key Audit Matter

We identified the recognition of construction contract revenue as a key audit matter because there is a high degree of risk and associated management judgement in estimating total budgeted contract costs and the amount of revenue to be recognised by the Group.

How the matter was addressed in our audit

- assessing whether costs incurred were accounted for in the appropriate period and comparing costs incurred during the current period to purchase invoices and other relevant underlying documentation on a sample basis;
- performing a re-calculation of revenue recognised for individual contracts based on the estimated total budgeted contract costs, the costs incurred to date and the agreed contract price;
- performing site visits for the selected major contracts in progress, physically observing the stage of completion of the contract and discussing the status of the contract with the site supervisor; and
- assessing the related disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

關鍵審計事項(續)

建築合同收入確認(續)

請參閱合併財務報表附註4及附註及2(u)(i)的會計政策。

關鍵審計事項

吾等確定確認建築合同收入為關鍵審計事項，乃由於在估計總預算及確認合同變更時，以及確認貴集團的收入金額時涉及高風險及高度依賴管理層判斷。

吾等的審計如何處理該事項

- 評估合同產生的成本是否於合適期間入賬，並以抽樣方式對當前期間產生的成本與採購發票及其他相關文件相比較；
- 根據估計總預算合同成本、累計已發生成本及協定合同價格，對各合同確認的收入進行重新計算；
- 就經選定的主要在建合同進行實地視察，現場視察合同完成進度，並與工程負責人討論合同狀況；及
- 參考現行會計準則的規定，評估合併財務報表中的相關披露。

Independent Auditor's Report (continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (continued)

Loss allowance for contract assets and trade receivables

Refer to Notes 17, 18 and 31(a) to the consolidated financial statements and the accounting policies in Note 2(k)(i).

The Key Audit Matter

The Group's contract assets and trade receivables are mainly arising from the Group's construction contract business. As at 31 December 2019, the aggregate amount of contract assets and trade receivables totalled RMB5,399.6 million.

The Group measures loss allowances on contract assets and trade receivables at amounts equal to lifetime expected credit losses (the "ECL") using a provision matrix which involved significant management judgement in estimating loss rate and adjusting factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

We identified the loss allowance for contract assets and trade receivables as a key audit matter because of the significant balances at the end of the reporting period and because the recognition of ECL is inherently subjective and requires the exercise of significant management judgement.

How the matter was addressed in our audit

Our procedures to assess the loss allowance of contract assets and trade receivables included the following:

- assessing the design and implementation of key internal controls over the credit control and estimation of the ECL;
- assessing the reasonableness of the ECL by examining the information used by management to form such estimates, including testing the accuracy of the historical loss rates and historical transition rates, and evaluating whether the historical loss rates and historical transition rates are appropriately applied in the ECL model;
- assessing whether items in the ageing report were categorised appropriately for contract assets and trade receivables by comparing a sample of individual items with the underlying documentation; and
- assessing the related disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

關鍵審計事項(續)

合同資產及貿易應收款的虧損撥備

請參閱合併財務報表附註17、18及31(a)及附註2(k)(i)的會計政策。

關鍵審計事項

貴集團的合同資產及貿易應收款主要來自貴集團建築合同業務。於2019年12月31日，合同資產及貿易應收款總額為人民幣5,399.6百萬元。

貴集團使用撥備矩陣按等於存續期預期信用損失(「預期信用損失」)的金額計量合同資產及貿易應收款的虧損撥備，這涉及在估計虧損率、債務人的特定調整因素、評估當前及預測整體經濟狀況時作出重大管理層判斷。

吾等識別合同資產及貿易應收款虧損撥備為關鍵審計事項，原因為報告期末的結餘重大以及確認預期信用損失本身具有主觀性及須行使重大管理層判斷。

吾等的審計如何處理該事項

吾等就評估合同資產及貿易應收款時執行以下程序：

- 評估有關信用控制及估計預期信用損失的主要內部監控的設計及實施；
- 透過檢查管理層形成有關估計所使用的資料評估預期信用損失的合理性，包括測試歷史虧損率的準確性及評估歷史虧損率及歷史過渡率是否於預期信用損失模式中妥善應用；
- 比較單個項目樣本與相關文件，評估合同資產及貿易應收款賬齡報告中的項目是否準確分類；及
- 參考現行會計準則的規定，評估合併財務報表中的相關披露。

Independent Auditor's Report (continued)

獨立核數師報告(續)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

合併財務報表及其核數師報告以外的資料

董事需對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括合併財務報表及吾等的核數師報告。

吾等對合併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。

結合吾等對合併財務報表的審計，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合併財務報表或吾等在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於吾等已執行的工作，倘吾等認為其他資料存在重大錯誤陳述，吾等需要報告該事實。就此而言，吾等沒有任何報告。

董事就合併財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒布的國際財務報告準則及香港公司條例的披露要求編製真實而公允之合併財務報表，並對其認為使合併財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核合併財務報表承擔的責任

吾等的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅向整體股東報告。除此以外，吾等的報告不可用作其他用途。吾等概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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

在根據香港審計準則進行審計的過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及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，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report (continued)

獨立核數師報告(續)

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

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

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

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

核數師就審核合併財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，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合併財務報表中的相關披露。假若有關的披露不足，我們應當發表非無保留意見。吾等的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對合併財務報表發表意見。吾等負責貴集團審計的方向、監督和執行。吾等為審計意見承擔全部責任。

除其他事項外，吾等與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括吾等在審計中識別出內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，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地被認為會影響吾等獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

Independent Auditor's Report (continued)

獨立核數師報告(續)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yu Wai Sum.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 April 2020

核數師就審核合併財務報表承擔的責任(續)

從與審核委員會溝通的事項中，吾等確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。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，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，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余慧心。

畢馬威會計師事務所

執業會計師
香港中環
遮打道十號
太子大廈八樓

2020年4月24日

Consolidated Statement of Profit or Loss

合併損益表

(Expressed in Renminbi ("RMB")) For the year ended 31 December 2019
(以人民幣(「人民幣」)為單位) 截至2019年12月31日止年度

		Note	2019	2018
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
				(Note)
				(附註)
Revenue	收入	4	4,041,253	4,615,704
Cost of sales	銷售成本		(3,049,917)	(3,714,701)
Gross profit	毛利		991,336	901,003
Other income	其他收入	5	121,362	172,741
Selling expenses	銷售費用		(86,541)	(91,112)
Administrative expenses	行政開支		(531,707)	(565,949)
Expected credit losses of financial and contract assets	金融資產及合同資產之預期信用損失		(155,909)	(193,754)
Profit from operations	經營利潤		338,541	222,929
Finance costs	融資成本	6(a)	(142,523)	(68,767)
Profit before taxation	稅前利潤	6	196,018	154,162
Income tax	所得稅	7	(106,198)	(65,991)
Profit for the year	年內利潤		89,820	88,171
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司股東		89,820	79,119
Non-controlling interests	非控股權益		-	9,052
Profit for the year	年內利潤		89,820	88,171
Earnings per share (RMB cents)	每股盈利(人民幣分)			
- Basic and diluted	- 基本及攤薄	11	1.45	1.27

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

The notes on pages 129 to 275 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 29(b).

第129頁至第275頁之附註為此等財務報表之一部分。應付本公司股東應佔年內利潤之股息詳情載於附註29(b)。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併損益及其他全面收益表

(Expressed in RMB) For the year ended 31 December 2019
(以人民幣為單位) 截至2019年12月31日止年度

		2019	2018
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
			(Note)
			(附註)
Profit for the year	年內利潤	89,820	88,171
Other comprehensive income for the year (after tax and reclassification adjustments):	年內其他全面收益(除稅及重新分類調整後):		
	10		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益的項目:		
– Exchange differences on translation of financial statements of the Company and certain subsidiaries into presentation currency	– 換算本公司及若干附屬公司財務報表為呈列貨幣的匯兌差額	(66,252)	(17,017)
– Cash flow hedge: net movement in the hedging reserve	– 現金流量對沖: 對沖儲備變動淨額	–	(1,221)
Other comprehensive income for the year	對沖儲備變動淨額	(66,252)	(18,238)
Total comprehensive income for the year	年內全面收益總額	23,568	69,933
Attributable to:	以下人士應佔:		
Equity shareholders of the Company	本公司股東	23,568	58,345
Non-controlling interests	非控股權益	–	11,588
Total comprehensive income for the year	年內全面收益總額	23,568	69,933

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註: 本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法, 比較資料不予重列。有關詳情請參閱附註2(c)。

The notes on pages 129 to 275 form part of these financial statements.

第129頁至第275頁之附註為此等財務報表之一部分。

Consolidated Statement of Financial Position

合併財務狀況表

(Expressed in RMB) At 31 December 2019
(以人民幣為單位) 於2019年12月31日

		Note	2019	2018
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
				(Note)
				(附註)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	387,236	427,829
Right-of-use assets	使用權資產	13	249,404	–
Lease prepayments	預付租金		–	368,358
Investment property	投資物業	14	31,135	–
Deferred tax assets	遞延稅項資產	27(c)	466,236	558,844
			1,134,011	1,355,031
Current assets	流動資產			
Inventories and other contract costs	存貨及其他合同成本	16	322,001	407,125
Contract assets	合同資產	17	2,568,142	2,831,703
Trade and bills receivables	貿易應收款及應收票據	18	2,918,319	2,838,648
Deposits, prepayments and other receivables	按金、預付款及其他應收款	19	712,604	789,864
Cash on hand and in bank	手頭現金及銀行存款	20(a)	1,878,068	1,702,751
Assets classified as held for sale	分類為持作出售資產	21	–	136,241
			8,399,134	8,706,332
Current liabilities	流動負債			
Trade and bills payables	貿易應付款及應付票據	22	2,582,442	2,998,632
Contract liabilities	合同負債	17	823,187	881,998
Accrued expenses and other payables	應計開支及其他應付款	23	1,265,355	592,280
Bank loans	銀行貸款	24(a)	1,645,000	2,287,877
Income tax payable	應付所得稅	27(a)	226,930	224,084
Provision for warranties	保修撥備	28	82,023	63,365
			6,624,937	7,048,236
Net current assets	流動資產淨值		1,774,197	1,658,096
Total assets less current liabilities	總資產減流動負債		2,908,208	3,013,127

The notes on pages 129 to 275 form part of these financial statements.

第129頁至第275頁之附註為此等財務報表之一部分。

Consolidated Statement of Financial Position (continued)

合併財務狀況表(續)

(Expressed in RMB) At 31 December 2019
(以人民幣為單位) 於2019年12月31日

			2019	2018
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
				(Note)
				(附註)
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	24(b)	–	61,769
Lease liabilities	租賃負債		2,554	–
Deferred tax liabilities	遞延稅項負債	27(c)	173	2,858
Provision for warranties	保修撥備	28	173,786	240,373
			176,513	305,000
			<hr/>	<hr/>
NET ASSETS	淨資產		2,731,695	2,708,127
			<hr/>	<hr/>
CAPITAL AND RESERVES	資本及儲備	29		
Share capital	股本		519,723	519,723
Reserves	儲備		2,211,972	2,188,404
			<hr/>	<hr/>
TOTAL EQUITY	總權益		2,731,695	2,708,127
			<hr/>	<hr/>

Approved and authorised for issue by the board of directors on 24 April 2020.

董事會於2020年4月24日批准及授權刊發。

Kang Baohua

康寶華

Director (Chairman)

董事(主席)

Wang Hao

王昊

Director

董事

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

The notes on pages 129 to 275 form part of these financial statements.

第129頁至第275頁之附註為此等財務報表之一部分。

Consolidated Statement of Changes in Equity

合併權益變動表

(Expressed in RMB) For the year ended 31 December 2019
(以人民幣為單位) 截至2019年12月31日止年度

Attributable to equity shareholders of the Company
本公司股東應佔

	Share capital	Share premium	Shares held under share		Other reserve	PRC			Retained profits	Non-controlling interests	Total equity	
			award scheme			statutory reserves	Exchange reserve	Hedging reserve				
			根據股份	獎勵計劃		中國						
	股本	股份溢價	持有股份	其他儲備	法定儲備	匯兌儲備	對沖儲備	保留利潤	總計	非控股權益	總權益	
	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	
		(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)				
	(Note 29(c))	(d)(i)	(d)(ii)	(d)(iii)	(d)(iv)	(d)(v)	(d)(vi)	(d)(vii)	(Note)			
	(附註29(c))	(附註29)	(附註29)	(附註29)	(附註29)	(附註29)	(附註29)	(附註29)	(附註)			
Balance at 1 January 2018	於2018年1月1日之結餘	519,723	574,047	(210)	189,698	393,206	2,018	1,221	1,103,991	2,783,694	(145,500)	2,638,194
Changes in equity for 2018: 2018年之權益變動：												
Profit for the year	年內利潤	-	-	-	-	-	-	-	79,119	79,119	9,052	88,171
Other comprehensive income	其他全面收益	-	-	-	-	-	(19,553)	(1,221)	-	(20,774)	2,536	(18,238)
Total comprehensive income	全面收益總額	-	-	-	-	-	(19,553)	(1,221)	79,119	58,345	11,588	69,933
Acquisition of non-controlling interests	收購非控股權益	-	-	-	(133,912)	-	-	-	-	(133,912)	133,912	-
Appropriation to reserves	分配至儲備	-	-	-	-	26,925	-	-	(26,925)	-	-	-
		-	-	-	(133,912)	26,925	-	-	(26,925)	(133,912)	133,912	-
Balance at 31 December 2018	於2018年12月31日之結餘	519,723	574,047	(210)	55,786	420,131	(17,535)	-	1,156,185	2,708,127	-	2,708,127

The notes on pages 129 to 275 form part of these financial statements.

第129頁至第275頁之附註為此等財務報表之一部分。

Consolidated Statement of Changes in Equity (continued)

合併權益變動表(續)

(Expressed in RMB) For the year ended 31 December 2019
(以人民幣為單位) 截至2019年12月31日止年度

		Share capital	Share premium	Shares held under share award scheme	Other reserve	PRC statutory reserves	Exchange reserve	Retained profits	Total
		股本	股份溢價	根據股份獎勵計劃持有股份	其他儲備	中國法定儲備	匯兌儲備	保留利潤	總計
		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
		(Note 29(c))	(Note 29(d)(i))	(Note 29(d)(ii))	(Note 29(d)(iii))	Note 29(d)(iv)	(Note 29(d)(v))	(Note)	
		(附註29(c))	(附註29(d)(i))	(附註29(d)(ii))	(附註29(d)(iii))	附註29(d)(iv)	(附註29(d)(v))	(附註)	
Balance at 1 January 2019	於2019年1月1日之結餘	519,723	574,047	(210)	55,786	420,131	(17,535)	1,156,185	2,708,127
Changes in equity for 2019:	2019年之權益變動：								
Profit for the year	年內利潤	-	-	-	-	-	-	89,820	89,820
Other comprehensive income	其他全面收益	-	-	-	-	-	(66,252)	-	(66,252)
Total comprehensive income	全面收益總額	-	-	-	-	-	(66,252)	89,820	23,568
Appropriation to reserves	分配至儲備	-	-	-	-	15,770	-	(15,770)	-
Balance at 31 December 2019	於2019年12月31日之結餘	519,723	574,047	(210)	55,786	435,901	(83,787)	1,230,235	2,731,695

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

The notes on pages 129 to 275 form part of these financial statements.

第129頁至第275頁之附註為此等財務報表之一部分。

Consolidated Cash Flow Statement

合併現金流量表

(Expressed in RMB) For the year ended 31 December 2019
(以人民幣為單位) 截至2019年12月31日止年度

		Note	2019	2018
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
				(Note) (附註)
Operating activities	經營活動			
Profit before taxation	稅前利潤		196,018	154,162
Adjustments for:	調整項目：			
Depreciation and amortisation	折舊及攤銷	6(c)	49,826	52,471
Interest income	利息收入	6(a)	(21,986)	(4,797)
Borrowing costs	借貸成本	6(a)	204,626	173,027
Net gain on disposal of property, plant and equipment, land use rights and assets classified as held for sale	出售物業、廠房及設備、土地使用權以及分類為持作出售資產收益淨額	5	(91,957)	(147,893)
Changes in working capital:	營運資金變動：			
Decrease in inventories and other contract costs	存貨及其他合同成本減少		85,124	25,221
Decrease in contract assets	合同資產減少		263,561	758,051
Increase in trade and bills receivables	應收客戶合同工程款總額增加		(79,671)	(172,795)
Increase in deposits, prepayments and other receivables	按金、預付款及其他應收款增加		(48,774)	(113,450)
Decrease in trade and bills payables	貿易應付款及應付票據減少		(365,634)	(341,890)
Decrease in contract liabilities	合同負債減少		(58,811)	(89,538)
Increase/(decrease) in accrued expenses and other payables	應計開支及其他應付款增加/(減少)		66,734	(199,418)
Decrease in provision for warranties	保修撥備減少		(52,924)	(4,248)
Cash generated from operations	經營所得現金		146,132	88,903
Income tax paid	已付所得稅	27(a)	(41,413)	(12,675)
Income tax refunded	所得稅退款	27(a)	25,181	21,971
Net cash generated from operating activities	經營活動所得現金淨額		129,900	98,199

The notes on pages 129 to 275 form part of these financial statements.

第129頁至第275頁之附註為此等財務報表之一部分。

Consolidated Cash Flow Statement (continued)

合併現金流量表(續)

(Expressed in RMB) For the year ended 31 December 2019
(以人民幣為單位) 截至2019年12月31日止年度

			2019	2018
	<i>Note</i>		RMB'000	RMB'000
	<i>附註</i>		人民幣千元	人民幣千元
				<i>(Note)</i>
				<i>(附註)</i>
Investing activities		投資活動		
Payments for purchase of property, plant and equipment and land use rights		購買物業、廠房及設備以及土地使用權付款	(12,909)	(10,547)
Proceeds from disposal of property, plant and equipment, land use rights and assets classified as held for sale		出售物業、廠房及設備、土地使用權及分類為持作出售資產之所得款	478,218	218,302
Payments for time deposits		定期存款付款	(650,000)	-
Interest received		已收利息	16,920	4,797
Net cash (used in)/generated from investing activities		投資活動(所用)/所得現金淨額	(167,771)	212,552
Financing activities		融資活動		
Proceeds from new bank loans and other borrowings		新增銀行及其他借款所得款項	3,827,271	2,180,718
Repayment of bank loans and other borrowings		償還銀行貸款及其他借款	(4,131,441)	(2,565,697)
Net payments for time deposits to secure bank loans and other borrowings		為銀行貸款及其他借款進行質押所淨支付的定期存款	(183,200)	(173,000)
Capital element of lease rentals paid		已付租賃租金之資本部份	(12,816)	-
Interest element of lease rentals paid		已付租賃租金之利息部份	(1,055)	-
Borrowing costs paid		已付借貸成本	(206,115)	(168,344)
Net cash used in financing activities		融資活動所用現金淨額	(707,356)	(726,323)

The notes on pages 129 to 275 form part of these financial statements.

第129頁至第275頁之附註為此等財務報表之一部分。

Consolidated Cash Flow Statement (continued)

合併現金流量表(續)

(Expressed in RMB) For the year ended 31 December 2019
(以人民幣為單位) 截至2019年12月31日止年度

		Note	2019	2018
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
				(Note)
				(附註)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(745,227)	(415,572)
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	20(a)	1,299,410	1,708,772
Effect of foreign exchange rate changes	外幣匯率變動的影響		5,082	6,210
Cash and cash equivalents at 31 December	於12月31日的現金及現金等價物	20(a)	559,265	1,299,410

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

The notes on pages 129 to 275 form part of these financial statements.

第129頁至第275頁之附註為此等財務報表之一部分。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

1 CORPORATE INFORMATION

Yuanda China Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 26 February 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 17 May 2011. The consolidated financial statements of the Company comprise the Company and its subsidiaries (collectively referred to as the “Group”). The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and related Interpretations issued by the International Accounting Standards Board (the “IASB”). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1 公司資料

遠大中國控股有限公司(「本公司»)於2010年2月26日根據開曼群島公司法第22章(1961年第三號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司股份於2011年5月17日在香港聯合交易所有限公司(「聯交所»)上市。本公司的合併財務報表包含本公司及其附屬公司(統稱「本集團»)的資料。本集團的主要業務為設計、採購、生產、銷售及安裝幕牆系統。

2 重大會計政策

(a) 合規聲明

此等財務報表乃根據所有適用的國際財務報告準則(「國際財務報告準則」)，其集合條款包括國際會計準則理事會(「國際會計準則理事會»)頒布的所有適用個別國際財務報告準則、國際會計準則(「國際會計準則»)及相關詮釋而編製。此等財務報表亦符合香港公司條例披露規定及聯交所證券上市規則(「上市規則»)的適用披露條文。本集團所採納重大會計政策概述如下。

國際會計準則理事會已頒佈若干新訂及經修訂的國際財務報告準則，此等準則將於本集團當前會計期間首次生效或可提早採納。首次應用該等與本集團有關的國際財務報告準則所引致當前及過往會計期間的任何會計政策變動已反映於此等財務報表，有關資料載列於附註2(c)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except for derivative financial instruments which are stated at their fair values (see Note 2(e)). Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell (see Note 2(x)).

The Company has its functional currency in Hong Kong dollar ("HK\$"). As majority of the Group's operation are conducted by the subsidiaries of the Group in mainland China, the consolidated financial statements are presented in Renminbi ("RMB").

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

2 重大會計政策(續)

(b) 財務報表的編製基準

編製財務報表以歷史成本為計量基準，惟衍生金融工具乃按其公允價值列賬(見附註2(e))。持作出售非流動資產以賬面價值和公允價值減去出售成本的較低者列示(見附註2(x))。

本公司功能貨幣為港元(「港元」)。由於本集團大部分業務由本集團中國內地附屬公司進行，故合併財務報表乃以人民幣(「人民幣」)呈列。

財務報表乃與國際財務報告準則一致編製，其規定管理層作出影響政策應用及資產、負債、收入及開支的申報金額的判斷、估計及假設。此等估計及相關假設乃按過往經驗及多項其他相信按情況下屬於合理的因素得出，其結果組成作出有關不可自其他來源即時得出的資產及負債賬面值的判斷的基準。實際結果可能與此等估計有所不同。

此等估計及相關假設乃按持續基準審閱。會計估計的修訂乃於對估計作出修訂期間確認(倘該修訂僅影響該期間)或於修訂期間及未來期間確認(倘該修訂影響當前及未來期間)。

管理層於應用國際財務報告準則時所作出對財務報表及估計不明朗性主要來源有重大影響的判斷乃於附註3內討論。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies

The IASB has issued a new IFRS, IFRS 16, *Leases*, and a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

Except for IFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

IFRS 16, *Leases*

IFRS 16 replaces IAS 17, *Leases*, and the related interpretations, IFRIC 4, *Determining whether an arrangement contains a lease*, SIC 15, *Operating leases – incentives*, and SIC 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from IAS 17 substantially unchanged.

2 重大會計政策(續)

(c) 會計政策的變動

國際會計準則理事會已頒布一項於本集團當期會計期間首次生效的新訂國際財務報告準則，國際財務報告準則第16號，*租賃*及多項國際財務報告準則的修訂。

除國際財務報告準則第16號，*租賃*外，該等修訂對本集團於當期或過往期間之業績及財務狀況的編製或呈列方式概無重大影響。本集團於本會計期間並無應用任何尚未生效的新訂準則或詮釋。

國際財務報告準則第16號，*租賃*

國際財務報告準則第16號取代國際會計準則第17號，*租賃*及相關詮釋、國際財務報告詮釋委員會詮釋第4號，*釐定安排是否包括租賃*、國際準則詮釋委員會詮釋第15號，*經營租賃－優惠*及國際準則詮釋委員會詮釋第27號，*評估涉及租賃法律形式交易的內容*。準則為承租人引入單一會計模式，要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下之租賃（「短期租賃」）及低價值資產租賃除外。出租人之會計規定與國際會計準則第17號大致上維持不變。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

IFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied IFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and will not restate comparative amounts for the year prior to first adoption. The reclassifications arising from the new initial application are therefore recognised in the opening balance on 1 January 2019.

Further details of the nature and effect of the changes to previous accounting policies of the Group and the transition options applied are set out below:

a. New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

2 重大會計政策(續)

(c) 會計政策的變動(續)

國際財務報告準則第16號， 租賃(續)

國際財務報告準則第16號還引入了額外的定性和定量披露要求，目的是使財務報表的使用者能夠評估租賃對一個實體的財務狀況、財務業績和現金流的影響。

本集團自2019年1月1日起初步應用國際財務報告準則第16號。本集團選擇採用經修訂追溯法，且將不會重列首次採納之前年度的比較數字。因此，新首次應用所產生的重新分類於2019年1月1日的期初結餘中確認。

過往會計政策變動之性質及影響以及過渡選項之進一步詳情載列如下：

a. 租賃之新定義

租賃定義的變動主要體現在控制權的概念。國際財務報告準則第16號根據客戶是否於一段時間內控制一項已識別資產的用途而定義租賃，可按一定使用量釐定。當客戶同時有權指示使用已識別資產之用途及自有用途獲得絕大部份經濟利益的情況下，則擁有控制權。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(c) Changes in accounting policies (continued)

(c) 會計政策的變動(續)

IFRS 16, Leases (continued)

國際財務報告準則第16號， 租賃(續)

a. New definition of a lease (continued)

a. 租賃之新定義(續)

The Group applies the new definition of a lease in IFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under IAS 17 continue to be accounted for as leases under IFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

本集團僅將國際財務報告準則第16號租賃之新定義應用於2019年1月1日或之後訂立或更改之合約。本集團已就於2019年1月1日前訂立之合約採納過渡實際權宜方法融入先前就現有安排屬於租賃或包含租賃所作之評估。因此，先前根據國際會計準則第17號評估為租賃之合約按國際財務報告準則第16號繼續列作租賃，而先前評估為非租賃服務安排之合約繼續列作待執行合約。

b. Lessee accounting and transitional impact

b. 對承租人的會計處理方法及過渡影響

IFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by IAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under IAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to properties as disclosed in Note 13. For an explanation of how the Group applies lessee accounting, see Note 2(j)(i).

國際財務報告準則第16號取消承租人須按國際會計準則第17號，將租賃分類為經營租賃或融資租賃之規定。相反，本集團作為承租人時須將所有租賃資本化，包括先前根據國際會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃除外。就本集團而言，該等新資本化租賃主要與物業有關如附註13所披露。本集團如何應用承租人會計的解釋請參閱附註2(j)(i)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

b. Lessee accounting and transitional impact (continued)

At the date of transition to IFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 5.37%.

To ease the transition to IFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of IFRS 16:

- (i) the Group elected not to apply the requirements of IFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of IFRS 16, i.e. where the lease term ends on or before 31 December 2019;

2 重大會計政策(續)

(c) 會計政策的變動(續)

國際財務報告準則第16號，租賃(續)

b. 對承租人的會計處理方法及過渡影響(續)

於過渡至國際財務報告準則第16號當日(即2019年1月1日)，本集團就先前分類為經營租賃的租賃按餘下租賃付款現值釐定餘下租期及計量租賃負債，並已使用2019年1月1日之相關遞增借款利率進行貼現。用以釐定餘下租賃付款現值之加權平均遞增借款利率為5.37%。

為緩解國際財務報告準則第16號的過渡，本集團於首次應用國際財務報告準則第16號當日採用下列確認豁免及可行權宜方法：

- (i) 本集團選擇不將國際財務報告準則第16號有關確認租賃負債及使用權資產的規定應用於初步應用國際財務報告準則第16號日期起計12個月內屆滿的租賃，即其租賃年期於2019年12月31日或之前屆滿；

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

b. Lessee accounting and transitional impact (continued)

- (ii) when measuring the lease liabilities at the date of initial application of IFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- (iii) when measuring the right-of-use assets at the date of initial application of IFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

2 重大會計政策(續)

(c) 會計政策的變動(續)

國際財務報告準則第16號，租賃(續)

b. 對承租人的會計處理方法及過渡影響(續)

- (ii) 於初步應用國際財務報告準則第16號當日，本集團就具有合理類似特徵之租賃組合，應用單一貼現率(例如，在類似經濟環境下就類似分類的相關資產採用與餘下租期類似的租賃)；及
- (iii) 於初步應用國際財務報告準則第16號日期計量使用權資產時，本集團依據先前對於2018年12月31日虧損合約條文的評估，作為進行減值評估的替代。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

b. Lessee accounting and transitional impact (continued)

The following table reconciles the operating lease commitments as disclosed in Note 32(b) as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

		RMB'000 人民幣千元
Operating lease commitments at 31 December 2018	於2018年12月31日之經營租賃承擔	13,641
Less: commitments relating to leases exempt from capitalisation:	減：豁免資本化的租賃承擔：	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	– 剩餘租期為截至2019年12月31日或之前的短期租賃及其他租賃	(1,627)
		<hr/> 12,014
Less: total future interest expenses	減：未來利息開支總額	(666)
Present value of remaining lease payments, discounted using the incremental borrowing rate and total lease liabilities recognised at 1 January 2019	剩餘租賃付款的現值及於2019年1月1日確認之新增借款利率和租賃負債總額	<hr/> 11,348

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 December 2018. Lease prepayments for land use rights have been recognised at amortised costs at 31 December 2018.

2 重大會計政策(續)

(c) 會計政策的變動(續)

國際財務報告準則第16號，租賃(續)

b. 對承租人的會計處理方法及過渡影響(續)

下表載列如附註32(b)所披露於2018年12月31日披露的經營租賃承擔與於2019年1月1日確認的租賃負債之期初結餘對賬：

先前分類為經營租賃的租賃之相關使用權資產已按等同於餘下租賃負債已確認的金額確認，並經於2018年12月31日的財務狀況表內已確認租賃相關的任何預付或應計租賃款項金額調整。土地使用權的租賃預付款已按2018年12月31日的攤餘成本確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(c) Changes in accounting policies (continued)

(c) 會計政策的變動(續)

IFRS 16, Leases (continued)

國際財務報告準則第16號， 租賃(續)

b. Lessee accounting and transitional impact (continued)

b. 對承租人的會計處理方法
及過渡影響(續)

The following table summarises the impacts of the adoption of IFRS 16 on the Group's consolidated statement of financial position:

下表概述採納國際財務報告準則第16號對本集團綜合財務狀況表的影響：

Line items in the consolidated statement of financial position impacted by the adoption of IFRS 16:	Capitalisation of operating lease contracts and prepayments of lease	Carrying amount at 31 December 2018 於2018年12月31日的賬面值 RMB'000 人民幣千元	reclassification of lease prepayments 經營租賃合同資本化及租賃預付款重分類 RMB'000 人民幣千元	Carrying amount at 1 January 2019 於2019年1月1日的賬面值 RMB'000 人民幣千元
Right-of-use assets	使用權資產	-	381,525	381,525
Lease prepayments	租賃預付款	368,358	(368,358)	-
Non-current assets	非流動資產	1,355,031	13,167	1,368,198
Deposits, prepayments and other receivables	按金、預付款及其他應收款	789,864	(1,819)	788,045
Current assets	流動資產	8,706,332	(1,819)	8,704,513
Accrued expenses and other payables	應計開支及其他應付款	592,280	6,446	598,726
Current liabilities	流動負債	7,048,236	6,446	7,054,682
Net current assets	淨流動資產	1,658,096	(8,265)	1,649,831
Total assets less current liabilities	總資產減流動負債	3,013,127	4,902	3,018,029
Lease liabilities (non-current)	租賃負債(非流動)	-	4,902	4,902
Non-current liabilities	非流動負債	305,000	4,902	309,902
Net assets	淨資產	2,708,127	-	2,708,127

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

c. Impact on the financial result, segment results and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if IAS 17 had been applied during the year.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element (see Note 20(b)). These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under IAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under IAS 17. Although total cash flows are unaffected, the adoption of IFRS 16 therefore results in a change in presentation of cash flows within the cash flow statement (see Note 20(c)).

2 重大會計政策(續)

(c) 會計政策的變動(續)

國際財務報告準則第16號，租賃(續)

c. 對本集團財務業績、分部業績及現金流量的影響

於初步確認截至2019年1月1日之使用權資產及租賃負債後，本集團(作為承租人)須確認租賃負債的未償還結餘的應計利息開支及使用權資產的折舊，而非採取先前根據經營租賃以直線法於租期內確認所產生租金開支的政策。與年內應用國際會計準則第17號的結果相比，此舉對本集團合併損益表的業務所得呈報溢利產生正面影響。

於現金流量表中，本集團(作為承租人)須把根據資本化租賃已支付的租金分為其資本部分及利息部分(見附註20(b))。有關部分已分類為融資現金流出，類似於先前根據國際會計準則第17號將租賃分類為融資租賃，而非(如同國際會計準則第17號項下經營租賃般)分類為經營現金流出。雖然現金流量總額不受影響，但採納國際財務報告準則第16號會因此導致現金流量表中現金流量的呈列出現變動(見附註20(c))。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

- (c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

- c. *Impact on the financial result, segment results and cash flows of the Group (continued)*

The following tables give an indication of the estimated impact of the adoption of IFRS 16 on the Group's financial result and cash flows for the year ended 31 December 2019, by adjusting the amounts reported under IFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under IAS 17 if this superseded standard had continued to apply in 2019 instead of IFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under IAS 17.

2 重大會計政策(續)

- (c) 會計政策的變動(續)

國際財務報告準則第16號， 租賃(續)

- c. 對本集團財務業績、分部業績及現金流量的影響(續)

下表列示採納國際財務報告準則第16號對本集團截至2019年12月31日止年度期間的財務業績及現金流量的估計影響，方法為透過調整根據國際財務報告準則第16號於該等合併財務報表呈報的金額以計算根據國際會計準則第17號已確認的估計假設金額(倘此已失效準則而非國際財務報告準則第16號繼續於2019年適用)，以及透過比較2019年的假設金額與於2018年根據國際會計準則第17號編製的相應實際金額作比較。

Notes to the Financial Statements (continued)

財務報表附註 (續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

c. Impact on the financial result, segment results and cash flows of the Group (continued)

2 重大會計政策 (續)

(c) 會計政策的變動 (續)

國際財務報告準則第16號，租賃 (續)

c. 對本集團財務業績、分部業績及現金流量的影響 (續)

		2019		2018		
			Deduct:			
			Estimated			
			amounts			
			related			
		Add back:	to operating	Hypothetical	Compared to	
		IFRS 16	leases as if	amounts for	amounts	
		depreciation	under IAS 17	2019 as if under	amounts	
		and interest	(Note 1) (C)	IAS 17	reported	
	Amounts	expense (B)	減：若應用國際	(D=A+B+C)	for 2018 under	
	reported under	加回：根據	會計準則第17號	若應用國際	IAS 17	
	IFRS 16 (A)	國財務報告	而得出的經營	會計準則第17號	與2018年	
	根據國際財務	第16號計算的	租賃相關估計	而得出的2019年	根據國際會計	
	報告準則第16號	折舊及利息開支	金額 (附註1)	假設金額	準則第17號呈列	
	呈列的金額(A)	(B)	(C)	(D=A+B+C)	的金額比較	
	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	
Financial result for year ended 31 December 2019 impacted by the adoption of IFRS 16:	受採納國際財務報告準則第16號影響的截至2019年12月31日止年度的財務業績：					
Profit from operations	經營利潤	338,541	10,683	(11,189)	338,035	222,929
Finance costs	融資成本	(142,523)	1,055	-	(141,468)	(68,767)
Profit before taxation	稅前利潤	196,018	11,738	(11,189)	196,567	154,162
Profit for the year	年內利潤	89,820	11,738	(11,189)	90,369	88,171

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(c) Changes in accounting policies (continued)

(c) 會計政策的變動(續)

IFRS 16, Leases (continued)

國際財務報告準則第16號，租賃(續)

c. Impact on the financial result, segment results and cash flows of the Group (continued)

c. 對本集團財務業績、分部業績及現金流量的影響(續)

The Group's administrative expenses and finance costs are not allocated to individual segments, therefore there is no significant impact of adoption of IFRS 16 on the Group's segment results.

本集團行政開支及融資成本沒有分攤至分部，採納國際財務報告準則第16號對本集團之分部業績並無重大影響。

Line items in the consolidated cash flow statement for year ended 31 December 2019 impacted by the adoption of IFRS 16:	受採納國際財務報告準則第16號影響的截至2019年12月31日止年度的綜合現金流量表項目：	2019		2018	
		Amounts reported under IFRS 16 (A)	Estimated amounts related to operating leases as if under IAS 17 (Notes 1 & 2) (B)	Hypothetical amounts for 2019 as if under IAS 17 (C=A+B)	Compared to amounts reported for 2018 under IAS 17
Cash generated from operations	經營所得現金	146,132	(13,871)	132,261	88,903
Net cash generated from operating activities	經營活動所得現金淨額	129,900	(13,871)	116,029	98,199
Capital element of lease rentals paid	已付租賃租金資本部分	(12,816)	12,816	-	-
Interest element of lease rentals paid	已付租賃租金利息部分	(1,055)	1,055	-	-
Net cash used in financing activities	融資活動所用現金淨額	(707,356)	13,871	(693,485)	(726,323)

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

- (c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

- c. Impact on the financial result, segment results and cash flows of the Group (continued)

Note 1: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if IAS 17 had still applied in 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under IAS 17, if IAS 17 had still applied in 2019. Any potential net tax effect is ignored.

Note 2: In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if IAS 17 still applied.

2 重大會計政策(續)

- (c) 會計政策的變動(續)

國際財務報告準則第16號， 租賃(續)

- c. 對本集團財務業績、分部業績及現金流量的影響(續)

附註1：「與經營租賃有關的估計金額」指分類為經營租賃的有關租賃於2019年對現金流量金額之估計，猶如國際會計準則第17號於2019年仍然適用。該估計假設租金與現金流量之間並無差異，且所有於2019年訂立的新租約已根據國際會計準則第17號分類為經營租賃，猶如國際會計準則第17號於2019年仍然適用。任何潛在的淨稅項影響都會被忽略。

*附註2：*於此影響表中，該等現金流出由融資重新分類至經營，以計算經營活動所得之現金淨額及融資活動所得之現金淨額的假設金額，猶如國際會計準則第17號仍然適用。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

IFRS 16, Leases (continued)

d. Leasehold investment property

Under IFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation (“leasehold investment properties”). The adoption of IFRS 16 does not have a significant impact on the Group’s financial statements as the Group previously elected to apply IAS 40, *Investment properties*, to account for all of its leasehold properties that were held for investment purposes.

e. Lessor accounting

In addition to leasing out the investment property referred to in paragraph d above, the Group leases out certain machinery and motor vehicles as the lessor of operating leases. The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under IAS 17. The adoption of IFRS 16 does not have a significant impact on the Group’s financial statements in this regard.

2 重大會計政策(續)

(c) 會計政策的變動(續)

國際財務報告準則第16號， 租賃(續)

d. 租賃投資物業

根據國際財務報告準則第16號，當租賃物業持作賺取租金收入及／或資本增值時，本集團須將所有該等物業入賬列為投資物業（「租賃投資物業」）。採納國際財務報告準則第16號對本集團財務報表並無重大影響，原因乃本集團過往選擇應用國際會計準則第40號投資物業，將其所有持作投資用途的租賃物業列賬。

e. 出租人會計處理

除出租上文段落所述的投資物業外，本集團作為經營租賃的出租人，亦租出機器和汽車項目。本集團作為出租人適用的會計政策與國際會計準則第17號下的會計政策基本保持不變。就此而言，採納國際財務報告準則第16號對本集團之財務報表並無重大影響。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity interests in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those equity interests which would result in the Group as a whole having a contractual obligation in respect of those equity interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

2 重大會計政策(續)

(d) 附屬公司及非控股權益

附屬公司為由本集團控制的實體。本集團對該實體具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，即本集團對該實體具有控制權。當評估本集團是否具有該權力時，只會考慮由本集團或其他人士擁有之實質權。

於附屬公司的投資乃自控制權開始當日起合併入賬至合併財務報表，直至控制權終止當日為止。集團內公司間結餘、交易及現金流及自集團內公司間交易產生的任何未變現利潤乃於編製合併財務報表時全數對銷。集團內公司間交易產生的未變現虧損乃以與未變現收益相同的方式予以對銷，惟僅以無減值證據者為限。

非控股權益指於一家附屬公司中並非直接或間接歸屬本公司的權益，而本集團並無與該等股權的持有人協定任何額外條款，致使本集團整體就符合金融負債定義的該等股權承擔合同責任。就各業務合併而言，本集團可選擇按公允價值或按非控股權益佔附屬公司的可識別資產淨值的比例計量任何非控股權益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(d) Subsidiaries and non-controlling interests (continued)

(d) 附屬公司及非控股權益(續)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

非控股權益乃於合併財務狀況表內呈列於權益中，獨立於本公司股東應佔權益。本集團業績內的非控股權益乃於合併損益表及合併損益及其他全面收益表上呈列為年內於非控股權益及本公司股東之間的損益總額及全面收益總額。

Changes in the Group's equity interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative equity interests, but no adjustments are made to goodwill and no gain or loss is recognised.

本集團於一家附屬公司的股權變動，倘不會引致喪失控制權，則以權益交易入賬，並對合併權益中控股及非控股權益的金額作調整，以反映相關的股權變動，惟概無對商譽作調整，且無確認收益或虧損。

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire equity interests in that subsidiary, with a resulting gain or loss being recognised in the consolidated statement of profit or loss. Any equity interests retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

當本集團喪失其對一家附屬公司的控制權時，則入賬列為出售於該附屬公司的全部股權，所得的收益或虧損於合併損表中確認。於喪失控制權日期保留於該前附屬公司的任何權益按公允價值確認，而此金額被視為初步確認金融資產的公允價值，或(倘適用)初步確認於聯營公司或合營企業的投資的成本。

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)), unless the investment is classified as held-for-sale.

於本公司的財務狀況表內，於附屬公司的投資乃按成本減減值虧損列賬(見附註2(k)(ii))，惟投資被分類為持作銷售則屬例外。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss is in accordance with Note 2(f).

(f) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates (cash flow hedges).

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs).

2 重大會計政策(續)

(e) 衍生金融工具

衍生金融工具按公允價值確認。公允價值會於各報告期末重新計量。重新計量公允價值的收益或虧損會即時於損益表內確認，惟符合資格作現金流量對沖會計的衍生工具除外，在該情況下，任何得出的收益或虧損乃根據附註2(f)予以確認。

(f) 對沖

本集團指定若干衍生工具為對沖工具，以對沖與因外匯匯率變動產生的極有可能預測交易相關的現金流量的可變性(現金流量對沖)。

倘衍生金融工具被指定為現金流量對沖中的對沖工具，則衍生金融工具的任何收益或虧損的有效部分乃於其他全面收益內確認，並單獨於權益的對沖儲備內累計。任何收益或虧損的無效部分乃即時於損益表內確認。

倘對沖預測交易其後導致確認非金融資產(例如存貨)，相關收益或虧損乃自權益重新分類，計入非金融資產的初步成本。

就所有其他已對沖預測交易而言，對沖儲備中累積的金額由權益重新分類至同期或對沖現金流量影響損益期間(如發生預測銷售時)的損益中。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Hedging (continued)

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see Note 2(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)). The depreciation policy is the same as that of property, plant and equipment (see Note 2(h)). Rental income from investment properties is accounted for as described in Note 2(u)(iv).

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)).

2 重大會計政策(續)

(f) 對沖(續)

倘對沖不再符合對沖會計的標準(包括對沖工具屆滿或出售、終止或行使)，則對沖會計法將予終止。當對沖會計終止，但預期對沖預測交易將會發生，已於對沖儲備中累計的金額仍將保留在權益中直至交易發生及其根據上述政策確認。倘預期對沖交易將不再發生，已於對沖儲備中累計的金額將累計由權益重新分類至損益。

(g) 投資物業

投資物業是指根據租賃權益(見附註2(j))擁有或持有以賺取租金收入和/或資本增值的土地和/或建築物。其中包括為目前尚未確定的未來用途而持有的土地，以及為將來用作投資物業而正在建造或開發的物業。

投資物業按成本減去累計折舊和減值損失列示(見附註2(k)(ii))。折舊政策與物業、廠房及設備的折舊政策相同(見附註2(h))。投資物業的租金收入按附註2(u)(iv)所述入賬。

(h) 物業、廠房及設備

物業、廠房及設備按成本減去累計折舊及減值虧損列賬(見附註2(k)(ii))。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(w)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

	Estimated useful lives
Plant and buildings	30 years
Machinery and equipment	15 years
Motor vehicles and other equipment	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the estimated useful life of an asset and its residual value are reviewed annually. No depreciation is provided in respect of construction in progress until it is completed and ready for its intended use.

2 重大會計政策(續)

(h) 物業、廠房及設備(續)

自行興建的物業、廠房及設備項目的成本包括材料成本、直接勞工成本，(如適用)初步估計拆卸及搬遷項目以及恢復項目所在地原貌的成本，以及生產經常開支及借貸成本的適當比例(見附註2(w))。

報廢或出售物業、廠房及設備項目產生的收益或虧損釐定為出售所得款項淨額與項目賬面值之間的差額，並於報廢或出售日期在損益中確認。

折舊乃使用直線法按下列估計可使用年期計算以撇銷物業、廠房及設備項目的成本減其估計剩餘價值(如有)：

	估計可使用年期
廠房及樓宇	30年
機器及設備	15年
汽車及其他設備	5年

倘物業、廠房及設備項目各部分的可使用年期不同，則該項目的成本會按合理基準分配至各部分，而每部分須分開折舊。資產的估計可使用年期及其剩餘價值均須每年檢討。在建工程在完工及可作擬定用途前，並不計提折舊。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(i) Research and development expenditure

(i) 研發開支

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

研發活動的開支乃於其產生期間確認為開支。

(j) Leased assets

(j) 租賃資產

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

在合同開始時，本集團評估合同是否是或包含租賃。如果合同轉讓了在一段時間內控制已確認資產使用的權利以換取對價，則合同就是或包含租賃。倘客戶同時有權指導已識別資產的用途並自有關用途獲得絕大部分經濟效益，則擁有控制權。

(i) **As a lessee**

(i) **作為承租人**

(A) Policy applicable from 1 January 2019

(A) 自2019年1月1日起適用的政策

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

當合約包含租賃部分及非租賃部分，本集團選擇不區分非租賃部分及將各租賃部分及任何關聯非租賃部分入賬列為所有租賃的單一租賃部分。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leased assets (continued)

(i) As a lessee (continued)

(A) Policy applicable from 1 January 2019 (continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily equipment. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2 重大會計政策(續)

(j) 租賃資產(續)

(i) 作為承租人(續)

(A) 自2019年1月1日起適用的政策(續)

在租賃開始日，本集團確認使用權資產和租賃負債，但租賃期不超過12個月的短期租賃和以設備為主的低價值資產租賃除外。當本集團就一項低價值資產簽訂租賃協議時，本集團決定是否按逐項租賃基準對該租賃進行資本化。與該等並無資本化的租賃相關的租賃付款於租期內按系統基準確認為開支。

當租賃已資本化，租賃負債初步按租期應付租賃付款現值確認，並按租賃中所隱含的利率貼現，或倘該利率不能輕易釐定，則以相關遞增借款利率貼現。於初步確認後，租賃負債按攤銷成本計量，而利息開支則採用實際利率法計量。租賃負債的計量並不包括不依賴指數或利率的可變租賃付款，因此可變租賃付款於其產生的會計期間在損益中扣除。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leased assets (continued)

(i) As a lessee (continued)

(A) Policy applicable from 1 January 2019 (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(h) and 2(k)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2 重大會計政策(續)

(j) 租賃資產(續)

(i) 作為承租人(續)

(A) 自2019年1月1日起適用的政策(續)

於資本化租賃時確認的使用權資產初步按成本計量，其中包括租賃負債的初始金額，加上於開始日期或之前作出的任何租賃付款以及任何所產生的初始直接成本。倘適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或該資產所在工地而產生的估計成本，按其現值貼現並扣減任何所收的租賃優惠。使用權資產按成本減累計折舊和減值損失列示(見附註2(h)及2(k)(ii))。

倘指數或利率變化引致未來租賃付款出現變動，或本集團預期根據剩餘價值擔保應付的估計金額產生變化，或就本集團是否合理確定將行使購買、續租或終止選擇權的有關重新評估產生變化，則租賃負債將重新計量。倘以這種方式重新計量租賃負債，則應當對使用權資產的賬面值進行相應調整，而倘使用權資產的賬面值已調減至零，則應於損益列賬。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leased assets (continued)

(i) As a lessee (continued)

(B) Policy applicable prior to 1 January 2019

In the comparative period, as a lessee the Group classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the Group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases.

Where the Group had the use of assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

Payments made on the acquisition of land held under an operating lease are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis over the period of the lease term.

2 重大會計政策(續)

(j) 租賃資產(續)

(i) 作為承租人(續)

(B) 2019年1月1日前適用的政策

在比較期間，本集團作為承租人，如果租賃實質上將所有權的所有風險和報酬轉移給本集團，則將租賃歸類為融資租賃。實質上沒有將所有權的所有風險和報酬轉移給本集團的租賃被分類為經營租賃。

如果本集團使用經營租賃下持有的資產，則根據租賃支付的款項在租賃期所涵蓋的會計期間以等額分期計入損益，除非另一種基準更能代表租賃資產的收益模式。已收到的租賃優惠在損益中確認為總淨租賃付款的組成部分。或有租金在其發生的會計期間計入損益。

根據經營租賃取得土地所支付的款項按成本減去累計攤銷和減值損失列示。攤銷在租賃期內按直線法計入損益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(j) Leased assets (continued)

(j) 租賃資產(續)

(ii) As a lessor

(ii) 作為出租人

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

當本集團作為出租人時，本集團在租賃開始時確定每份租賃是融資租賃還是經營租賃。如果租賃實質上將標的資產所有權附帶的所有風險和報酬轉移給承租人，則該租賃被歸類為融資租賃。如果情況並非如此，則該租賃被歸類為經營租賃。

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(u)(iv).

當合同包含租賃和非租賃組成部分時，本集團將合同中的對價按照單獨售價的基準分配給每個組成部分。經營租賃的租金收入根據附註2(u)(iv)確認。

(k) Credit losses and impairment of assets

(k) 信用損失及資產減值

(i) Credit losses from financial instruments and contract assets

(i) 金融工具及合同資產信用損失

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

本集團就如下項目確認預期信用損失的虧損撥備：

- financial assets measured at amortised cost (including cash on hand and in bank, trade and bills receivables and deposits and other receivables); and
- contract assets as defined in IFRS 15 (see Note 2(m)).

- 按攤銷成本計量的金融資產(包括手頭現金及銀行存款、貿易應收款及應收票據及按金以及其他應收款)；及
- 國際財務報告準則第15號所定義的合同資產(見附註2(m))。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Derivative financial instruments measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and bills receivables, deposits and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2 重大會計政策(續)

(k) 信用損失及資產減值(續)

(i) 金融工具及合同資產信用損失(續)

按公允價值計量的衍生金融工具無須進行預期信用損失評估。

計量預期信用損失

預期信用損失為信用損失的概率加權估計。信用損失以所有預期現金短缺的現值(即根據合同應付予本集團的現金流量與本集團預計收取的現金流量之間的差額)計量。

倘貼現影響重大，預期現金短缺使用如下貼現率貼現：

- 定息金融資產、貿易應收款及應收票據、按金及其他應收款及合同資產：初步確認時釐定的實際利率或其近似值；及
- 浮息金融資產：即期實際利率。

估計預期信用損失時所考慮的最長期間為本集團面對信貸風險的最長合同期間。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(k) Credit losses and impairment of assets (continued)

(k) 信用損失及資產減值(續)

(i) Credit losses from financial instruments and contract assets (continued)

(i) 金融工具及合同資產信用損失(續)

Measurement of ECLs (continued)

計量預期信用損失(續)

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

於計量預期信用損失時，本集團會考慮在無需付出過多成本及努力下即可獲得的合理有據資料。此項包括有關過往事件、現時狀況及未來經濟狀況預測的資料。

ECLs are measured on either of the following bases:

預期信用損失將採用以下基準計量：

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

- 12個月預期信用損失：指報告日期後12個月內可能發生的違約事件而導致的預期虧損；及
- 整個存續期的預期信用損失：指預期信用損失模型適用項目之預期可使用年期內所有可能違約事件而導致的預期虧損。

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

貿易應收款及合同資產之虧損撥備一直按等同於整個存續期的預期信用損失的金額計量。於報告日期，該等金融資產的預期信用損失乃根據本集團的歷史信用損失經驗使用計提矩陣進行評估，並根據債務人的特定因素及對當前及預計一般經濟狀況的評估進行調整。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Measurement of ECLs (continued)

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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.

2 重大會計政策(續)

(k) 信用損失及資產減值(續)

(i) 金融工具及合同資產信用損失(續)

計量預期信用損失(續)

就所有其他金融工具而言，本集團確認相等於12個月預期信用損失的虧損撥備，除非金融工具的信貸風險自初步確認以來大幅上升，則在此情況下，虧損撥備按相等於整個存續期的預期信用損失的金額計量。

信貸風險大幅上升

評估金融工具的信貸風險自初步確認以來有否大幅上升時，本集團會比較於報告日期及於初步確認日期評估的金融工具發生違約的風險。作出重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸債務；或(ii)金融資產已逾期90日，則構成違約事件。本集團會考慮合理有據的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(k) Credit losses and impairment of assets (continued)

(k) 信用損失及資產減值(續)

(i) Credit losses from financial instruments and contract assets (continued)

(i) 金融工具及合同資產信用損失(續)

Significant increases in credit risk (continued)

信貸風險大幅上升(續)

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

具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

- 未能按合同到期日期支付本金或利息；
- 金融工具外部或內部信貸測評(如有)的實際或預期顯著惡化；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

取決於金融工具的性質，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Significant increases in credit risk (continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with Note 2(u)(v) 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 the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2 重大會計政策(續)

(k) 信用損失及資產減值(續)

(i) 金融工具及合同資產信用損失(續)

信貸風險大幅上升(續)

預期信用損失於各報告日期進行重新計量以反映金融工具自初步確認以來的信貸風險變動。預期信用損失的任何變動均於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整。

計算利息收入的基準

根據附註2(u)(v)確認的利息收入乃按金融資產的總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產預計未來現金流量有不利影響的事件時，金融資產則出現信貸減值。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(k) Credit losses and impairment of assets (continued)

(k) 信用損失及資產減值(續)

(i) Credit losses from financial instruments and contract assets (continued)

(i) 金融工具及合同資產信用損失(續)

Basis of calculation of interest income (continued)

計算利息收入的基準(續)

Evidence that a financial asset is credit-impaired includes the following observable events:

金融資產出現信貸減值的證據包括以下可觀察事件：

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

- 債務人有重大財務困難；
- 違約，例如拖欠或延遲支付利息或本金；
- 債務人可能破產或進行其他財務重組；或
- 科技、市場、經濟或法律環境出現對債務人造成不利影響的重大變化。

Write-off policy

撤銷政策

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

若日後實際上不可收回款項，本集團則會撤銷(部分或全部)金融資產或合同資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撤銷的金額。

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

隨後收回先前撤銷之資產於收回期間在損益內確認為減值撥回。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- investment property; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 重大會計政策(續)

(k) 信用損失及資產減值(續)

(ii) 其他非流動資產減值

本集團於各報告期末審閱內部及外部資料來源，以確定以下資產是否存在減值跡象，或先前確認的減值虧損是否不再存在或可能已經減少：

- 物業、廠房及設備；
- 使用權資產；
- 投資物業；及
- 本公司財務狀況表內的附屬公司投資。

倘出現任何該等跡象，則會估計資產的可收回金額。

- 計算可收回金額

資產的可收回金額為公允價值減銷售成本與使用價值兩者間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前貼現率，將估計未來現金流量貼現至其現值。倘資產並無產生大致獨立於其他資產的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(k) Credit losses and impairment of assets (continued)

(k) 信用損失及資產減值(續)

(ii) Impairment of other non-current assets (continued)

(ii) 其他非流動資產減值(續)

– Recognition of impairment losses

– 確認減值虧損

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益中確認減值虧損。就現金產生單位確認的減值虧損會予以分配，以按比例基準減少該單位(或單位組別)內其他資產的賬面值，惟某資產的賬面值不會減至低於其個別公允價值減銷售成本(如能計量)或使用價值(如能釐定)。

– Reversals of impairment losses

– 撥回減值虧損

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

倘用作釐定可收回金額的估計出現正面的變化，則會撥回減值虧損。

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

減值虧損撥回僅限於在過往年度並未確認減值虧損時原應釐定的資產賬面值。減值虧損撥回在確認撥回的年度計入損益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(k)(i) and 2(k)(ii)).

(l) Inventories and other contract costs

(i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

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

Inventories record the cost of raw materials waiting to be assigned to specific construction contracts. The cost of inventories includes design costs, costs of purchase, direct labour, other direct costs and production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

2 重大會計政策(續)

(k) 信用損失及資產減值(續)

(iii) 中期財務報告及減值

根據上市規則，本集團須遵守國際會計準則第34號中期財務報告編製有關財政年度首六個月的中期財務報表。於中期期末，本集團採用等同財政年度末之減值測試、確認及撥回標準(見附註2(k)(i)及2(k)(ii))。

(l) 存貨及其他合同成本

(i) 存貨

存貨是指日常業務過程中持有以作銷售、處在為該等銷售的生產過程中，或在生產過程中或提供服務耗用的材料或物料形式持有的資產。

存貨按成本及可變現淨值的較低者列賬。

存貨記錄有待指定至特定建築合同的原材料的成本。存貨成本包括設計成本、採購成本、直接勞工、其他直接成本及生產經常開支。

可變現淨值為在日常業務過程中的估計售價減去完成的估計成本以及完成銷售的估計成本。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Inventories and other contract costs (continued)

(i) Inventories (continued)

When inventories are assigned to specific construction contracts, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2(l)(i)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

2 重大會計政策(續)

(l) 存貨及其他合同成本(續)

(i) 存貨(續)

在指定存貨至特定建築合同時，該等存貨的賬面值乃於確認相關收入的年度內確認為開支。

任何撇減存貨至可變現淨值的金額及所有存貨虧損乃於作出撇減或產生損失的年度內確認為開支。任何存貨撇減的任何撥回金額乃於作出撥回的年度內確認為已確認為開支的存貨金額的扣減。

(ii) 其他合同成本

其他合同成本是取得客戶合同的增量成本或履行客戶合同的成本，其並無資本化為存貨(見附註2(l)(i))。

取得合同的增量成本為本集團就取得客戶合同而產生，倘未能取得合同則不會產生的成本(例如增量銷售佣金)。倘有關收益的成本將在未來報告期內確認，而成本預期可收回，取得合同的增量成本於產生時會資本化。取得合同的其他成本在產生時費用化。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Inventories and other contract costs (continued)

(ii) Other contract costs (continued)

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in Note 2(u).

2 重大會計政策(續)

(i) 存貨及其他合同成本(續)

(ii) 其他合同成本(續)

倘履行合同的成本與現有合同或可識別的預期合同直接有關；產生或提升將於未來用於提供產品或服務的資源；並預期可收回，則會資本化。與現有合同或可識別的預期合同直接有關的成本可能包括直接勞工、直接材料、成本分配、明確向客人收取的成本及僅由於本集團訂立合同而產生的其他成本(例如向分包商付款)。其他履行客戶合同的成本(其並無資本化為存貨)在產生時費用化。

資本化合同成本按成本減累計攤銷及減值虧損列賬。倘合同成本資產賬面值超過(i)本集團預期收取以交換有關該資產的產品或服務的餘下代價金額，減(ii)任何直接有關提供該等產品或服務，而未確認為開支的成本的淨額，則會確認減值虧損。

當與資產有關的收入獲確認時，資本化的合同成本攤銷將自損益扣除。收入確認的會計政策載於附註2(u)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(u)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in Note 2(k)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2(n)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(u)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(n)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 2(m)).

Receivables are stated at amortised cost using the effective interest method, less allowance for credit losses (see Note 2(k)(i)).

(m) 合同資產及合同負債

在本集團有權無條件獲取合同所載付款條款代價前確認收入(見附註2(u))時確認合同資產。合同資產按附註2(k)(i)所載政策就預期信用損失而獲評估，並在代價權利成為無條件後獲重新分類至應收款(見附註2(n))。

本集團確認相關收入前，合同負債在客戶支付代價時確認(見附註2(u))。如本集團有無條件權利在本集團確認相關收入前收取代價，則合同負債亦會獲確認。在相關情況下，相應應收款亦會獲確認(見附註2(n))。

就與客戶的單一合同而言，淨合同資產或淨合同負債得以呈列。就多份合同而言，非相關合同的合同資產及合同負債不按淨額基準呈列。

(n) 貿易及其他應收款

應收款在本集團擁有無條件權利收取代價時確認。倘支付代價到期前只需經過一段時間，則收取該代價的權利屬無條件。倘收入在本集團擁有無條件權利收取代價前確認，則金額呈列為合同資產(見附註2(m))。

應收款使用實際利率法按攤銷成本減信用損失撥備列賬(見附註2(k)(i))。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(k)(i).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value, and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(w)).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 重大會計政策(續)

(o) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、於銀行及其他金融機構的活期存款及於收購時到期為三個月以內之可隨時兌換為已知金額現金且承受的價值變動風險並不重大的短期、高流動性投資。現金及現金等價物根據附註2(k)(i)所載政策作出預期信用損失評估。

(p) 貿易及其他應付款

貿易及其他應付款初步按公允價值確認，而其後則按攤銷成本列賬，除非貼現的影響並不重大，則在該情況下，其乃按成本列賬。

(q) 計息借貸

計息借貸初步按公允價值減應佔交易成本確認。於初步確認後，計息借貸按攤銷成本，使用實際利率法列賬。利息開支根據本集團借貸成本的會計政策予以確認(見附註2(w))。

(r) 僱員福利

(i) 短期僱員福利及向界定供款退休計劃供款

薪金、年度花紅、有薪年假、向界定供款退休計劃供款及非貨幣利益的成本乃於本集團僱員提供相關服務的年度內應計。倘延期付款或結算，而影響屬重大，則該等金額乃按其現值列賬。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(r) Employee benefits (continued)

(r) 僱員福利(續)

(i) Short-term employee benefits and contributions to defined contribution retirement plans (continued)

(i) 短期僱員福利及向界定供款退休計劃供款(續)

The Group's contributions to defined contribution retirement plans are charged to profit or loss when incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

本集團向界定供款退休計劃的供款乃於產生時於損益表內扣除，惟以已計入存貨成本但尚未確認為開支者為限。

(ii) Share-based payments

(ii) 以股份付款

The shares awarded under the share award scheme are acquired from open market. The net consideration paid, including any directly attributable incremental costs, is presented as "Shares held under share award scheme" and deducted from equity.

股份獎勵計劃授出的股份乃購自公開市場。所支付代價淨額(包括任何直接應佔增加成本)乃呈列為「根據股份獎勵計劃持有的股份」，並於權益內扣除。

For shares granted under the share award scheme, the fair value of shares granted to employees is recognised as an employee cost with a corresponding increase in capital reserve within equity. The fair value is based on the closing price of the Company's shares on grant date plus any directly attributable incremental costs. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

就根據股份獎勵計劃授出的股份而言，授予僱員的股份公允價值乃確認為僱員成本，而權益內之資本儲備則相應增加。公允價值乃按授出日期本公司股份的收市價加任何直接應佔增量成本計算。倘僱員於無條件地有權獲授股份前符合歸屬條件，則股份之總公允價值在歸屬期內攤分，並需考慮股份歸屬之可能性。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

(ii) Share-based payments (continued)

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest with a corresponding adjustment to the capital reserve.

When the awarded shares are transferred to the awardees upon vesting, the related weighted average acquisition cost of the awarded shares vested are credited to “Shares held under share award scheme”, and the grant date fair value of the awarded shares vested are debited to the capital reserve. The difference between the related weighted average acquisition cost and the grant date fair value of the awarded shares vested is transferred to retained profits directly.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2 重大會計政策(續)

(r) 僱員福利(續)

(ii) 以股份付款(續)

於歸屬期內，需審閱預期歸屬之股份數目。已於以往年度確認之累計公允價值之任何所產生調整會在回顧年度扣自／計入損益（若原來之僱員支出符合確認為資產的資格除外），並在資本儲備作出相應調整。於歸屬日期，已確認為支出之數額會作出調整，以反映所歸屬股份之實際數目，同時對資本儲備作出相應調整。

當獎勵股份於歸屬時轉至獲獎授人，有關已歸屬獎勵股份的加權平均收購成本乃進賬至「根據股份獎勵計劃持有的股份」，以及有關已歸屬獎勵股份的授出日期公允價值乃於資本儲備中扣除。有關加權平均收購成本與已歸屬獎勵股份的授出日期公允價值之間的差額乃直接轉撥至保留利潤。

(iii) 終止福利

合約終止補償在下列兩者孰早日確定：本集團不再能撤回提供此等福利時；及其確認涉及支付合約終止補償的重組成本時。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(s) Income tax

(s) 所得稅

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

年內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均於損益內確認，惟與於其他全面收益或直接於權益內確認的項目有關者除外，在此情況下，有關稅項金額分別於其他全面收益或直接於權益內確認。

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

即期稅項為就年內應課稅收入採用於報告期末已生效或實質已生效的稅率計算的預期應付稅項，並就過往年度的應付稅項作出任何調整。

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

遞延稅項資產及負債分別自可扣稅及應課稅的暫時差額產生，即資產及負債就財務報告目的而言的賬面值與其稅基之間的差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2 重大會計政策(續)

(s) 所得稅(續)

除若干有限的例外情況外，倘可能有未來應課稅利潤用作抵扣可動用的資產，則所有遞延稅項負債及遞延稅項資產均會予以確認。能支持可確認自可扣稅暫時差額所產生遞延稅項資產的未來應課稅利潤包括因撥回現有應課稅暫時差額而產生的金額；惟此等差額必須與同一稅務機關及同一應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項虧損可向承後或承前結轉的期間內撥回。在釐定現有應課稅暫時差額是否支持確認自未動用稅項虧損和抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在可動用的稅項虧損或抵免的期間內撥回，則予以考慮。

確認遞延稅項資產和負債的有限例外情況為不影響會計或應課稅利潤的資產或負債的初步確認(前提是其並不屬業務合併的一部分)，以及有關於附屬公司的投資的暫時差額(如屬應課稅差額，則只限於本集團可控制撥回的時間，而且在可見將來不大可能撥回的差額；或如屬可扣稅差額，則只限於很可能在將來撥回的差額)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
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2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2 重大會計政策(續)

(s) 所得稅(續)

已確認的遞延稅項金額按照資產與負債賬面值的預期變現或清償方式，使用報告期末已生效或實質已生效的稅率計算。遞延稅項資產與負債均不作貼現。

本集團會在各報告期末審閱遞延稅項資產的賬面值，並在不可能再獲得足夠的應課稅利潤可抵扣相關稅項利益時予以扣減。倘日後有可能獲得足夠的應課稅利潤可作抵扣，則扣減金額予以撥回。

因分派股息而額外產生的所得稅是在支付相關股息的責任確立時確認。

即期稅項結餘及遞延稅項結餘及其變動額，會各自分開呈報且不予抵銷。倘本公司或本集團有法定強制執行權利以即期稅項資產抵銷即期稅項負債，並且符合以下附帶條件，則即期稅項資產可抵銷即期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，本公司或本集團擬按淨額基準結算，或同時變現該資產及清償該負債；或

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Provisions and contingent liabilities and onerous contracts

(i) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2 重大會計政策(續)

(s) 所得稅(續)

- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，此等實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

(t) 撥備及或然負債及虧損性合同

(i) 撥備及或然負債

撥備乃於本集團因過往事務而產生法律或推定責任，而可能需要經濟利益流出以清償責任及能作出可靠估計時確認。倘金錢的時間值屬重大時，撥備乃按預期清償責任的開支的現值列賬。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

- (t) Provisions and contingent liabilities and onerous contracts (continued)

(i) Provisions and contingent liabilities (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

- (u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

2 重大會計政策(續)

- (t) 撥備及或然負債及虧損性合同(續)

(i) 撥備及或然負債

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會被披露為或然負債，除非經濟利益流出的可能性極微。可能的責任(其存在將僅由一項或以上未來事件的出現或不出現確認)亦作為或然負債披露，惟經濟利益流出的可能性極微者則屬例外。

(ii) 虧損性合同

當本集團為履行合同規定的義務所產生不可避免的成本超過預期因該合同可獲取的經濟效益時，便存在虧損性合同。虧損性合同的撥備按終止合同的預期成本與合同的持續成本淨額的現值較低者計算。

- (u) 收入及其他收入

本集團將於其日常業務過程中銷售貨物、提供服務或根據租賃由其他人士使用本集團資產所產生的收入分類為收入。

收入在產品或服務的控制權轉移至客戶時，或承租人有權使用資產時，按本集團預期有權收取的承諾代價金額確認，不包括代表第三方收取的款項。收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue and other income (continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on curtain wall under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total contract costs.

2 重大會計政策(續)

(u) 收入及其他收入(續)

倘合同中包含為客戶提供超過12個月的重大融資利益的融資部分，則收入按應收金額的現值計量，並使用與客戶的單獨融資交易中反映的貼現率貼現，而利息收入按實際利率法單獨計量。倘合約中包含為本集團提供重大融資利益的融資部分，則根據該合同確認的收入包括按實際利率法計算的合同負債所產生的利息開支。本集團運用國際財務報告準則第15號第63段的實際權宜方法，當融資期限為12個月或以下時，則不會就重大融資部分的任何影響調整代價。

有關本集團收入及其他收入確認政策的進一步詳情如下：

(i) 建築合同

合同與受客戶控制的幕牆工程相關時，本集團把與客戶所訂的合同列作建築合同，故本集團建築活動設置或提升受客戶控制的資產。

倘建築合同的結果能可靠估計，合同收入使用成本比例法隨著時間逐步確認，即以已產生的實際成本佔估計合同總成本的比例為基礎。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(u) Revenue and other income (continued)

(u) 收入及其他收入(續)

(i) Construction contracts (continued)

(i) 建築合同(續)

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

本集團就提早完成而賺取的合作獎勵或因延遲完工而遭受合同罰款的可能性於作出該等估計時加以考慮，因此，僅在已確認累計收入金額很可能不會大幅撥回時方會確認收入。

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

倘合同的結果無法合理計量，則收入僅以預期可收回的已產生合同成本為限予以確認。

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in Note 2(t)(ii).

倘於任何時間估計完成合同的成本超過合同項下代價的餘額，則根據附註2(t)(ii)所載政策確認撥備。

(ii) Service income

(ii) 服務收入

Service income from the rendering of services is recognised when the related services are rendered.

來自提供服務的服務收入於提供相關服務後確認。

(iii) Sale of materials

(iii) 銷售材料

Sale of materials is recognised when the materials are delivered to the location designated by the customer and the control of the materials transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue from sale of materials excludes value added tax or other sales taxes and is after deduction of any sales discounts.

銷售材料於材料運抵客戶指定地點及材料控制權轉移至客戶時，按預期本集團有權收取的承諾代價金額確認，不包括代表第三方收取的任何款項。銷售材料的收入不包括增值稅或其他銷售稅項，並已扣除任何貿易折扣。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue and other income (continued)

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(v) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2 重大會計政策(續)

(u) 收入及其他收入(續)

(iv) 經營租賃的租金收入

經營租賃項下應收租金收入乃於租賃年期按等額分期於損益表內確認，惟倘有更能代表使用租賃資產帶來的收入模式的其他基準除外。已授出的租賃優惠乃於損益表內確認為應收淨租金總額的一部分。不依賴指數或利率的可變租賃付款於產生的會計期間確認為收入。

(v) 利息收入

利息收入於產生時使用實際利率法確認，即金融資產預計生命期間內實際折現預計未來現金收入至金融資產的總賬面價值的準確利率。

(vi) 政府補貼

倘可合理確定能夠收取政府補貼，而本集團將符合政府補貼所附帶條件，則政府補貼將初步在財務狀況表中確認。補償本集團所產生開支的補貼於產生開支同一期間有系統地於損益表中確認為收入。補償本集團資產成本的補貼，在相關資產賬面值中扣除，其後於該資產的可使用年期內以減少折舊開支方式於損益內確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(v) Translation of foreign currencies

(v) 換算外幣

Foreign currency transactions are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

外幣交易乃按於交易日期適用的外幣匯率換算為其有關的實體的功能貨幣。以外幣計值的貨幣資產及負債乃按於報告期末適用的外幣匯率換算為其有關的實體的功能貨幣。外匯收益及虧損乃於損益內確認。

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities.

以外幣的歷史成本計量的非貨幣資產及負債乃使用於交易日期適用的外幣匯率換算。交易日為本公司初步確認有關非貨幣資產或負債的日期。

The results of operations which have a functional currency other than RMB, the Group's presentation currency, are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

具有人民幣(本集團之列賬貨幣)以外的功能貨幣的經營業績乃按與於交易日期適用的外幣匯率相若的匯率換算為人民幣。財務狀況表項目乃按於報告期末的收市外幣匯率換算為人民幣。所產生的匯兌差額乃於其他全面收益內確認，並單獨於權益的匯兌儲備內累計。

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

在出售外國業務時，與該外國業務有關的匯兌差額的累計金額在確認處置損益時從權益重分類為損益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Non-current assets held for sale

A non-current asset is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset is available for sale in its present condition.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets are recognised at the lower of their carrying amount and fair value less costs to sell.

2 重大會計政策(續)

(w) 借貸成本

收購、興建或生產需長時間方可達致其擬定用途或出售的資產的直接借貸成本乃作為該資產的成本一部分予以資本化。其他借貸成本乃於其產生期間支銷。

資本化借貸成本作為合資格資產的成本的一部分於資產產生開支、產生借貸成本及進行使資產達致其擬定用途或出售的必須準備工作期間開始。借貸成本的資本化於進行使合資格資產達致其擬定用途或出售的絕大部分活動中止或完成時暫停或不再進行。

(x) 持有待售的非流動資產

如果非流動資產的賬面價值很可能通過出售交易而不是繼續使用收回，並且該資產在其當前狀況下可供出售，則該資產被歸類為持有待售資產。

在分類為持有待售之前，非流動資產的計量根據分類之前的會計政策進行更新。然後，在初始分類為持有待售和處置之前，非流動資產按其賬面價值和公允價值減去出售成本的較低者確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2 重大會計政策(續)

(y) Related parties

(y) 關聯方

(a) A person, or a close member of that person's family, is related to the Group if that person:

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：

(i) has control or joint control over the Group;

(i) 控制或共同控制本集團；

(ii) has significant influence over the Group; or

(ii) 對本集團有重大影響；或

(iii) is a member of the key management personnel of the Group or the Group's parent.

(iii) 為本集團或本集團母公司的主要管理層成員。

(b) An entity is related to the Group if any of the following conditions applies:

(b) 倘符合下列任何條件，即實體與本集團有關聯：

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(i) 該實體與本集團屬同一集團之成員公司(即各自的母公司、附屬公司及同系附屬公司相互關聯)。

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(ii) 一家實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。

(iii) Both entities are joint ventures of the same third party.

(iii) 兩間實體均為同一第三方的合營企業。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies: (continued)

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 重大會計政策(續)

(y) 關聯方(續)

(b) 倘符合下列任何條件，即實體與本集團有關聯：
(續)

(iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

(v) 實體為本集團或與本集團有關聯之實體就僱員利益設立的離職福利計劃。

(vi) 該實體受(a)所識別人士控制或受共同控制。

(vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

(viii) 實體或任何作為集團一部分的成員公司向本集團或本集團的母公司提供主要管理人員服務。

個別人士的近親為在與實體交易時預期會影響該名人士或受到該名人士影響的近親。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 31 contains information about the assumptions and the risk factors relating to fair value of financial instruments. Other significant sources of estimation uncertainty are as follows:

(a) Revenue recognition

As explained in accounting policy Note 2(u), revenue from construction contracts is recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total budgeted contract costs of the contract, as well as the contract costs incurred to date. The actual outcomes in the terms of total cost may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in the future years as an adjustment to the amounts recorded to date.

2 重大會計政策(續)

(z) 分部報告

經營分部及於財務報表內所申報的各分部項目的金額乃從定期提供予本集團最高級行政管理人員以就本集團多項業務及多個地理區域進行資源分配及表現評估的財務資料中識別。

個別重大的經營分部並不就財務申報目的而予以合併，除非該等分部具有相似經濟特性，以及就產品及服務性質、生產過程性質、客戶類別或種類、用以分銷產品或提供服務的方式及監管環境的性質方面相似。並非個別重大的經營分部如享有大部分有關條件，則可予以合併。

3 會計判斷及估計

附註31載有關於金融工具的公允價值的假設及風險因素的資料。其他估計不明朗因素的主要來源如下：

(a) 收入確認

如附註2(u)中的會計政策所述，建築合同的收入隨著時間確認。就未完工項目的有關收入及利潤確認視乎估計合同總預算合同成本，以及迄今產生的合同成本而定。有關總成本的實際結果可能高於或低於報告期末的估計，其將會影響於未來年度作為迄今所入賬的金額的調整確認的收入及利潤。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(b) Impairment of receivables and contract assets

Trade receivables and contract assets are reviewed by management at the end of each reporting period to determine the expected credit losses. The management bases the estimates on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessments of both current and forecast general economic conditions. Credit risk assessments focus on the customers' past history of making payments when due and current ability and willingness to pay, taking into account the financial position of the customers and the macroeconomic environment in which the customers operate. The credit assessments also consider the status of the construction project, i.e. whether there is any delay, any unresolved lawsuits or contentious matters with customers. If the financial conditions of the customers and/or the macroeconomic environment of the Group were to deteriorate, resulting in an impairment of their ability to repay, additional impairment provision would be required.

(c) Warranty provisions

As explained in Note 28, the Group makes provisions under the warranties it gives on construction of curtain wall systems contracts, taking into account the Group's recent claim experience. As the curtain wall systems required by customers become more complex, it is probable that the recent claim experience is not indicative of future claims that the Group will receive in respect of past construction of curtain wall systems. Any increase or decrease in the provision would affect profit or loss in future years.

3 會計判斷及估計(續)

(b) 應收款及合同資產減值

管理層於各報告期末審閱貿易應收款及合同資產，以釐定預期信用損失。管理層的估計以歷史信用損失經驗為基礎，並就債務人特定因素及當前及預期整體經濟狀況的評估作出調整。信貸風險評估集中於客戶於到期時作出付款的過往歷史、目前的實力以及支付意願，並考慮客戶的財務狀況及客戶經營業務所處的宏觀經濟環境。信貸評估亦考慮建築項目的狀況(即是否出現延誤、任何未決訴訟或與客戶的爭議事件)。倘客戶財務狀況及/或本集團宏觀經濟環境惡化，導致彼等還款能力減值，則須再次加入額外減值撥備。

(c) 保修撥備

誠如附註28闡述，本集團經考慮本集團近期的申索經驗，根據其就幕牆系統建築合同作出的保修計提撥備。由於客戶所要求的幕牆系統日趨複雜，近期的申索經驗未必能顯示本集團將就過去幕牆系統建築接獲的未來申索。撥備的任何增加或減少將影響未來年度的損益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(d) Deferred tax

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In determining the amount of deferred tax assets to be recognised, significant judgement is required relating to the timing and level of future taxable profits, after taking into account future tax planning strategies. The amount of deferred tax assets recognised at future dates are adjusted if there are significant changes from these estimates.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

All of the Group's revenue is arising from construction contracts. The majority of the Group's revenue is recognised over time. Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

Revenue from contracts with customers within the scope of IFRS 15

Over time
Point in time

國際財務報告準則 第15號範圍內的 來自客戶合同之收入

於一段時間內
於某個時間點

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

3,842,877	4,421,881
198,376	193,823
4,041,253	4,615,704

3 會計判斷及估計(續)

(d) 遞延稅項

在很有可能利用遞延稅項資產來抵扣的未來應課稅利潤的限度內，應就所有未利用的稅務虧損及可抵扣暫時差異確認遞延稅項資產。需要運用大量的判斷來估計未來應課稅利潤的時間和水平，結合未來納稅籌劃策略，才能決定應確認的遞延稅項資產的金額。如此等估計有重大改變，則會對在未來確認的遞延稅項資產金額作出調整。

4 收入及分部報告

(a) 收入

本集團的主要業務為設計、採購、生產、銷售及安裝幕牆系統。有關本集團主要業務的進一步詳情於附註4(b)中討論。

(i) 收入分析

本集團所有收入來自建築合同。本集團大部分收入於一段時間內確認。按收入確認時間劃分的來自客戶合同之收入分析載列如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

Disaggregation of revenue by geographic markets is disclosed in Note 4(b)(iii).

Revenue represents contract revenue derived from the design, procurement, production, sale and installation of curtain wall systems.

The Group's customer base is diversified. There was no customer with transactions that exceeded 10% of the Group's revenue for the years ended 31 December 2019 and 2018.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

As at 31 December 2019, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB8,033.1 million (2018: RMB9,867.2 million). This amount represents revenue expected to be recognised in the future from construction contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 48 months.

As at 31 December 2019, the aggregated amount of the expected transaction price of the potential contracts (including tax) of which the Group has won the bidding is RMB4,894.5 million (2018: RMB4,090.7 million).

4 收入及分部報告(續)

(a) 收入(續)

(i) 收入分析(續)

按地理市場的收入分析於附註4(b)(iii)披露。

收入指設計、採購、生產、銷售及安裝幕牆系統產生的合同收入。

本集團客戶基礎多元化。截至2019年及2018年12月31日止年度，概無與客戶之交易超過本集團收入的10%。

(ii) 預期未來將就於報告日期存續的客戶合同確認的收入

於2019年12月31日，分配至本集團現有合同項下餘下履約責任的交易價總額為人民幣8,033.1百萬元(2018年：人民幣9,867.2百萬元)。該金額指預期日後將就客戶與本集團訂立的建築合同確認的收入。本集團將於日後工程完成時確認預期收入，預期於未來48個月內發生。

於2019年12月31日，本集團中標的潛在合同的預期交易價總額(包括稅項)為人民幣4,894.5百萬元(2018年：人民幣4,090.7百萬元)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

4 收入及分部報告(續)

(a) Revenue (continued)

(a) 收入(續)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date. (continued)

(ii) 預期未來將就於報告日期存續的客戶合同確認的收入(續)

The above amounts do not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

上述金額不包括本集團日後通過符合本集團與客戶建築合同當中所載條件而可能賺取的完工獎勵的任何金額，除非於報告日期本集團將很可能滿足賺取該等獎勵的條件。

(b) Segment reporting

(b) 分部報告

The Group manages its businesses by geographical locations of the construction contracts in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

本集團按建築合同的地理位置劃分管理其業務，其方式與就資源分配及績效考核向本集團最高行政管理人員內部呈報資料的方式一致。本集團呈列以下兩個可呈報分部。並無合併經營分部以組成以下可呈報經營分部：

- Domestic: comprises construction contracts carried out in the mainland China.
- Overseas: comprises construction contracts carried out outside of the mainland China.

- 國內：由在中國內地進行的建築合同組成。
- 海外：由在中國內地以外地區進行的建築合同組成。

(i) Segment results

(i) 分部業績

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

就評估分部表現及於各分部間分配資源而言，本集團最高行政管理人員按以下基準監控各可申報分部應佔的業績：

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results (continued)

The measure used for reporting segment result is “adjusted gross profit” (i.e. gross profit after impairment losses for trade receivables and contract assets).

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. No significant inter-segment sales have occurred for the years ended 31 December 2019 and 2018. The Group’s other operating expenses, such as selling and administrative expenses, impairment losses for other financial assets and finance costs, are not measured under individual segments.

During the year ended 31 December 2019, the Group’s most senior executive management monitor the Group’s assets and liabilities as a whole, accordingly, no segment assets and liabilities information is presented.

Information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below.

4 收入及分部報告(續)

(b) 分部報告(續)

(i) 分部業績(續)

呈報分部業績的方法為「經調整毛利」(即扣除貿易應收款及合同資產的減值虧損後之毛利)。

收入及開支乃參考可申報分部產生的收入及其產生的開支而分配至該等分部。截至2019年及2018年12月31日止年度，並未錄得任何重大的分部間銷售。本集團的其他營運開支如銷售及行政開支，其他金融資產減值損失及融資成本，並未於獨立分部下計算。

截至2019年12月31日止年度，本集團最高行政管理人員監管本集團的整體資產及負債，因此，並無呈列分部資產及負債資料。

截至2019年及2018年12月31日止年度，有關提供予本集團最高行政管理人員以分配資源及評估分部表現的本集團可申報分部資料載列如下。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

4 收入及分部報告(續)

(b) Segment reporting (continued)

(b) 分部報告(續)

(i) Segment results (continued)

(i) 分部業績(續)

		2019		
		Domestic	Overseas	Total
		國內	海外	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Revenue from external customers and reportable segment revenue	來自外部客戶的收入及可申報分部收入	1,703,621	2,337,632	4,041,253
Reportable segment adjusted gross profit	可申報分部經調整毛利	381,985	453,526	835,511
		2018		
		Domestic	Overseas	Total
		國內	海外	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Revenue from external customers and reportable segment revenue	來自外部客戶的收入及可申報分部收入	2,247,575	2,368,129	4,615,704
Reportable segment adjusted gross profit	可申報分部經調整毛利	360,904	350,084	710,988

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(ii) Reconciliation of reportable segment profit or loss

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元 (Note) (附註)
Reportable segment adjusted gross profit	可呈報分部經調整毛利	835,511	710,988
Other income	其他收入	121,362	172,741
Selling expenses	銷售費用	(86,541)	(91,112)
Administrative expenses	行政開支	(531,707)	(565,949)
Expected credit losses of other financial assets	其他金融資產的預期信用損失	(84)	(3,739)
Finance costs	融資成本	(142,523)	(68,767)
Profit before taxation	稅前利潤	196,018	154,162

Note: The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated. See Note 2(c).

附註：本集團已利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

4 收入及分部報告(續)

(b) 分部報告(續)

(ii) 可呈報分部損益之對賬

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

4 收入及分部報告(續)

(b) Segment reporting (continued)

(b) 分部報告(續)

(iii) Geographic information

(iii) 地理資料

The following tables set out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the construction contracts are carried out. The geographical location of the specified non-current assets is determined based on the physical location of the assets. For overseas construction contracts, the Group further divided the customers based on regions, where each country within the region shares similar characteristics as to the depth of the Group's penetration in the market and industry practices.

下表載列有關本集團來自外部客戶的收入及。客戶的地理位置乃根據進行建築合同的地點劃分。指定非流動資產的地理位置乃根據資產的實際地點劃分。就海外工程合同而言，本集團進一步按地區劃分客戶，地區內的國家在本集團市場及行業慣例的滲透深度方面的特性類似。

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Revenue from contracts with customers within the scope of IFRS 15	國際財務報告準則第15號範圍內的來自客戶合同之收入		
Disaggregated by geographical location of customers	按客戶地理位置劃分		
Mainland China	中國內地	1,703,621	2,247,575
United Kingdom	英國	540,872	674,327
Australia	澳洲	439,847	597,794
United States of America	美利堅合眾國	426,254	582,202
Others	其他	930,659	513,806
		2,337,632	2,368,129
		4,041,253	4,615,704

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

5 OTHER INCOME

5 其他收入

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Government grants	政府補助	27,646	24,776
Rental income from investment property	投資物業之租金收入	1,972	-
Rental income from operating leases, other than those relating to investment property	投資物業除外的經營租賃之 租金收入	170	521
Net income from provision of repairs and maintenance services	提供維修及保養服務的淨收入	4,589	827
Net loss from sale of scrap materials	銷售廢棄材料的淨虧損	(4,972)	(1,276)
Net gain on disposal of property, plant and equipment, land use rights and assets classified as held for sale (Note (i))	出售物業、廠房及設備、 土地使用權及分類為持作 出售資產的淨收益(附註(i))	91,957	147,893
		121,362	172,741

Note:

- (i) The amounts included a net gain of RMB89.4 million (2018: RMB100.5 million) arising from disposal of land use rights and properties classified as assets classified as held for sale. Further details of the transaction are set out in Note 21.

附註：

- (i) 該款項包括出售分類為持作出售資產的土地使用權及物業產生的淨收益人民幣89.4百萬元(2018年：人民幣100.5百萬元)。交易詳情參看附註21。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

6 PROFIT BEFORE TAXATION

6 稅前利潤

Profit before taxation is arrived at after charging/(crediting):

稅前利潤乃經扣除/(計入)以下各項後得出：

(a) Finance costs:

(a) 融資成本：

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Note)
			(附註)
Interest on borrowings	借貸利息	175,055	145,853
Interest on lease liabilities (Note 20(b))	租賃負債利息(附註20(b))	1,055	-
Bank charges and other finance costs	銀行手續費及其他融資成本	28,516	27,174
Total borrowing costs	總借貸成本	204,626	173,027
Interest income	利息收入	(21,986)	(4,797)
Net foreign exchange gain	外匯收益淨額	(54,948)	(78,923)
Net loss/(gain) on forward foreign exchange contracts:	遠期外匯合約虧損/(收益)淨額：		
- net gain on cash flow hedging instruments reclassified from equity	- 自權益重新分類的現金流量對沖工具收益淨額	-	(4,476)
- net loss/(gain) on other forward foreign exchange contracts	- 其他遠期外匯合約虧損/(收益)淨額	14,831	(16,064)
		142,523	68,767

Note: The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated. See Note 2(c).

附註：本集團已利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

No borrowing costs have been capitalised for the year ended 31 December 2019 (2018: RMBNil).

於截至2019年12月31日止年度並無借貸成本被資本化(2018年：人民幣零元)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

6 PROFIT BEFORE TAXATION (continued)

(b) Staff costs#:

Salaries, wages and other benefits	薪金、工資及其他福利
Contributions to defined contribution retirement plans	向界定供款退休計劃供款

The employees of the subsidiaries of the Group established in the PRC participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at rates ranging from 12% to 20% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the above mentioned retirement schemes at their normal retirement age.

The employees of the subsidiaries of the Group established outside of the PRC participate in defined contribution retirement benefit schemes managed by the respective local government authorities, whereby these subsidiaries are required to contribute to the respective schemes at rates stipulated by the relevant rules and regulations of the respective jurisdictions.

The Group does not have any further material obligations for payments of other retirement benefits beyond the above annual contributions.

6 稅前利潤(續)

(b) 員工成本#：

	2019	2018
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Salaries, wages and other benefits	624,060	650,856
Contributions to defined contribution retirement plans	64,449	74,805
	688,509	725,661

本集團於中國成立的附屬公司的僱員參與地方政府機關管理的界定供款退休福利計劃，據此，中國附屬公司須按僱員基本薪金12%至20%向該等計劃供款。中國附屬公司僱員於達致正常退休年齡時有權按上述退休計劃享有按中國平均薪金水平百分比計算的退休福利。

本集團於中國境外成立的附屬公司的僱員參與其各自地方政府機關管理的界定供款退休福利計劃，據此，海外附屬公司須按各司法權區的相關規則及法規所訂明的比率向各計劃供款。

本集團毋須承擔支付上述年度供款以外的任何其他重大退休福利責任。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

6 PROFIT BEFORE TAXATION (continued)

6 稅前利潤(續)

(c) Other items:

(c) 其他項目：

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Depreciation and amortisation#	折舊及攤銷#		
– owned property, plant and equipment (Note 12)	– 自有物業、廠房及設備 (附註12)	31,617	40,574
– lease prepayments	– 租賃預付款	–	11,897
– right-of-use assets (Note 13)	– 使用權資產(附註13)	17,720	–
– investment property (Note 14)	– 投資物業(附註14)	489	–
Impairment losses on trade and other receivables and contract assets	貿易及其他應收款及合同資產減值虧損	155,909	193,754
Leases previously classified as operating leases under IAS 17	先前根據國際會計準則第17號分類為經營租賃的租賃	–	21,629
Auditors' remuneration	核數師薪酬	9,254	13,102
Research and development costs#	研發成本#	156,092	175,616
Increase in provision for warranties# (Note 28)	保修撥備增加#(附註28)	75,416	83,093
Cost of inventories# (Note 16(a))	存貨成本#(附註16(a))	3,049,917	3,714,701

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and recognised the reclassifications arising from the new initial application in the opening balance on 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See Note 2(c).

附註：本集團已使用經修訂追溯法初步應用國際財務報告準則第16號，並確認於2019年1月1日的期初結餘中應初步應用產生的重分類以確認與先前根據國際會計準則第17號分類為經營租賃的租賃相關的使用權資產。於2019年1月1日初步確認使用權資產後，本集團作為承租人須確認使用權資產折舊，而非按先前政策在租賃期內以直線法確認經營租賃項下產生的租金開支。根據此方法，比較資料不予重列。見附註2(c)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

6 PROFIT BEFORE TAXATION (continued)

(c) Other items: (continued)

Note: (continued)

Cost of inventories includes RMB424.2 million for the year ended 31 December 2019 (2018: RMB468.9 million), relating to staff costs, depreciation and amortisation expenses, lease expenses, research and development costs and provision for warranties, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) and Note 13 for each of these types of expenses.

7 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

Current taxation (Note 27(a)):
– provision for corporate income tax in respective jurisdictions

Deferred taxation (Note 27(b)):
– origination and reversal of temporary differences

即期稅項(附註27(a))：
– 按各司法權區計提
企業所得稅撥備

遞延稅項(附註27(b))：
– 暫時差額的產生及撥回

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Note)
	(附註)

16,349 17,922

89,849 48,069

106,198 65,991

6 稅前利潤(續)

(c) 其他項目：(續)

附註：(續)

截至2019年12月31日止年度存貨成本包括員工成本、折舊及攤銷開支、租賃開支、研發成本及保修撥備有關的成本人民幣424.2百萬元(2018年：人民幣468.9百萬元)，而上述或於附註6(b)和附註13的金額亦計入單獨披露的各類開支中。

7 所得稅

(a) 合併損益表內的所得稅指：

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

7 INCOME TAX (continued)

7 所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅項開支與按適用稅率計算的會計利潤的對賬：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元 (Note) (附註)
Profit before taxation	稅前利潤	196,018	154,162
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii), (iii) and (iv))	按利潤相關司法權區適用稅率計算的稅前利潤預期稅項(附註(i)、(ii)、(iii)及(iv))	48,515	45,166
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	4,077	2,850
Tax effect of non-taxable income	非稅收入的稅務影響	(3,545)	(7,698)
Tax effect of utilisation of prior years' unused tax losses previously not recognised	動用先前未確認過往年度未動用稅項虧損的稅務影響	(8,600)	(126)
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損的稅務影響	54,783	44,231
Tax concessions and effect of changes of tax rate (Note (v))	稅項減免及稅率變動之影響(附註(v))	10,968	(18,432)
Income tax	所得稅	106,198	65,991

Notes:

附註：

(i) The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 December 2019 (2018: 16.5%). No provision for Hong Kong Profits Tax has been made as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the year ended 31 December 2019 (2018: RMBNil).

(i) 本公司及本集團於香港註冊成立的附屬公司於截至2019年12月31日止年度須按16.5%(2018年:16.5%)的稅率繳納香港利得稅。由於本公司及本集團於香港註冊成立的附屬公司於截至2019年12月31日止年度概無須繳納香港利得稅的應課稅利潤，故並無計提香港利得稅撥備(2018年:人民幣零元)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

7 INCOME TAX (continued)

- (b) Reconciliation between tax expense and accounting profit at applicable tax rates: (continued)

Notes: (continued)

- (ii) The Company and a subsidiary of the Group incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- (iii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2019 (2018: 25%).
- (iv) The subsidiaries of the Group incorporated in jurisdictions other than the PRC (including Hong Kong), the Cayman Islands and the British Virgin Islands, are subject to income tax rates ranging from 8.5% to 35% for the year ended 31 December 2019 pursuant to the rules and regulations of their respective countries of incorporation (2018: 8.5% to 35%).
- (v) One of the subsidiaries of the Group established in the PRC has obtained approval from the tax bureau to be taxed as an enterprise with advanced and new technologies for the period from the calendar years from 2017 to 2019 and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the year ended 31 December 2019 (2018: 15%). In addition to the preferential PRC Corporate Income Tax rate, this subsidiary entitles an additional tax deductible allowance amounted to 75% (2018: 75%) of the qualified research and development costs incurred in the PRC by this subsidiary.
- (vi) determining tax provision involves judgement on tax treatment of certain transactions. The Group evaluates tax implication of transactions and tax provision are set up accordingly. Where the final tax outcome of these transactions is different from the amounts that were initially recorded, such differences will impact the tax provision in the year in which such determination is made.

7 所得稅(續)

- (b) 稅項開支與按適用稅率計算的會計利潤的對賬：(續)

附註：(續)

- (ii) 根據各自註冊成立國家的規則及法規，分別於開曼群島及英屬處女群島註冊成立的本公司及本集團一家附屬公司毋須繳納任何所得稅。
- (iii) 本集團於中國成立的附屬公司於截至2019年12月31日止年度須按25% (2018年：25%)的稅率繳納中國企業所得稅。
- (iv) 根據各自註冊成立國家的規則及法規，本集團於中國(包括香港)、開曼群島及英屬處女群島以外國家註冊成立的附屬公司須於截至2019年12月31日止年度內按8.5%至35%不等的所得稅率繳納所得稅(2018年：8.5%至35%)。
- (v) 本集團其中一家於中國成立的附屬公司已獲得稅務局批准自2017年至2019年止的曆年起作為高新技術企業繳納稅項，故截至2019年12月31日止年度享有15% (2018年：15%)的中國企業所得稅優惠稅率。除享有中國企業所得稅優惠稅率之外，該附屬公司有資格享受於中國產生的合資格研發成本的75% (2018年：75%)加計扣除金額。
- (vi) 釐定稅項撥備涉及對若干交易的稅務處理的判斷。本集團評估各項交易的稅務影響，並計提相應的稅項撥備。當該等交易的最終稅項結果與初始記錄的數額有出入時，有關差額將影響有關釐定年度稅項撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

8 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8 董事酬金

根據香港公司條例第383(1)章及公司(披露董事利益資料)規例第二部份披露的董事酬金詳情如下：

		2019			
		Salaries, allowances and benefits	Retirement scheme contributions	Total	
Directors' fees	in kind	in kind	退休計劃 供款	總計	
董事袍金	及實物福利	薪金、津貼 及實物福利	退休計劃 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	
Executive directors		執行董事			
Mr Kang Baohua	康寶華先生	-	-	-	-
Mr Zhang Lei	張雷先生	-	-	-	-
Mr Li Hongren	李洪人先生	-	4,883	34	4,917
Mr Liu Futao	劉福濤先生	-	4,353	34	4,387
Mr Ma Minghui	馬明輝先生	-	1,773	34	1,807
Mr Wang Hao	王昊先生	-	446	35	481
Independent non-executive directors		獨立非執行董事			
Mr Poon Chiu Kwok	潘昭國先生	220	-	-	220
Mr Woo Kar Tung, Raymond	胡家棟先生	220	-	-	220
Mr Pang Chung Fai, Benny	彭中輝先生	220	-	-	220
		660	11,455	137	12,252

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

8 DIRECTORS' REMUNERATION (continued)

8 董事酬金(續)

		2018			
		Salaries, allowances and benefits in kind	Retirement scheme contributions	Total	
Directors' fees	董事袍金	薪金、津貼 及實物福利	退休計劃 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	
Executive directors	執行董事				
Mr Kang Baohua	康寶華先生	-	188	37	225
Mr Zhang Lei	張雷先生	-	321	35	356
Mr Li Hongren	李洪人先生	-	2,683	40	2,723
Mr Liu Futao	劉福濤先生	-	2,412	40	2,452
Mr Ma Minghui	馬明輝先生	-	1,616	40	1,656
Mr Wang Hao	王昊先生	-	432	42	474
Independent non-executive directors	獨立非執行董事				
Mr Poon Chiu Kwok	潘昭國先生	211	-	-	211
Mr Woo Kar Tung, Raymond	胡家棟先生	211	-	-	211
Mr Pang Chung Fai, Benny	彭中輝先生	211	-	-	211
		633	7,652	234	8,519

The emoluments of Mr Kang Baohua (the "Controlling Shareholder") and Mr Zhang Lei were borne by companies under the control of the Controlling Shareholder during the year ended 31 December 2019.

截至2019年12月31日的年度，康寶華先生(「控股股東」)和張雷先生的薪酬由控股股東控制的公司承擔。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2018: two) of them are directors of the Company. The aggregate of the emoluments in respect of the three individuals (2018: three) who are not directors are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Discretionary bonuses	酌情花紅
Retirement scheme contributions	退休計劃供款

The emoluments of the employees who are not directors and who are amongst the five highest paid individuals of the Group are within the following bands:

(In HK\$)	(港元)
2,000,001-2,500,000	2,000,001至2,500,000
2,500,001-3,000,000	2,500,001至3,000,000

9 最高薪酬人士

五名最高薪酬人士中，兩名(2018年：兩名)為本公司董事。並非董事的該三名人士(2018年：三名)的薪酬總額如下：

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元
5,343	5,239
453	380
759	797
6,555	6,416

本集團五名最高薪酬但並非董事之人士的薪酬介乎以下範圍：

2019	2018
1	2
2	1

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

10 OTHER COMPREHENSIVE INCOME

Tax effect relating to each component of other comprehensive income

Exchange differences on translation of financial statements of the Company and certain subsidiaries into presentation currency (before and after tax) 換算本集團及若干附屬公司財務報表為呈列貨幣的匯兌差額(稅前及稅後)

Cash flow hedge: 現金流量對沖：
net movement in the hedging reserve 對沖儲備變動淨額
– before tax amount 一稅前金額
– tax expense 一稅項開支
– net of tax amount 一淨稅額

Other comprehensive income 其他全面收益

10 其他全面收益

有關其他全面收益各組成部分的稅務影響

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

(66,252)	(17,017)
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–	(1,625)
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–	404
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–	(1,221)
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(66,252)	(18,238)
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11 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the year ended 31 December 2019 is calculated based on the profit attributable to equity shareholders of the Company of RMB89.8 million (2018: RMB79.1 million) and the weighted average of 6,208,147,000 ordinary shares (2018: 6,208,147,000 ordinary shares) in issue during the year ended 31 December 2019.

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2019 and 2018.

11 每股盈利

(a) 每股基本盈利

截至2019年12月31日止年度每股基本盈利根據本公司股東應佔利潤人民幣89.8百萬元(2018年：人民幣79.1百萬元)及於本年度已發行加權平均數6,208,147,000股普通股(2018年：6,208,147,000股普通股)計算。

(b) 每股攤薄盈利

於截至2019年及2018年12月31日止年度概無具潛在攤薄效應的股份發行在外。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

12 PROPERTY, PLANT AND EQUIPMENT

12 物業、廠房及設備

		Plant and buildings 廠房及樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Motor vehicles and other equipment 汽車及 其他設備 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 2018	於2018年1月1日	584,394	388,274	182,681	12,093	1,167,442
Exchange adjustments	匯兌調整	(205)	(261)	735	-	269
Additions	添置	10,749	395	756	-	11,900
Disposals	出售	(17,008)	(2,788)	(7,710)	-	(27,506)
Reclassified to assets classified as held for sale (Note 21)	重分類為持作出售資產 (附註21)	(150,298)	-	-	(11,508)	(161,806)
At 31 December 2018	於2018年12月31日	427,632	385,620	176,462	585	990,299
Accumulated depreciation:	累計折舊：					
At 1 January 2018	於2018年1月1日	(149,280)	(251,784)	(149,076)	-	(550,140)
Exchange adjustments	匯兌調整	(6)	155	(589)	-	(440)
Charge for the year	年內折舊	(16,287)	(17,680)	(6,607)	-	(40,574)
Written back on disposals	出售撥回	4,103	1,522	7,221	-	12,846
Reclassified to assets classified as held for sale (Note 21)	重分類為持作出售資產 (附註21)	15,838	-	-	-	15,838
At 31 December 2018	於2018年12月31日	(145,632)	(267,787)	(149,051)	-	(562,470)
Net book value:	賬面淨值：					
At 31 December 2018	於2018年12月31日	282,000	117,833	27,411	585	427,829
Cost:	成本：					
At 1 January 2019	於2019年1月1日	427,632	385,620	176,462	585	990,299
Exchange adjustments	匯兌調整	100	303	1,039	-	1,442
Additions	添置	5,633	636	2,361	-	8,630
Disposals	出售	(3,273)	(1,877)	(9,594)	-	(14,744)
Reclassified to investment property (Note 14)	重分類為投資物業(附註14)	(17,608)	-	-	-	(17,608)
Transfer in/(out)	轉入/(轉出)	585	-	-	(585)	-
At 31 December 2019	於2019年12月31日	413,069	384,682	170,268	-	968,019
Accumulated depreciation:	累計折舊：					
At 1 January 2019	於2019年1月1日	(145,632)	(267,787)	(149,051)	-	(562,470)
Exchange adjustments	匯兌調整	(20)	(171)	(1,018)	-	(1,209)
Charge for the year	年內折舊	(13,039)	(12,687)	(5,891)	-	(31,617)
Written back on disposals	出售撥回	521	1,370	8,239	-	10,130
Reclassified to investment property (Note 14)	重分類為投資物業(附註14)	4,383	-	-	-	4,383
At 31 December 2019	於2019年12月31日	(153,787)	(279,275)	(147,721)	-	(580,783)
Net book value:	賬面淨值：					
At 31 December 2019	於2019年12月31日	259,282	105,407	22,547	-	387,236

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Note: The Group has initially applied IFRS 16 using the modified retrospective method and recognised the reclassifications arising from the new initial application in the opening balance on 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. See Note 2(c).

At 31 December 2019, property certificates of certain properties with an aggregate net book value of RMB81.1 million (31 December 2018: RMB84.4 million) are yet to be obtained.

12 物業、廠房及設備(續)

附註： 本集團已使用經修訂追溯法初步應用國際財務報告準則第16號，並確認於2019年1月1日的期初結餘中應初步應用產生的重分類以確認與先前根據國際會計準則第17號分類為經營租賃的租賃相關的使用權資產。詳見附註2(c)。

於2019年12月31日，若干總賬面淨值為人民幣81.1百萬元(2018年12月31日：人民幣84.4百萬元)的物業尚未取得物業證書。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

13 RIGHT-OF-USE ASSETS

The analysis of the net book value of the Group's right-of-use assets, carried at depreciated cost, by class of underlying asset is as follows:

13 使用權資產

本集團按標的資產類別使用權資產的賬面淨值(折舊成本列示)分析如下：

		Prepayment for land use right for own use	Properties leased for own use	Motor vehicles for own use	Total
		自用土地 使用權預付款	自用租賃物業	自用車輛	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Note (i)	Note (i)		
		附註(i)	附註(i)		
Cost:	成本：				
At 31 December 2018	於2018年12月31日	-	-	-	-
Impact on initial application of IFRS 16 at 1 January 2019:	於2019年1月1日首次應用國際財務報告準則第16號的影響：				
- reclassified from lease prepayments	- 重分類自租賃預付款	435,005	-	-	435,005
- capitalisation of operating lease contracts	- 經營租賃合同資本化	-	13,167	-	13,167
At 1 January 2019	於2019年1月1日	435,005	13,167	-	448,172
Exchange adjustments	匯兌調整	-	511	-	511
Additions	添置	-	13,571	624	14,195
Reclassified to assets held for sale (Note 21)	重分類至持作出售資產(附註21)	(119,684)	-	-	(119,684)
Reclassified to investment property (Note 14)	重分類至投資物業(附註14)	(22,822)	-	-	(22,822)
At 31 December 2019	於2019年12月31日	292,499	27,249	624	320,372
Accumulated amortisation:	累計攤銷：				
At 31 December 2018	於2018年12月31日	-	-	-	-
Impact on initial application of IFRS 16:	首次應用國際財務報告準則第16號的影響：				
Reclassified from lease prepayments	重分類自租賃預付款	(66,647)	-	-	(66,647)
At 1 January 2019	於2019年1月1日	(66,647)	-	-	(66,647)
Exchange adjustments	匯兌調整	-	(197)	-	(197)
Charge for the year	年內攤銷	(7,037)	(10,449)	(234)	(17,720)
Reclassified to assets held for sale (Note 21)	重分類至持作出售資產(附註21)	9,173	-	-	9,173
Reclassified to investment property (Note 14)	重分類至投資物業(附註14)	4,423	-	-	4,423
At 31 December 2019	於2019年12月31日	(60,088)	(10,646)	(234)	(70,968)
Net book value:	賬面淨值：				
At 31 December 2019	於2019年12月31日	232,411	16,603	390	249,404

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

13 RIGHT-OF-USE ASSETS (continued)

Notes:

- (i) Prepayment for land use right for own use represented land use right premiums paid by the Group for land situated in the PRC. The remaining lease terms falls within the ranges of 38 years to 47 years. At 31 December 2019, land use right certificates of certain land use rights with an aggregate carrying value of RMB5.1 million (31 December 2018: RMB5.2 million) are yet to be obtained. Lump sum payments were made upfront to acquire these land use rights, and there are no ongoing payments to be made under the terms of the land lease.
- (ii) The Group has obtained the right to use the properties as its production plant or offices through tenancy agreements. The leases typically run for an initial period of 1 to 5 years.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. For existing leases as at 1 January 2019 and 31 December 2019, the Group is not reasonably certain to exercise any extension options therefore did not include future lease payments during the extension periods in the measurement of lease liabilities.

The Group do not have leases which contains variable lease payment.

13 使用權資產(續)

附註：

- (i) 自用土地使用權預付款是指本集團為位於中國的土地支付的土地使用權溢價。剩餘租賃期限在38年至47年之間。截至2019年12月31日，尚未取得某些土地使用權的土地使用權證書，總賬面價值為人民幣5.1百萬元(2018年12月31日：人民幣5.2百萬元)。一次性預付款是為獲得這些土地使用權前支付的，而且根據土地租賃條款，沒有進行中的付款。
- (ii) 本集團已通過租賃協議獲得物業使用權，作為其生產工廠或辦公室。租賃期一般為1至5年。

有些租賃包括在合同期結束後將租約延長一段時間的選擇權。在可行的情況下，本集團力求納入本集團可行使的延展期權，以提供經營靈活性。本集團於租賃開始日期評估是否有合理把握行使延期選擇權。如果本集團不能合理確定是否行使延期選擇權，則延期期間的未來租賃付款不包括在租賃負債的計量中。對於截至2019年1月1日和2019年12月31日的現有租賃，本集團無法合理確定是否行使任何延期選擇權，因此在租賃負債計量中未將延期期間的未來租賃付款包括在內。

本集團沒有包含可變租賃付款的租賃。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

13 RIGHT-OF-USE ASSETS (continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

Depreciation charge of right-of-use assets/lease prepayment	使用權資產折舊／租賃預付款	17,720	11,897
Interest on lease liabilities (Note 6(a))	租賃負債利息(附註6(a))	1,055	—
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2019	剩餘租期為截至2019年12月31日或之前的短期租賃及其他租賃支付的費用	14,815	—
Total minimum lease payments for leases previously classified as operating leases under IAS 17	根據用國際會計準則第17號分類為經營租賃的最低租賃付款總額	—	21,629

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and recognised the reclassifications arising from the new initial application in the opening balance on 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See Note 2(c).

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 20(c) and 25, respectively. There is no lease that is not yet commenced as at 31 December 2019.

13 使用權資產(續)

與計入損益的租賃相關的費用項目分析如下：

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元
	(Note)
	(附註)

附註： 本集團已使用經修訂追溯法初步應用國際財務報告準則第16號，並確認於2019年1月1日的期初結餘中應初步應用產生的重分類以確認與先前根據國際會計準則第17號分類為經營租賃的租賃相關的使用權資產。在2019年1月1日首次確認使用權資產後，本集團作為承租人需要確認使用權資產的折舊，而不是之前的政策，即在租賃期內以直線法確認經營租賃產生的租賃費用。根據此法，比較資料不予重列。在這種方法下，比較信息不會重述。詳見附註2(c)。

租賃現金流出總額及租賃負債的到期分析詳情分別列載於附註20(c)及25。截至2019年12月31日，沒有尚未開始的租賃。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

14 INVESTMENT PROPERTY

14 投資物業

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2018, 31 December 2018 and 1 January 2019	於2018年1月1日、2018年12月31日 及2019年1月1日	—
Reclassified from property, plant and equipment (Note 12)	重分類自物業、廠房及設備(附註12)	17,608
Reclassified from right-of-use assets (Note 13)	重分類自使用權資產(附註13)	22,822
At 31 December 2019	於2019年12月31日	40,430
Accumulated amortisation:	累計攤銷：	
At 1 January 2018, 31 December 2018 and 1 January 2019	於2018年1月1日、2018年12月31日 及2019年1月1日	—
Reclassified from property, plant and equipment (Note 12)	重分類自物業、廠房及設備(附註12)	(4,383)
Reclassified from right-of-use assets (Note 13)	重分類自使用權資產(附註13)	(4,423)
Charge for the year	年內攤銷	(489)
At 31 December 2019	於2019年12月31日	(9,295)
Net book value:	賬面淨值：	
At 31 December 2019	於2019年12月31日	31,135

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

14 INVESTMENT PROPERTY (continued)

Notes:

- (i) The Group leases out investment properties under operating leases. The leases typically run for an initial period of 8 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every 3 years to reflect market rentals. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內
After 5 years	五年後

- (ii) The investment property owned by the Group are situated in the PRC. According to the property valuation report issued by an independent qualified valuer, the fair value under income approach of the investment property at 31 December 2019 is RMB93.3 million.

14 投資物業(續)

附註：

- (i) 本集團以經營租賃方式出租投資性房地產。租賃期通常為8年，並附有選擇權在重新磋商所有條款時重續租賃。租賃付款通常每3年增加一次，以反映市場租金。所有租賃均不包括可變租賃付款。

本集團在未來期間將收取不可撤銷經營租賃的租賃付款在報告日期下的未貼現值，如下所示：

2019
RMB'000
人民幣千元

8,600

34,981

24,891

68,472

- (ii) 本集團擁有的投資物業產位於中國。根據獨立合格估值師出具的評估報告，該投資物業在2019年12月31日的公允價值收益法下為人民幣93.3百萬元。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

15 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

15 於附屬公司之投資

下表僅列出對本集團的業績、資產或負債有重大影響之附屬公司資料。

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊成立 及營業地點	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足股本詳情	The Group's effective interest 本集團之 實際權益	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
				Held by the Company 由本公司 持有	Held by subsidiaries 由附屬 公司持有	
Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda")* 瀋陽遠大鋁業工程有限公司(「瀋陽遠大」)*	The PRC 中國	United States Dollar ("USD") 323,298,200 323,298,200美元(「美元」)	100%	-	100%	Design, procurement, production, sale and installation of curtain wall systems 設計、採購、生產、銷售及 安裝幕牆系統
Shanghai Yuanda Aluminium Industry Engineering Co., Ltd.** 上海遠大鋁業工程有限公司**	The PRC 中國	RMB15,000,000 人民幣15,000,000元	100%	-	100%	Design, procurement, production, sale and installation of curtain wall systems 設計、採購、生產、銷售及 安裝幕牆系統
Yuanda (UK) Co., Ltd. 遠大英國有限公司	United Kingdom 英國	British Pound Sterling ("GBP") 500,000 500,000英鎊(「英鎊」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Shenyang Yuanda Metal Coating Co., Ltd.** 瀋陽遠大金屬噴塗有限公司**	The PRC 中國	RMB7,000,000 人民幣7,000,000元	100%	-	100%	Plating and coating of metals 金屬鍍層及噴塗

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

15 INVESTMENTS IN SUBSIDIARIES (continued)

15 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊成立 及營業地點	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足股本詳情	The Group's effective interest 本集團之 實際權益	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
				Held by the Company 由本公司 持有	Held by subsidiaries 由附屬 公司持有	
Foshan Yuanda Aluminium Industry Engineering Co., Ltd. ("Foshan Yuanda")** 佛山遠大鋁業工程有限公司 (「佛山遠大」)**	The PRC 中國	RMB20,000,000 人民幣20,000,000元	100%	-	100%	Purchase of materials for and provision of services to group companies 為集團公司購買原材料及向其提供服務
Yuanda Australia Pty Ltd. 遠大澳大利亞有限公司	Australia 澳大利亞	Australian Dollar ("AUD") 15,089,289 15,089,289澳元(「澳元」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
Yuanda USA Corporation 遠大美國有限公司	United States of America 美利堅合眾國	USD1,000,000 1,000,000美元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
Yuanda Canada Enterprises Ltd. ("Yuanda Canada") 遠大加拿大有限公司(「遠大加拿大」)	Canada 加拿大	USD500,000 500,000美元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
Yuanda Aluminium Industry Engineering (Germany) GmbH 遠大鋁業工程(德國)有限公司	Germany 德國	Euro100,000 100,000歐元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

15 INVESTMENTS IN SUBSIDIARIES (continued)

15 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊成立 及營業地點	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足股本詳情	The Group's effective interest 本集團之 實際權益	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
				Held by the Company 由本公司 持有	Held by subsidiaries 由附屬 公司持有	
Yuanda Aluminium Engineering (India) Private Limited ("Yuanda India") 遠大鋁業工程(印度)私人有限公司 (「遠大印度」)	Republic of India ("India") 印度共和國(「印度」)	Indian Rupee ("INR") 1,476,200 1,476,200印度盧比 (「印度盧比」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda Europe Ltd. 遠大歐洲有限公司	Swiss Confederation 瑞士聯邦	Swiss Franc ("CHF") 1,000,000 1,000,000瑞士法郎 (「瑞士法郎」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda Curtain Wall (Hong Kong) Company Limited 遠大幕牆(香港)有限公司	Hong Kong 香港	2,000,000 shares 2,000,000股股份	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda Kuwait General Contracting for Buildings Underes 遠大科威特綜合建築承包有限責任公司	State of Kuwait ("Kuwait") 科威特(「科威特」)	Kuwait Dinar 1,000,000 1,000,000科威特第納爾 (「科威特第納爾」)	100%#	-	100%#	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda Curtain Wall (Vietnam) Co., Ltd. 遠大幕牆(越南)有限責任公司	Socialist Republic of Vietnam 越南社會主義共和國	USD100,000 100,000美元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

15 INVESTMENTS IN SUBSIDIARIES (continued)

15 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊成立 及營業地點	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足股本詳情	The Group's effective interest 本集團之 實際權益	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
				Held by the Company 由本公司 持有	Held by subsidiaries 由附屬 公司持有	
Shenyang Yuanda Aluminium Industry Engineering Co., BR 瀋陽遠大鋁業工程有限公司沙特公司	Kingdom of Saudi Arabia 沙特阿拉伯	Saudi Arabian Riyal 500,000 500,000沙特阿拉伯裏亞	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
Well Galaxy Limited 銀康有限公司	The British Virgin Islands 英屬處女群島	USD1 1美元	100%	100%	-	Investment holding 投資控股
Yuanda (Hong Kong) Holdings Limited 遠大(香港)控股有限公司	Hong Kong 香港	1 share 1股股份	100%	-	100%	Investment holding 投資控股
PT. Shenyang Yuanda Aluminium Industry Engineering 遠大鋁業工程印度尼西亞有限公司	Republic of Indonesia 印度尼西亞共和國	USD750,000 750,000美元	99%	-	99%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
CNYD Aluminium Industry Engineering Malaysia SDN. BHD. 遠大鋁業工程馬來西亞私人有限公司	Malaysia 馬來西亞	Malaysia Ringgit ("MYR") 750,000 750,000馬來西亞令吉 (「馬來西亞令吉」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
Yuanda Curtain Wall (Singapore) Pte. Ltd. 遠大幕牆(新加坡)有限公司	Republic of Singapore 新加坡共和國	Singapore Dollar ("SGD") 7,374,000 7,374,000新加坡元 (「新加坡元」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

15 INVESTMENTS IN SUBSIDIARIES (continued)

15 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊成立 及營業地點	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足股本詳情	The Group's effective interest 本集團之 實際權益	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
				Held by the Company 由本公司 持有	Held by subsidiaries 由附屬 公司持有	
Yuanda Mexico S.A. de C.V. 遠大墨西哥可變資本有限公司	The United Mexican States 墨西哥	Mexican Peso 1,000,000 1,000,000墨西哥比索	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda Italy S.R.L. 遠大意大利有限責任公司	Italy 意大利	Euro 20,000 20,000歐元	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda Queensland Pty Ltd. 遠大昆士蘭有限公司	Australia 澳大利亞	AUD800,000 800,000澳元	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda WA Pty Ltd. 遠大西澳大利亞有限公司	Australia 澳大利亞	AUD1 1澳元	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda SA Pty Ltd. 遠大南澳大利亞有限公司	Australia 澳大利亞	AUD1 1澳元	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

15 INVESTMENTS IN SUBSIDIARIES (continued)

15 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊成立 及營業地點	Particulars of registered/issued and paid-up capital 註冊/已發行及 繳足股本詳情	The Group's effective interest 本集團之 實際權益	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
				Held by the Company 由本公司 持有	Held by subsidiaries 由附屬 公司持有	
Yuanda VIC Pty Ltd. 遠大維多利亞有限公司	Australia 澳大利亞	AUD1 1澳元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Yuanda Pakistan (PVT.) Limited 遠大巴基斯坦有限公司	The Islamic Republic of Pakistan 巴基斯坦伊斯蘭共和國	USD60,000 60,000美元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
Canada Yuanda Aluminum Corporation 加拿大遠大鋁業公司	Canada 加拿大	Canadian Dollar ("CAD") 100 100加拿大元(「加元」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及 安裝幕牆系統
*	This company is a wholly foreign-owned enterprise established in the mainland China.			*	該公司為於中國內地成立的外商獨資企業。	
**	These companies are limited liability companies established in the mainland China.			**	該等公司為於中國內地成立的有限責任公司。	
#	The Group, through Shenyang Yuanda, owns 49% equity interests in this company, where the remaining 51% equity interests are held on trust for Shenyang Yuanda by an individual resided in Kuwait. In accordance with the entrust agreement, this individual does not have the right to vote or receive dividends declared or participate in the liquidation of this company. Accordingly, the directors of the Company consider the Group effectively owns 100% equity interests in the company.			#	本集團透過瀋陽遠大擁有該公司的49%股權，而其餘51%股權乃由居於科威特的人士以信託形式為瀋陽遠大持有。根據託管協議，該名個別人士並無權利就該公司投票或收取已宣派股息或參與清盤。因此，本公司董事認為，本集團實際上擁有該公司的100%股權。	

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

16 INVENTORIES AND OTHER CONTRACT COSTS

Raw materials 原材料
Work in progress 在產品
Less: write down of inventories 減：存貨撇減

Contract costs are recognised in “Selling expenses” in the statement of profit or loss in the period in which the amounts were incurred as the incremental costs of obtaining a contract which is not significant.

- (a) The analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss during the year is as follows:

Carrying amount of inventories 用於建築合同的存貨賬面值
used in construction contracts
Write-down/(reversal) of write-down 存貨撇減/(撇減撥回)
of inventories

16 存貨及其他合同成本

2019 2018
RMB'000 RMB'000
人民幣千元 人民幣千元

228,952 242,535
96,632 167,576
(3,583) (2,986)
322,001 407,125

合同成本在金額發生期間於損益表中的「銷售費用」中確認為獲得合同的增量成本，該增量成本不重要。

- (a) 於年內確認為開支並計入合併損益表內的存貨金額分析如下：

2019 2018
RMB'000 RMB'000
人民幣千元 人民幣千元

3,049,320 3,717,963
597 (3,262)
3,049,917 3,714,701

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

17 CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

17 合同資產及合同負債(續)

(a) Contract assets

(a) 合同資產

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Contract assets	合同資產		
Arising from performance under construction contracts	建築合同下履約產生	2,959,015	3,182,830
Less: loss allowance	減：虧損撥備	(390,873)	(351,127)
		2,568,142	2,831,703

All of the amounts are expected to be billed within one year from the end of the reporting period, except for the amounts of RMB285.7 million at 31 December 2019 (31 December 2018: RMB619.3 million) related to retentions receivable (net of loss allowance) which are expected to be recovered over one year.

所有款項預期於報告期後一年內開出賬單，於2019年12月31日與應收質保金相關的金額預計為人民幣285.7百萬元(2018年12月31日：人民幣619.3百萬元)預期於一年以後收回。

Included in the contract assets are amounts of RMB0.7 million at 31 December 2019 (31 December 2018: RMB0.7 million) due from the companies under the control of the Controlling Shareholder.

於2019年12月31日，應收控股股東控制下公司的款項人民幣0.7百萬元(2018年12月31日：人民幣0.7百萬元)計入合同資產。

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached, these payment schedules prevent the build-up of significant contract assets. The Group typically agrees to a one to five years retention period after the completion of construction contracts may be granted to customers for retentions receivable, depending on the market practice of construction industries in countries where construction contracts are carried out and credit assessment carried out by management on an individual customer basis.

本集團建築合同包括建築期間要求分階段付款的付款日程(一旦進程達標)，此等付款日程防止積聚重大合同資產。視乎開展建築合同所在國家的建築業市場慣例及管理層按單獨客戶基準進行的信貸評估，本集團通常同意就應收保留金授予客戶於完成建築合同後為期一至五年的保留期。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

17 CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

(a) Contract assets (continued)

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous periods is RMB328.1 million (2018:RMB666.1 million), mainly due to the changes in estimate of the stage of completion of certain construction contracts and approved contract modifications.

(b) Contract liabilities

Contract liabilities

Construction contracts

– Billings in advance of performance

合同負債

建築合同

– 履約前開出賬單

Included in contract liabilities are amounts of RMB3.2 million at 31 December 2019 (31 December 2018: RMB10.5 million) due to the companies under the control of the Controlling Shareholder.

All of the contract liabilities are expected to be recognised as revenue within one year.

17 合同資產及合同負債(續)

(a) 合同資產(續)

年內就於過往期間達成(或部分達成)履約保證確認的收入金額為人民幣328.1百萬元(2018年：人民幣666.1百萬元)，主要由於若干建築合同及經批准合同修訂的估計完工階段發生變動所致。

(b) 合同負債

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

823,187

881,998

於2019年12月31日，應付控股股東控制下公司的款項人民幣3.2百萬元(2018年12月31日：人民幣10.5百萬元)計入合同負債。

所有合同負債預期於一年內確認為收入。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

17 CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

17 合同資產及合同負債(續)

(b) Contract liabilities (continued)

(b) 合同負債(續)

When the Group receives a deposit before the production activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit.

倘本集團於生產活動開始前收到按金，則此將於合同開始時產生合同負債，直至就項目確認的收入超過按金額。

Movements in contract liabilities

合同負債的變動

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance at 1 January	於1月1日的結餘	881,998	971,536
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	年內因確認收入產生的合同負債(年初計入合同負債)減少	(521,915)	(646,711)
Increase in contract liabilities as a result of billing and receipt in advance of construction activities	建築活動開出單據及預收款項產生的合同負債增加	463,104	557,173
Balance at 31 December	於12月31日的結餘	823,187	881,998

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

18 TRADE AND BILLS RECEIVABLES

18 貿易應收款及應收票據

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Trade receivables for contract work due from:	合同工程貿易應收款：		
– third parties	– 第三方	3,959,752	4,308,837
– companies under the control of the Controlling Shareholder	– 受控股股東控制的公司	180,270	183,187
		4,140,022	4,492,024
Bills receivable for contract work	合同工程應收票據	86,878	33,815
Trade receivables for sale of raw materials due from:	銷售材料貿易應收款：		
– third parties	– 第三方	3,472	4,245
– companies under the control of the Controlling Shareholder	– 受控股股東控制的公司	1,777	2,509
		5,249	6,754
		4,232,149	4,532,593
Less: loss allowance	減：虧損撥備	(1,313,830)	(1,693,945)
Financial assets measured at amortised cost	按攤銷成本計量的金融資產	2,918,319	2,838,648

At 31 December 2019, the amount of retentions receivable from customers included in trade and bills receivables (net of loss allowance) is RMB726.8 million (31 December 2018: RMB641.6 million).

Except for retentions receivable (net of loss allowance) of RMB208.5 million at 31 December 2019 (31 December 2018: RMB223.2 million), all of the remaining trade and bills receivables are expected to be recovered within one year.

於2019年12月31日，應收客戶保留金(扣除虧損撥備)為人民幣726.8百萬元(2018年12月31日：人民幣641.6百萬元)。

除於2019年12月31日人民幣208.5百萬元(2018年12月31日：人民幣223.2百萬元)的應收保留金(扣除虧損撥備)外，其餘所有貿易應收款及應收票據預期於一年內收回。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

18 TRADE AND BILLS RECEIVABLES (continued)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade and bills receivables, based on the invoice date and net of loss allowance, is as follows:

Within 1 year	一年內
More than 1 year	超過一年

The Group generally requires customers to settle progress billings and retentions receivable in accordance with contracted terms. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in Note 31(a).

18 貿易應收款及應收票據(續)

賬齡分析

截至報告期末，貿易應收款及應收票據(扣除虧損撥備)按發票日期的賬齡分析如下：

	2019	2018
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	1,114,630	1,340,511
	1,803,689	1,498,137
	2,918,319	2,838,648

本集團通常要求客戶根據合約條款結算進度款項及應收保留金。有關本集團信貸政策以及應收賬款及應收票據產生的信貸風險的進一步詳情載於附註31(a)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

19 按金、預付款及其他應收款

		31 December	1 January	31 December
		2019	2019	2018
		2019年	2019年	2018年
		12月31日	1月1日	12月31日
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
			<i>(Note (iv))</i>	<i>(Note (iv))</i>
			<i>(附註(iv))</i>	<i>(附註(iv))</i>
Prepayments for purchase of inventories <i>(Note (i))</i>	購買存貨預付款 <i>(附註(i))</i>	326,169	214,681	214,681
Prepayments and deposits for leases	租賃預付款及按金	11,799	16,056	17,875
Prepayment for miscellaneous taxes	雜稅預付款	38,057	36,498	36,498
Deposits for construction contracts' bidding and performance <i>(Note (ii))</i>	建築合同投標及履約 按金 <i>(附註(ii))</i>	108,662	106,165	106,165
Deposits for purchase of forward aluminium contracts	購買遠期鋁錠合約按金	2,513	9,013	9,013
Other deposits	其他按金	51,742	55,971	55,971
Receivable for disposal of property, plant and equipment, land use rights and assets classified as held for sale	出售物業、廠房及設 備、土地使用權及分 類為持作出售資產的 應收款	100,000	234,895	234,895
Derivative financial instruments: – other derivatives	衍生金融工具： — 其他衍生工具	17,781	55,451	55,451
Amounts due from the Controlling Shareholder and the companies under his control <i>(Note (iii))</i>	應收控股股東及受其控 制的公司款項 <i>(附註(iii))</i>	6,630	6,719	6,719
Government grants receivable	應收政府補貼	12,691	–	–
Others	其他	42,789	58,741	58,741
		718,833	794,190	796,009
Less: loss allowance	減：虧損撥備	(6,229)	(6,145)	(6,145)
		712,604	788,045	789,864

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (continued)

Notes:

- (i) Included in the balance are prepayments of RMB3.9 million at 31 December 2019 (31 December 2018: RMB3.8 million) made to the companies under the control of the Controlling Shareholder.
- (ii) The balance represented deposits placed with customers for contracts' bidding and performance of contracts in progress. The deposits will be released to the Group upon the completion of the related bidding or contract work, where applicable.
- (iii) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- (iv) The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

Except for the deposits for construction contracts' performance and the amounts of RMB3.6 million at 31 December 2019 (31 December 2018: RMB26.3 million), all of the remaining deposits, prepayments and other receivables are expected to be recovered or recognised as expenses within one year.

19 按金、預付款及其他應收款(續)

附註：

- (i) 該結餘包括於2019年12月31日人民幣3.9百萬元(2018年12月31日：人民幣3.8百萬元)的向受控股股東控制的公司作出的預付款。
- (ii) 該結餘指就在建合同的合同投標及履約向客戶支付的按金。該等按金將於相關投標及合同工程(如適用)完工後發回本集團。
- (iii) 該等款項為無抵押、免息且無固定還款期。
- (iv) 本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

除於2019年12月31日的建築合同履約按金人民幣3.6百萬元(2018年12月31日：人民幣26.3百萬元)外，其餘所有按金、預付款及其他應收款預期將於一年內收回或確認為開支。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

20 CASH ON HAND AND IN BANK AND OTHER CASH FLOW INFORMATION

(a) Cash on hand and in bank comprise:

Cash on hand and in bank	手頭現金及銀行存款	559,265	1,299,410
Time deposits with banks	銀行定期存款	1,279,013	403,341
Frozen bank deposits	凍結銀行存款	39,790	–
Cash on hand and in bank in the consolidated statement of financial position	合併財務狀況表中的手頭現金及銀行存款	1,878,068	1,702,751
Less:	減：		
– restricted deposits to secure the performance and retentions of construction contracts	– 作為建築合同履約及保留金抵押的受限制存款	(271,813)	(230,341)
– restricted deposits to secure the bank loans and bank bills	– 為銀行貸款和銀行票據提供擔保的限制性存款	(356,200)	(173,000)
– restricted time deposits to secure the bank bills	– 作為銀行票據提供擔保的限制性定期存款	(650,000)	–
– other time deposits with banks	– 其他銀行定期存款	(1,000)	–
– frozen bank deposits	– 凍結銀行存款	(39,790)	–
Cash and cash equivalents in the consolidated cash flow statement	合併現金流量表中的現金及現金等價物	559,265	1,299,410

The Group's business operations in mainland China are conducted in RMB. RMB is not a freely convertible currency and the remittance of funds out of mainland China is subject to the exchange restrictions imposed by the PRC government.

20 手頭現金及銀行存款及其他現金流資料

(a) 手頭現金及銀行存款包括：

	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Cash on hand and in bank	559,265	1,299,410
Time deposits with banks	1,279,013	403,341
Frozen bank deposits	39,790	–
Cash on hand and in bank in the consolidated statement of financial position	1,878,068	1,702,751
Less:		
– restricted deposits to secure the performance and retentions of construction contracts	(271,813)	(230,341)
– restricted deposits to secure the bank loans and bank bills	(356,200)	(173,000)
– restricted time deposits to secure the bank bills	(650,000)	–
– other time deposits with banks	(1,000)	–
– frozen bank deposits	(39,790)	–
Cash and cash equivalents in the consolidated cash flow statement	559,265	1,299,410

本集團的中國內地業務以人民幣計值。人民幣乃不可自由兌換的貨幣，匯出中國內地的資金受中國政府實施的外匯管制所規限。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

20 CASH ON HAND AND IN BANK AND OTHER CASH FLOW INFORMATION (continued)

20 手頭現金及銀行存款及其他現金流資料(續)

(b) Reconciliation of liabilities arising from financing activities

(b) 融資活動產生的負債之對賬

		Bank loans	Amounts due to the Controlling Shareholder and the companies under his control	Amounts due to third parties	Lease liabilities	Discounted bills	Interest payable	Total
		銀行貸款	應付控股股東及受其控制的	應付第三方	租賃負債	貼現票據	應付利息	總計
		RMB'000	公司之款項	款項	租賃負債	貼現票據	應付利息	總計
		人民幣千元	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note 24)	(Note 23)	(Note 23)	(Note 25)	(Note 23)	(Note 23)	(Note 23)
		(附註24)	(附註23)	(附註23)	(附註25)	(附註23)	(附註23)	(附註23)
At 31 December 2018	於2018年12月31日	2,349,646	170,326	41,703	-	-	7,619	2,569,294
Impact on initial application of IFRS 16 (Note)	首次應用國際財務報告準則第16號的影響(附註)	-	-	-	11,348	-	-	11,348
At 1 January 2019	於2019年1月1日	2,349,646	170,326	41,703	11,348	-	7,619	2,580,642
Changes from financing cash flows:	融資現金流量變動：							
Proceeds from new bank loans and other borrowings	新增銀行及其他借款所得款項	2,141,891	540,992	-	-	1,144,388	-	3,827,271
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款	(3,045,646)	(580,892)	(41,703)	-	(463,200)	-	(4,131,441)
Capital element of lease rentals paid	已付租賃租金本金部分	-	-	-	(12,816)	-	-	(12,816)
Interest element of lease rentals paid	已付租賃租金利息部分	-	-	-	(1,055)	-	-	(1,055)
Borrowing costs paid	已付借貸成本	-	-	-	-	-	(206,115)	(206,115)
Total changes from financing cash flows	融資現金流量變動總額	(903,755)	(39,900)	(41,703)	(13,871)	681,188	(206,115)	(524,156)
Other changes:	其他變動：							
Increase in lease liabilities from entering into new leases during the year	本年內新簽訂租賃的租賃負債的增加	-	-	-	14,195	-	-	14,195
Entrusted payments to suppliers	委託付款至供應商	199,109	-	-	-	-	-	199,109
Exchange adjustment	匯兌調整	-	3,114	-	292	-	-	3,406
Total borrowing costs	借貸成本總額	-	-	-	1,055	-	203,571	204,626
Total other changes	其他變動總額	199,109	3,114	-	15,542	-	203,571	421,336
At 31 December 2019	於2019年12月31日	1,645,000	133,540	-	13,019	681,188	5,075	2,477,822

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

20 CASH ON HAND AND IN BANK AND OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

Note: The Group has initially applied IFRS 16 using the modified retrospective method and recognised the reclassifications arising from the new initial application in the opening balance on 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. See Note 2(c).

20 手頭現金及銀行存款及其他現金流資料(續)

(b) 融資活動產生的負債之對賬(續)

附註：本集團利用經修訂追溯法首次應用國際財務報告準則第16號。並於2019年1月1日期初結餘作出調整以將有關先前根據國際會計準則第17號分類為經營租賃之租賃確認為租賃負債。有關詳情請參閱附註2(c)。

		Bank loans	Amounts due to the Controlling Shareholder and the Companies under his control	Amounts due to third parties	Restricted time deposits to secure the bank loan	Interest payable	Total
		銀行貸款	應付控股股東及受其控制的公司之款項	應付第三方款項	為銀行貸款提供擔保的限制性定期存款	應付利息	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 24)	(Note 23)	(Note 23)	(Note 20(a))	(Note 23)	(Note 23)
		(附註24)	(附註23)	(附註23)	(附註20(a))	(附註23)	(附註23)
At 1 January 2018	於2018年1月1日	2,943,551	3,071	-	-	2,936	2,949,558
Changes from financing cash flows:	融資現金流量變動：						
Proceeds from new bank and other borrowings	新增銀行及其他借款所得款項	1,971,792	167,223	41,703	-	-	2,180,718
Repayment of bank loans	償還銀行貸款	(2,565,697)	-	-	-	-	(2,565,697)
Payments for time deposits to secure the bank loan	支付定期存款以作為銀行貸款的抵押	-	-	-	(173,000)	-	(173,000)
Borrowing costs paid	已付借貸成本	-	-	-	-	(168,344)	(168,344)
Total changes from financing cash flows	融資現金流量變動總額	(593,905)	167,223	41,703	(173,000)	(168,344)	(726,323)
Other changes:	其他變動：						
Exchange adjustment	匯兌調整	-	32	-	-	-	32
Total borrowing costs (Note 6(a))	借貸成本總額(附註6(a))	-	-	-	-	173,027	173,027
At 31 December 2018	於2018年12月31日	2,349,646	170,326	41,703	(173,000)	7,619	2,396,294

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

20 CASH ON HAND AND IN BANK AND OTHER CASH FLOW INFORMATION (continued)

20 手頭現金及銀行存款及其他現金流資料(續)

(c) Total cash outflow for leases

(c) 租賃現金流總額

Amounts included in the cash flow statement for leases comprise the following, these amounts relate to lease rentals paid.

該款項於現金流量表中租賃中構成如下，該款項與租賃租金支付相關。

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			<i>(Note)</i>
			<i>(附註)</i>
Within operating cash flows	於經營現金流中	(14,126)	(22,878)
Within financing cash flows	於融資現金流中	(13,871)	-
		(27,997)	(22,878)

Note: The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets and lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Previously, cash payments under operating leases made by the Group as a lessee of RMB22.9 million were classified as operating activities in the consolidated cash flow statement. Under IFRS 16, except for short-term lease payments, all other rentals paid on leases are now split into capital element and interest element (see Note 20(b)) and classified as financing cash outflows. Under this approach, comparative information is not restated. See Note 2(c).

附註： 本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。並於2019年1月1日期初結餘作出調整，以將有關先前根據國際會計準則第17號分類為經營租賃之租賃確認為使用權資產和租賃負債。此前，本集團作為承租人所支付經營租賃的人民幣22.9百萬元現金在合併現金流量表中分類為經營活動。根據國際財務報告準則第16號，除短期租賃付款外，其他租賃租金支付分為資本部分和利息部分(見附註20(b))，並歸類為融資現金流出。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

21 ASSETS CLASSIFIED AS HELD FOR SALE

21 分類為持作出售資產

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
At 1 January	於1月1日	136,241	-
Reclassified from property, plant and equipment	重分類自物業，廠房及設備	-	145,968
Reclassified from lease prepayments (Note (i))	重分類自租賃預付款(附註(i))	-	220,235
Reclassified from right-of-use assets (Note (ii))	重分類自使用權資產(附註(ii))	110,511	-
Disposals	出售	(246,752)	(229,962)
At 31 December	於12月31日	-	136,241

Notes:

- (i) During 2018, Shenyang Yuanda has entered into a land resumption agreement (the "Shenyang Yuanda Land Resumption Agreement") with a third party in respect of the disposal of certain land use rights and properties of Shenyang Yuanda at a consideration of RMB550.0 million. The carrying amounts of these lease prepayments and properties are RMB220.2 million and RMB144.6 million (gross amount of RMB245.7 million and net of associated government grant of RMB101.1 million), respectively.

Up to 31 December 2019, the disposal has been completed and the Group has received RMB450.0 million out of the total consideration in relation to these assets according to the payment schedule set in the Shenyang Yuanda Land Resumption Agreement.

- (ii) During 2019, Foshan Yuanda has entered into a land resumption agreement with a third party in respect of the disposal of its land use rights of Foshan Yuanda at a consideration of RMB116.1 million. The carrying amount of the land use rights is RMB110.5 million.

As at 31 December 2019, the disposal has been completed and the Group has received the total consideration of RMB116.1 million in relation to the land use rights.

附註：

- (i) 於2018年，瀋陽遠大與第三方就出售瀋陽遠大的若干土地使用權及物業訂立收儲協議（「瀋陽遠大土地協議」），代價為人民幣550.0百萬元。該等預付租金及物業的賬面值分別為人民幣220.2百萬元及144.6百萬元（總額為人民幣245.7百萬元，扣減相關政府補助人民幣101.1百萬元）。

於2019年12月31日，收儲已完成本集團根據瀋陽土地收儲協議支付計劃已收取有關該等資產總代價中的人民幣450.0百萬元。

- (ii) 2019年，本集團佛山遠大與第三方就出售佛山的土地使用權訂立收儲協議，代價為人民幣116.1百萬元。土地使用權的賬面值為人民幣110.5百萬元。

於2019年12月31日，收儲已完成，本集團已收取有關該等資產總代價中的人民幣116.1百萬元。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

22 TRADE AND BILLS PAYABLES

22 貿易應付款及應付票據

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables for purchase of inventories due to:	應付以下的購買存貨		
– Third parties	貿易應付款：		
– Companies under the control of the Controlling Shareholder	– 第三方	1,074,014	1,250,594
	– 受控股股東控制的公司	1,817	2,986
		1,075,831	1,253,580
Trade payables due to sub-contractors	應付分包商貿易應付款	686,194	662,687
Bills payable	應付票據	820,417	1,082,365
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	2,582,442	2,998,632

All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

所有貿易應付款及應付票據預期於一年內清償或須按要求償還。

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the maturity date, is as follows:

於報告期末，貿易應付款及應付票據按到期日的賬齡分析如下：

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 month or on demand	1個月內或按要求	2,059,570	2,272,377
More than 1 month but less than 3 months	超過1個月但少於3個月	122,718	270,049
More than 3 months	超過3個月	400,154	456,206
		2,582,442	2,998,632

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

23 ACCRUED EXPENSES AND OTHER PAYABLES

23 應計開支及其他應付款

		31 December	1 January	31 December
		2019	2019	2018
		2019年	2019年	2018年
		12月31日	1月1日	12月31日
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
			<i>(Note (iii))</i>	<i>(Note (iii))</i>
			<i>(附註(iii))</i>	<i>(附註(iii))</i>
Payables for staff related costs	應付員工相關成本	145,190	119,157	119,157
Payables for transportation and insurance expenses	應付運輸及保險開支	32,897	45,215	45,215
Payables for interest expenses	應付利息開支	5,075	7,619	7,619
Payables for construction and purchase of property, plant and equipment	建築及購買物業、廠房及設備應付款	12,343	40,426	40,426
Deposits from sub-contractors	分包商支付的按金	47,961	27,005	27,005
Amounts due to third parties	應付第三方款項	-	41,703	41,703
Deposits from suppliers for contracts' bidding and performance	供貨商支付的合同投標及履約按金	65,929	20,890	20,890
Amounts due to the Controlling Shareholder and the companies under his control	應付控股股東及其關聯方			
- non-interest bearing <i>(Note (i))</i>	- 不計息 <i>(附註(i))</i>	2,914	3,103	3,103
- interest bearing <i>(Note (iii))</i>	- 計息 <i>(附註(iii))</i>	130,626	167,223	167,223
Discounted bills	貼現票據	681,188	-	-
Lease liabilities <i>(Note 25)</i>	經營租賃 <i>(附註25)</i>	10,465	6,446	-
Others	其他	37,878	40,183	40,183
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	1,172,466	518,970	512,524
Payables for miscellaneous taxes	應付雜稅	42,750	22,465	22,465
Derivative financial instruments:	衍生金融工具：			
- other derivatives	- 其他衍生工具	23,021	31,343	31,343
Provision for outstanding legal claims	未償付法律索償撥備	27,118	25,948	25,948
		1,265,355	598,726	592,280

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

23 ACCRUED EXPENSES AND OTHER PAYABLES (continued)

Notes:

- (i) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- (ii) The amounts are unsecured, with fixed interest rate of 4.28% and repayable within one year.
- (iii) The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2(c).

Except for amounts of RMB6.9 million at 31 December 2019 (31 December 2018: RMB9.0 million), all of the accrued expenses and other payables are expected to be settled or recognised in profit or loss within one year or are repayable on demand.

23 應計開支及其他應付款(續)

附註：

- (i) 該款項屬無抵押、不計息及無固定還款期。
- (ii) 該等款項屬無抵押、按固定利率4.28%計息及於一年內償還。
- (iii) 本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

除於2019年12月31日的人民幣6.9百萬元(2018年12月31日：人民幣9.0百萬元)的金額外，所有應計開支及其他應付款預期將於一年內清償或於損益表確認或按要求償還。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

24 BANK LOANS

(a) The Group's short-term bank loans are analysed as follows:

Bank loans:

- secured by property, plant and equipment and land use rights of the Group and pledged by bank deposits (Note 24(c))
- guaranteed by the Controlling Shareholder and/or a company under his control
- guaranteed by a third party
- secured by property, plant and equipment and land use rights of and guaranteed by a company under the control of the Controlling Shareholder
- secured by property, plant and equipment and land use rights of the Group, secured by property, plant and equipment and land use rights of and guaranteed by companies under the control of the Controlling Shareholder (Note 24(c))
- pledged by securities of a company under the control of the Controlling Shareholder
- unguaranteed and unsecured

Add: current portion of long-term bank loans (Note 24(b))

24 銀行貸款

(a) 本集團的短期銀行貸款分析如下：

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

銀行貸款：

- 以本集團的物業、廠房及設備以及土地使用權作抵押及銀行存款作抵押(附註24(c))
- 以控股股東及／或受其控制的公司擔保
- 以第三方擔保
- 以受控股股東控制的公司的物業、廠房及設備及土地使用權作抵押及由受控股股東控制的公司擔保
- 以本集團的物業、廠房及設備及土地使用權作抵押及由受控股股東控制的公司的物業、廠房及設備及土地使用權擔保(附註24(c))
- 以由受控股股東控制的公司的證券擔保
- 無擔保及無抵押

加：長期銀行貸款的即期部分(附註24(b))

270,000	300,000
380,000	750,000
-	200,000
340,000	411,792
322,000	-
100,000	-
-	50,000
1,412,000	1,711,792
233,000	576,085
1,645,000	2,287,877

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

24 BANK LOANS (continued)

24 銀行貸款(續)

(b) The Group's long-term bank loans are analysed as follows:

(b) 本集團的長期銀行貸款分析如下：

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Secured by property, plant and equipment, land use rights and assets classified as held for sale of the Group (Note 24(c))	以本集團的物業、廠房及設備、土地使用權及分類為持作出售資產作抵押 (附註24(c))	-	480,000
Guaranteed by a company under the control of the Controlling Shareholder and pledged by time deposits and trade receivables of the Group (Note 24(c))	以受控股股東控制的公司擔保及以本集團定期存款及貿易應收款作擔保 (附註24(c))	-	157,854
Secured by property, plant and equipment and land use rights of the Group, secured by property, plant and equipment and land use rights of and guaranteed by companies under the control of the Controlling Shareholder (Note 24(c))	以本集團的物業、廠房及設備及土地使用權作抵押及由受控股股東控制的公司的物業、廠房及設備及土地使用權擔保 (附註24(c))	233,000	-
		233,000	637,854
Less: current portion of long-term bank loans (Note 24(a))	減：長期銀行貸款的即期部分 (附註24(a))	(233,000)	(576,085)
		-	61,769

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

24 BANK LOANS (continued)

- (b) The Group's long-term bank loans are analysed as follows: (continued)

The Group's long-term bank loans are repayable as follows:

Within 1 year or on demand	一年內或按要求
After 1 year but within 2 years	一年後但兩年內

- (c) At 31 December 2019, the aggregate carrying value of the property, plant and equipment and land use rights pledged for the Group's bank loans is RMB480.8 million (the aggregate carrying value of the property, plant and equipment, land use rights and assets classified as held for sale pledged at 31 December 2018: RMB843.2 million).

At 31 December 2019, no time deposits or trade receivables were pledged for the Group's long-term bank loans (31 December 2018: RMB173.0 million and USD161.9 million, respectively).

At 31 December 2019, the carrying value of the deposits pledged for the Group's short-term bank loans is RMB30.0 million (31 December 2018: RMB Nil).

24 銀行貸款(續)

- (b) 本集團的長期銀行貸款分析如下：(續)

本集團的長期銀行貸款的還款情況如下：

2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
233,000	576,085
-	61,769
233,000	637,854

- (c) 於2019年12月31日，就本集團的銀行貸款已抵押的物業、廠房及設備、土地使用權及分類為持作出售資產的總賬面值為人民幣480.8百萬元(已抵押的物業、廠房及設備、土地使用權及分類為持作出售資產的總賬面值於2018年12月31日：人民幣843.2百萬元)。

於2019年12月31日，就本集團長期銀行貸款抵押的無定期存款及貿易應收款(2018年12月31日分別為：人民幣173.0百萬元及161.9百萬元)。

於2019年12月31日，本集團就短期銀行貸款已質押的存款的賬面價值為人民幣30.0百萬元(2018年12月31日：無)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

24 BANK LOANS (continued)

- (d) At 31 December 2019, the Group's banking facilities amounted to RMB850.0 million (31 December 2018: RMB1,140.0 million) were utilised to the extent of RMB555.0 million (31 December 2018: RMB1,140.0 million).
- (e) Certain of the Group's bank loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 31(b). At 31 December 2019, none of the covenants relating to the bank loans had been breached (31 December 2018: None).

24 銀行貸款(續)

- (d) 於2019年12月31日，本集團的銀行融資額度為人民幣850.0百萬元(2018年12月31日：人民幣1,140.0百萬元)，已動用人民幣555.0百萬元(2018年12月31日：人民幣1,140.0百萬元)。
- (e) 本集團的若干銀行貸款一般須達成與金融機構訂立的貸款安排中的契諾後方可作實。如本集團違反契諾，則須應要求償還貸款。本集團定期監管是否遵守有關契諾。本集團管理流動資金風險的進一步詳情載於附註31(b)。於2019年12月31日，概無違反任何與銀行貸款有關的契諾(2018年12月31日：無)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

25 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods and at the date of transition to IFRS 16:

25 租賃負債

下表顯示了本報告期和上一報告期末以及於過渡至國際財務報告準則第16號當日集團租賃負債的剩餘合同到期日：

		At 31 December 2019 於2019年12月31日		At 1 January 2019 於2019年1月1日	
		Present value of the minimum lease payments 最低租賃 付款現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 付款總額 RMB'000 人民幣千元	Present value of the minimum lease payments 最低租賃 付款現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 付款總額 RMB'000 人民幣千元
Within 1 year	1年內	10,465	10,774	6,446	6,675
After 1 year but within 2 years	1年後但於2年內	1,826	1,961	4,902	5,339
After 2 years but within 5 years	2年後但於5年內	728	828	-	-
		2,554	2,789	4,902	5,339
		13,019	13,563	11,348	12,014
Less: total future interest expenses	減：未來利息開支總額		(544)		(666)
Present value of lease liabilities	租賃負債現值		13,019		11,348

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and recognised the reclassifications arising from the new initial application in the opening balance on 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to IFRS 16 are set out in Note 2(c).

附註： 本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。並於2019年1月1日期初結餘作出調整，以將有關先前根據國際會計準則第17號分類為經營租賃之租賃確認為租賃負債。根據此法，比較資料不予重列。有關採納國際財務報告準則第16號影響詳情請參閱附註2(c)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

26 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 10 April 2013 (the “Adoption Date”), the directors of the Company adopted a share award scheme (the “Share Award Scheme”) as a mean of rewarding and retaining certain employees of the Group and to attract suitable personnel for further development with the Group. A trust has been set up for the purpose of administering the Share Award Scheme.

Pursuant to the Share Award Scheme, the trust may purchase shares in the Company from the Stock Exchange with cash contributed by the Group, and to hold such shares until they are vested.

The directors of the Company may, from time to time, at its sole and absolute discretion, select any employee of the Group (other than those classes of employees specifically excluded as stated in the Share Award Scheme) for participation in the Share Award Scheme and grant such number of awarded shares to any selected employee of the Group at nil consideration. The directors of the Company are entitled to impose any conditions (including a period of continued service within the Group after the award) with respect to the vesting of the awarded shares.

The Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the tenth anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the directors of the Company.

26 以股本結算交易

於2013年4月10日(「採納日期」)，本公司董事採納一項股份獎勵計劃(「股份獎勵計劃」)，作為獎勵及留聘本集團若干僱員，以及為本集團進一步發展吸引合適人員。已為管理股份獎勵計劃成立信託。

根據股份獎勵計劃，該信託可以使用本集團提供的現金，於聯交所購買本公司股份，以及持有該等股份直至該等股份被歸屬為止。

本公司董事可不時決定酌情甄選本集團任何僱員(股份獎勵計劃注明不包括的該等類別僱員除外)參加股份獎勵計劃，以及無償向任何經甄選本集團僱員授出有關數目的獎勵股份。本公司董事有權就歸屬獎勵股份施加任何條件(包括於獎勵後繼續服務本集團的期間)。

股份獎勵計劃於採納日期生效，以及將於以下較早者終止：(i)採納日期的第十個週年當日；及(ii)本公司董事所決定提早終止的日期。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

26 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

26 以股本結算交易(續)

Details of the shares held under the Share Award Scheme are set out below:

股份獎勵計劃持有的股份詳情如下：

	2019		2018	
	No. of shares	Value	No. of shares	Value
	'000	RMB'000	'000	RMB'000
	千股	人民幣千元	千股	人民幣千元
At 1 January and 31 December	587	210	587	210

For the years ended 31 December 2019 and 2018, no ordinary shares held under the Share Award Scheme were awarded to or vested by any employee of the Group.

截至2019年及2018年12月31日止年度，概無根據股份獎勵計劃持有的普通股授予本集團任何僱員或歸屬。

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

27 合併財務狀況表內的所得稅

(a) Movements of current taxation in the consolidated statement of financial position are as follows:

(a) 合併財務狀況表內的即期稅項變動如下：

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Income tax payable at 1 January	於1月1日的應付所得稅	224,084	197,379
Exchange adjustments	匯兌調整	2,729	(513)
Provision for income tax on the estimated taxable profits for the year (Note 7(a))	年內估計應課稅利潤的所得稅撥備(附註7(a))	16,349	17,922
Income tax paid during the year	年內已付所得稅	(41,413)	(12,675)
Income tax refunded	所得稅退還	25,181	21,971
Income tax payable at 31 December	於12月31日的應付所得稅	226,930	224,084

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

27 合併財務狀況表內的所得稅(續)

(b) Deferred tax assets and liabilities recognised:

(b) 已確認遞延稅項資產及負債：

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

於合併財務狀況表確認的遞延稅項資產及負債的組成部分及年內變動如下：

		Depreciation allowances in excess of the related depreciation and government grants and related depreciation	Write down of inventories	Loss allowance on trade and other receivables and contract assets	Provision for warranties, and legal claims	Remeasurement of the fair value of derivative financial instruments	Total	
		超過有關折舊的折舊免稅額以及未動用稅項虧損	存貨撇減	貿易及其他應收款以及合同資產的虧損撥備	保修及法律索償撥備	重新計量衍生金融工具的公允價值	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Deferred tax arising from:								
因下列各項產生的遞延稅項：								
At 1 January 2018	於2018年1月1日	44,292	21,599	1,563	474,544	68,519	(7,584)	602,933
Exchange adjustments	匯兌調整	391	-	-	8	319	-	718
(Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	於合併損益表中(扣除)/計入(附註7(a))	(26,302)	(2,150)	(817)	(19,224)	(1,963)	2,387	(48,069)
Credited to reserves (Note 10)	於儲備計入(附註10)	-	-	-	-	-	404	404
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	18,381	19,449	746	455,328	66,875	(4,793)	555,986
Exchange adjustments	匯兌調整	(94)	-	-	2	18	-	(74)
Credited/(charged) to the consolidated statement of profit or loss (Note 7(a))	於合併損益表中計入/(扣除)(附註7(a))	6,986	(4,030)	149	(81,704)	(16,829)	5,579	(89,849)
At 31 December 2019	於2019年12月31日	25,273	15,419	895	373,626	50,064	786	466,063

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

- (c) Reconciliation of deferred tax assets and liabilities recognised in the consolidated statement of financial position:

Deferred tax assets recognised in the consolidated statement of financial position	於合併財務狀況表內確認的遞延稅項資產
Deferred tax liabilities recognised in the consolidated statement of financial position	於合併財務狀況表內確認的遞延稅項負債

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

466,236	558,844
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(173)	(2,858)
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466,063	555,986
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- (d) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(s), the Group has not recognised deferred tax assets in respect of unused tax losses and deductible temporary differences arising from certain subsidiaries of the Group of RMB1,153.8 million at 31 December 2019 (31 December 2018: RMB1,046.5 million), as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Except for the amount of RMB544.4 million which will not expire under the relevant tax legislation, the remaining unused tax losses at 31 December 2019 will expire on or before 31 December 2027.

27 合併財務狀況表內的所得稅(續)

- (c) 合併財務狀況表內確認的遞延稅項資產及負債的對賬：

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

466,236	558,844
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(173)	(2,858)
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466,063	555,986
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- (d) 未確認遞延稅項資產

根據附註2(s)所載的會計政策，本集團並未就2019年12月31日自本集團若干附屬公司產生的未動用稅項虧損及可扣減暫時差額人民幣1,153.8百萬元(2018年12月31日：人民幣1,046.5百萬元)確認遞延稅項資產，原因是有關稅務司法權區及實體於未來不可能有應課稅利潤用以抵銷可動用的虧損。除人民幣544.4百萬元不會在有關稅務法律下屆滿，餘下於2019年12月31日的未動用稅務虧損將於2027年12月31日或以前屆滿。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

27 合併財務狀況表內的所得稅(續)

(e) Deferred tax liabilities not recognised

(e) 未確認遞延稅項負債

At 31 December 2019, temporary differences relating to the retained profits of the Group's subsidiaries established in the PRC amounted to RMB2,561.5 million (31 December 2018: RMB2,392.5 million), of which no deferred tax liabilities in respect of the tax that would be payable on the distribution of these profits was provided as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

於2019年12月31日，有關本集團於中國成立的附屬公司的保留利潤的暫時差額為人民幣2,561.5百萬元(2018年12月31日：人民幣2,392.5百萬元)，其中概無就有關分派該等利潤應付稅項的遞延稅項負債作出撥備，原因是本公司控制此等附屬公司的股息政策，而其已釐定該等利潤可能不會於可見未來作分派。

28 PROVISION FOR WARRANTIES

28 保修撥備

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
At 1 January	於1月1日	303,738	309,395
Exchange adjustments	匯兌調整	4,995	(1,409)
Additional provisions made	已計提額外撥備	75,416	83,093
Provisions utilised	已動用撥備	(128,340)	(87,341)
At 31 December	於12月31日	255,809	303,738
Less: amounts included as current liabilities at the end of the reporting period	減：報告期末包括在流動負債內的金額	(82,023)	(63,365)
		173,786	240,373

Under the terms of the Group's construction contracts with its customers, the Group will rectify any defects arising within one to five years from the date of completion of the construction contracts, as required by industry regulations in respective jurisdictions and depending on the terms negotiated with each customer. Provision is therefore made for the best estimate of the expected settlement under these construction contracts in respect of construction contracts completed within one to five years prior to the end of the reporting period. The amount of provision takes into account the Group's recent claim experience and is only made where a warranty claim is probable.

根據本集團與其客戶訂立的建築合同條款，本集團將會根據於各司法權區的行業規例所規定及視乎與各客戶磋商的條款，修正任何於建築合同完工的日期起一至五年內產生的缺陷。因此，撥備乃就報告期末前一至五年內完成的建築合同而根據該等建築合同的預期結算額的最佳估計而計提。撥備金額計及本集團近期的申索經驗，並僅於有可能出現保修申索時計提。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share capital	Share premium	Shares held under share award scheme	Exchange reserve	Accumulated loss	Total
		股本	股份溢價	根據股份獎勵計劃所持股份	匯兌儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 29(c))	(Note 29(d)(i))	(Note 29(d)(ii))	(Note 29(d)(iv))		
		(附註29(c))	(附註29(d)(i))	(附註29(d)(ii))	(附註29(d)(iv))		
At 1 January 2018	於2018年1月1日	519,723	574,047	(210)	(27,714)	(75,790)	990,056
Changes in equity for 2018:	2018年之權益變:						
Loss for the year	年內虧損	-	-	-	-	(3,283)	(3,283)
Other comprehensive income	其他全面收益	-	-	-	(40,882)	-	(40,882)
Total comprehensive income	全面收益總額	-	-	-	(40,882)	(3,283)	(44,165)
At 31 December 2018 and January 2019 (Note)	於2018年12月31日及於2019年1月1日(附註)	519,723	574,047	(210)	(68,596)	(79,073)	945,891
Changes in equity for 2019:	2019年之權益變動:						
Profit for the year	年內利潤	-	-	-	-	1,678	1,678
Other comprehensive income	其他全面收益	-	-	-	117,576	-	117,576
Total comprehensive income	全面收益總額	-	-	-	117,576	1,678	119,254
At 31 December 2019	於2019年12月31日	519,723	574,047	(210)	48,980	(77,395)	1,065,145

Note: The Group, including the Company, has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. There has been no impact on the Company's individual components of equity.

29 資本、儲備及股息

(a) 權益組成部分的變動

本集團的合併權益各組成部分的期初及期終結餘的對賬載於合併權益變動表中。年初至年終期間本公司的個別權益組成部分的變動詳情載列如下：

附註：本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。其對本公司權益的單獨組成部分並無影響。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 CAPITAL, RESERVES AND DIVIDENDS (continued)

29 資本、儲備及股息(續)

(b) Dividends

(b) 股息

(i) Dividends payable to equity shareholders of the Company attributable to the year

(i) 歸屬於年內的應付本公司股東股息

The directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2019 (2018: HK\$Nil).

本公司董事建議不派付截至2019年12月31日止年度的股息(2018年：零港元)。

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(ii) 歸屬於上一財政年度的應付本公司股東股息，已於本年度批准及派付

No final dividend in respect of the previous financial year has been approved during the year ended 31 December 2019 (2018: HK\$Nil).

於截至2019年12月31日並無批准有關上一財政年度的末期股息(2018年：零港元)。

(c) Share capital

(c) 股本

(i) Issued share capital:

(i) 已發行股本：

	2019		2018	
	No. of shares 股份數目	RMB'000 人民幣千元	No. of shares 股份數目	RMB'000 人民幣千元
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	於1月1日及 12月31日			
		6,208,734	519,723	6,208,734 519,723

(ii) At 31 December 2019, 587,000 ordinary shares are held by the Company under the Share Award Scheme (31 December 2018: 587,000 ordinary shares) (see Note 26).

(ii) 於2019年12月31日，本公司根據股份獎勵計劃持有587,000股普通股(2018年12月31日：587,000股普通股)(見附註26)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 CAPITAL, RESERVES AND DIVIDENDS (continued)

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by Section 34 of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

(ii) Shares held under share award scheme

The amount represents the consideration paid for shares held under the Share Award Scheme.

(iii) Other reserve

The other reserve represents (i) the difference between the carrying values of the non-controlling interests acquired by the Group and the considerations paid; (ii) the surplus/deficit of the carrying values of the controlling equity interests in subsidiaries under common control disposed of over the considerations received; (iii) the difference between the carrying values of the controlling equity interests in subsidiaries acquired and the considerations paid under the Group's reorganisation completed in 2010; and (iv) the difference between the carrying value of the net assets acquired and the consideration paid for the acquisition of a business under common control in 2012.

29 資本、儲備及股息(續)

(d) 儲備的性質及目的

(i) 股份溢價

動用股份溢價賬受開曼群島公司法第22章(1961年第三項法例，經綜合及修訂)第34條監管。

(ii) 根據股份獎勵計劃持有股份

該款項為根據股份獎勵計劃持有股份支付的代價。

(iii) 其他儲備

其他儲備指(i)本集團所收購的非控股權益總額與已付總代價之間的差額；(ii)已出售受共同控制附屬公司的控股股權的賬面值較已收代價的盈餘／虧絀；(iii)所收購附屬公司的控股股權賬面值與根據本集團於2010年完成重組支付的代價之間的差異；及(iv)於2012年收購受共同控制業務所收購淨資產賬面值與支付代價之間的差異。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 CAPITAL, RESERVES AND DIVIDENDS (continued)

29 資本、儲備及股息(續)

(d) Nature and purpose of reserves (continued)

(d) 儲備的性質及目的(續)

(iv) PRC statutory reserves

In accordance with the articles of association of the subsidiaries of the Group established in the PRC, these subsidiaries are required to set up certain statutory reserves, which are non-distributable. The appropriation to these reserves is at discretion of the directors of the respective subsidiaries. The PRC statutory reserves can only be utilised for predetermined means upon approval by the relevant authority.

In addition, pursuant to the relevant PRC regulations, with effect on 1 January 2012, a reserve for production safety is required to be set up and to be appropriated at a fixed rate on the revenue of the subsidiaries of the Group established in the PRC. The reserve can be utilised for expenses or capital expenditures incurred in connection with production safety.

(v) Exchange reserve

The exchange reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations into the presentation currency. The reserve is dealt with in accordance with the accounting policy set out in Note 2(v).

(vi) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges in accordance with the accounting policy adopted for cash flow hedges in Note 2(f).

(iv) 中國法定儲備

根據本集團於中國成立的附屬公司的組織章程細則，該等附屬公司須設立若干不可分派的法定儲備。向該等儲備的分配由各附屬公司的董事酌情決定。中國法定儲備僅可用作經相關機關批准的預先釐定用途。

此外，根據自2012年1月1日起生效的相關中國法規，本集團於中國成立的附屬公司須撥付按營業額的固定比例設立安全生產儲備。該儲備可用作支付有關安全生產而產生的費用或資本開支。

(v) 匯兌儲備

匯兌儲備包括換算海外業務財務報表為呈列貨幣所產生的外匯差額。該儲備乃根據附註2(v)所載的會計政策處理。

(vi) 對沖儲備

對沖儲備包括用作有待根據附註2(f)內就現金流量對沖所採納的會計政策的現金流量對沖所用對沖工具的公允價值的累計淨變動的有效部分。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 CAPITAL, RESERVES AND DIVIDENDS (continued)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher equity shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines adjusted net debt as total debt (which includes bank loans, discounted bills, amounts due to the Controlling Shareholder and the companies under his control (interest bearing), trade and bills payables and lease liabilities) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Group recognises right-of-use assets and corresponding lease liabilities for certain leases previously accounted for as operating leases as from 1 January 2019. There has been no significant impact on the Group's total debt and adjusted net debt-to-capital ratio.

During 2019, the Group's strategy was to maintain the adjusted net debt-to-capital ratio at an acceptable level. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity shareholders, issue new shares, return capital to equity shareholders, raise new debt financing or sell assets to reduce debt.

29 資本、儲備及股息(續)

(e) 資本管理

本集團管理資本的主要目標為保障本集團繼續持續經營的能力，致使其可透過使產品及服務的定價與風險水平一致及透過按合理成本取得融資繼續為股東提供回報及為其他利益相關者提供利益。

本集團積極及定期檢討及管理其資本結構，以維持以較高借貸水平可能取得的較高股東回報與穩健資本狀況提供的優勢及保障之間取得平衡，並就經濟狀況的變動對資本結構作出調整。

本集團按經調整淨債務與資本比率為基準監督其資本結構。就此而言，本集團界定經調整淨債務為總債務(其中包括銀行貸款、貼現票據、應付控股股東及受其控制的公司的款項、貿易應付款及應付票據以及租賃負債)加非累計擬派股息，減現金及現金等價物。經調整資本包括所有權益的組成部分減非累計擬派股息，惟就現金流量對沖而於權益中確認的金額除外。

本集團利用經修訂追溯法首次應用國際財務報告準則第16號。並於2019年1月1日將有關先前經營租賃之租賃確認為使用權資產和租賃負債。對於集團總負債及經調整淨債務與資本比率沒有重大影響。

於2019年，本集團的政策為嘗試維持經調整淨債務與資本比率於可接受水平。為維持或調整該項比率，本集團可能會調整派付予股東的股息金額、發行新股份、退回資本予股東、籌措新債務融資或出售資產以減少債務。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 CAPITAL, RESERVES AND DIVIDENDS (continued)

29 資本、儲備及股息(續)

(e) Capital management

(e) 資本管理

The Group's adjusted net debt-to-capital ratio at 31 December 2019 and 2018 was as follows:

於2019年及2018年12月31日的本集團經調整淨債務與資本比率如下：

		31 December 2019	31 December 2018
		2019年 12月31日	2018年 12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current liabilities:	流動負債：		
Trade and bills payables	貿易應付款及應付票據	2,582,442	2,998,632
Amounts due to the Controlling Shareholder and the companies under his control	應付控股股東及受其控制的公司的款項		
– interest bearing	– 計息	130,626	167,223
Accrued expense and other payables-lease liabilities	應計開支及其他應付租賃負債	10,465	–
Discounted bills	貼現票據	681,188	–
Bank loans	銀行貸款	1,645,000	2,287,877
		5,049,721	5,453,732
Non-current liabilities:	非流動負債：		
Bank loans	銀行貸款	–	61,769
Lease liabilities	租賃負債	2,554	–
Total debt	總債務	5,052,275	5,515,501
Less: cash on hand and in bank	減：手頭現金及銀行存款	(1,878,068)	(1,702,751)
Adjusted net debt	經調整淨債務	3,174,207	3,812,750
Total equity and adjusted capital	權益及經調整資本總額	2,731,695	2,708,127
Adjusted net debt-to-capital ratio	經調整淨債務與資本比率	116%	141%

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and recognised the reclassifications arising from the new initial application in the opening balance on 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Under this approach, comparative information is not been restated. See Note 2(c).

附註：本集團利用經修訂追溯法首次應用國際財務報告準則第16號並於2019年1月1日期初結餘作出調整和重分類，以將有關先前根據國際會計準則第17號分類為經營租賃之租賃確認為租賃負債。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司或其任何附屬公司概無受外部施加的資本規定限制。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

30 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the material related party transactions entered into by the Group during the year are set out below.

- (a) Transactions with the Controlling Shareholder and the companies under his control

Purchase of materials and services	購買材料及服務		
Net (decrease)/increase in interest bearing advances received from related parties	從關聯方收取的計息墊款(減少)/增加淨額		
Net decrease in non-interest bearing advances granted to related parties	授予關聯方的不計息墊款減少淨額		

Further details on guarantees provided by related parties for the Group's bank loans are disclosed in Notes 24(a) and 24(b).

- (b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company as disclosed in Note 8, is as follows:

Short-term employee benefits	短期僱員福利		
Retirement schemes contributions	退休計劃供款		

Total remuneration is included in "staff costs" (see Note 6(b)).

30 重大關聯方交易

除於此等財務報表其他部分披露的交易及結餘外，本集團於年內訂立的重大關聯方交易載列如下。

- (a) 與控股股東及受其控制的公司的交易

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

1,286 500

(39,900) 167,223

- 11,392

關聯方就本集團銀行貸款提供的擔保的進一步詳情於附註24(a)及24(b)披露。

- (b) 主要管理人員薪酬

本集團主要管理人員的薪酬，包括向附註8披露的本公司董事支付的款項如下：

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

12,318 8,479

137 234

12,455 8,713

薪酬總額包含於「員工成本」內(見附註6(b))。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents, bills receivables and derivative financial assets is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to have low credit risk.

Except for the guarantee letters given by the Group as set out in Note 33(a), the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in Note 33(a).

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2019 and 2018, there are no significant concentrations of credit risk through exposure to individual customers.

31 財務風險管理及金融工具的公允價值

本集團承受於日常業務過程中產生的信貸、流動資金、利率及貨幣風險。

下文載述本集團承受的該等風險及本集團使用以管理該等風險的財務風險管理政策及慣例。

(a) 信貸風險

信貸風險指交易方將違反其合約責任而導致本集團蒙受財務虧損之風險。本集團的信貸風險主要歸因於貿易應收款及合同資產。本集團來自現金及現金等值項目、應收票據及衍生金融資產的信貸風險有限，因為交易對手方為本集團認為具有高信貸評級的銀行及金融機構。

除附註33(a)所載本集團作出的保函外，本集團並無就本集團會面臨的信貸風險提供任何其他擔保。於報告期末就該等財務擔保面臨的最大信貸風險於附註33(a)中披露。

貿易應收款及合同資產

本集團的信貸風險主要受各客戶的個別情況所影響，而非受客戶經營所在行業或國家影響故本集團的重大信貸風險集中在本集團面對重大個別債務人風險時產生。於2019年及2018年12月31日，概無面臨單獨客戶的重大信貸集中風險。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

Individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. The Group generally requires customers to settle progress billings and retentions receivable in accordance with contracted terms and other debts in accordance with agreements. Except for retentions receivable, trade receivables and contract assets for contract work are considered past due once billings have been made and revenue has been recognised, respectively. Retention terms of one to five years may be granted to customers for retentions receivable. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

31 財務風險管理及金融工具的公允價值(續)

(a) 信貸風險(續)

貿易應收款及合同資產(續)

本集團對所有客戶進行個別信貸評估。該等評估注重客戶過往到期付款歷史及當期之付款能力，並計及客戶特定及與客戶經營所在經濟環境有關資料。本集團通常要求客戶根據合約條款結算進度款項及應收保留金及根據協議結算其他債務。除應收保留金外，合同工程的貿易應收款及合同資產分別在開出賬單及確認收入時認為逾期。客戶就應收保留金獲授一至五年的保留期限。通常，本集團不會要求客戶交出抵押品。

本集團按相等於使用撥備矩陣計算之存續期預期信用損失的金額計量貿易應收款及合同資產之虧損撥備。由於本集團之過往信貸虧損經驗並無就不同客戶分部顯示重大虧損模式差異，根據逾期狀態計算之虧損撥備並無於本集團不同客戶基礎之間進一步區分。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets:

Current (not past due)	流動(未逾期)
Within 1 year past due	逾期少於一年
More than 1 year past due	逾期超過一年

Current (not past due)	流動(未逾期)
Within 1 year past due	逾期少於一年
More than 1 year past due	逾期超過一年

31 財務風險管理及金融工具的公允價值(續)

(a) 信貸風險(續)

貿易應收款及合同資產(續)

下表提供有關本集團於2019年12月31日就貿易應收款及合同資產所面臨之信貸風險及預期信用損失之資料：

	2019		
	Expected loss rate	Gross carrying amount	Loss allowance
	預期虧損率	總賬面值	虧損撥備
	%	RMB'000	RMB'000
		人民幣千元	人民幣千元
	1.7%	659,368	11,283
	7.6%	2,068,501	158,190
	35.1%	4,376,417	1,535,230
	24.0%	7,104,286	1,704,703

	2018		
	Expected loss rate	Gross carrying amount	Loss allowance
	預期虧損率	總賬面值	虧損撥備
	%	RMB'000	RMB'000
		人民幣千元	人民幣千元
	6.8%	362,041	24,699
	7.6%	2,202,382	168,147
	36.2%	5,117,185	1,852,226
	26.6%	7,681,608	2,045,072

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

31 財務風險管理及金融工具的公允價值(續)

(a) 信貸風險(續)

貿易應收款及合同資產(續)

預期虧損率根據過往3年的實際虧損經驗作出。該等比率已予調整以反映已收集過往數據期間內之經濟狀況、當前狀況及本集團對應收款之預期年期內之經濟狀況之意見之間的差異

年內有關貿易應收款及合同資產的虧損撥備賬變動如下：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Balance at 1 January	於1月1日的結餘	2,045,072	2,079,326
Exchange adjustment	匯兌調整	16,518	8,401
Amounts written-off during the year	年內撇減的金額	(512,712)	(232,670)
Impairment losses recognised during the year	年內已確認減值虧損	285,751	211,432
Impairment losses written-back during the year	年內撥回減值虧損	(129,926)	(21,417)
Balance at 31 December	於12月31日的結餘	1,704,703	2,045,072

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

The treasury function is centrally managed by the Group, which includes the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest dates the Group can be required to pay:

31 財務風險管理及金融工具的公允價值(續)

(b) 流動資金風險

本集團集中管理財務部門，包括現金盈餘的短期投資及籌措貸款滿足預期現金需求。本集團的政策為定期監察其流動資金需要及其遵守借貸契諾的情況，以確保其維持充裕現金儲備及從主要金融機構取得充裕的承諾融資額度，以滿足其短期及長期流動資金需要。

下表詳述於本集團非衍生金融負債及衍生金融負債於報告期間結算日的餘下合同到期日，乃基於合同非貼現現金流量(包括使用合同利率計算的利息款項或(倘屬浮動利率)按各報告期間結算日的現行利率)及本集團需要付款的最早日期得出：

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

		2019				
		Contractual undiscounted cash outflow				
		合同未貼現現金流出				
		More than 1 year but less than 2 years	More than 2 years but less than 3 years	Total	Carrying amount at 31 December	
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 3 years	Total	於12月31日 的賬面值
		一年內 或應要求	超過一年 但少於兩年	超過兩年 但少於三年	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
Trade and bills payables	貿易應付款及應付票據	2,582,442	-	-	2,582,442	2,582,442
Accrued expenses and other payables measured at amortised cost	按攤銷成本計量的應計開支及其他應付款	1,178,350	-	-	1,178,350	1,172,466
Lease liabilities (Note)	租賃負債(附註)	-	1,961	828	2,789	2,554
Bank loans	銀行貸款	1,692,436	-	-	1,692,436	1,645,000

		2019				
		Contractual undiscounted cash (outflow)/inflow				
		合同未貼現現金(流出)/流入				
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
		一年內 或應要求	超過一年 但少於兩年	超過兩年 但少於五年	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
Derivatives settled gross:	已結算衍生工具總額：					
Other forward foreign exchange contracts:	其他遠期外匯合約：					
- outflow	一流出	(1,009,226)	(493,109)	(273,329)	(1,775,664)	
- inflow	一流入	1,007,409	491,714	271,148	1,770,271	

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 財務風險管理及金融工具的公允價值(續)

(b) Liquidity risk (continued)

(b) 流動資金風險(續)

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Lease liabilities include amounts recognised at the date of transition to IFRS 16 in respect of leases previously classified as operating leases under IAS 17 and amounts relating to new leases entered into during the year. Under this approach, the comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號並對期初結餘作出調整，以將有關先前根據國際會計準則第17號分類為經營租賃之租賃確認為租賃負債。租賃負債包含於過渡至國際財務報告準則第16號當自先前根據國際會計準則第17號分類為經營租賃之租賃重分類的金額以及本年度新簽訂的租賃。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

		2018				
		Contractual undiscounted cash outflow				
		合同未貼現現金流出				
		More than 1 year but less than 2 years	More than 2 years but less than 3 years	Total	Carrying amount at 31 December	
		一年內 或應要求	超過一年 但少於兩年	超過兩年 但少於三年	總計	於12月31日 的賬面值
		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
Trade and bills payables	貿易應付款及應付票據	2,998,632	-	-	2,998,632	2,998,632
Accrued expenses and other payables measured at amortised cost	按攤銷成本計量的應計開支及其他應付款	512,524	-	-	512,524	512,524
Bank loans	銀行貸款	2,351,454	62,661	-	2,414,115	2,349,646

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

Derivatives settled gross:	已結算衍生工具總額：
Other forward foreign exchange contracts:	其他遠期外匯合約：
- outflow	- 流出
- inflow	- 流入

31 財務風險管理及金融工具的公允價值(續)

(b) 流動資金風險(續)

2018			
Contractual undiscounted cash (outflow)/inflow			
合同未貼現現金(流出)/流入			
Within	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
1 year or on demand	1 year but less than 2 years	2 years but less than 5 years	
一年內或應要求	超過一年但少於兩年	超過兩年但少於五年	總計
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
(1,015,758)	(651,056)	(221,755)	(1,888,569)
1,022,583	664,830	226,210	1,913,623

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

(c) 利率風險

利率風險指金融工具的公允價值或未來現金流將因市場利率變動而波動的風險。本集團的利率風險主要來自計息借貸。按浮動利率及固定利率發出的借貸分別令本集團承受現金流量利率風險及公允價值利率風險。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 財務風險管理及金融工具的公允價值(續)

(c) Interest rate risk (continued)

(c) 利率風險(續)

(i) Interest rate profile

(i) 利率結構

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

下表詳述本集團借貸於報告期末的利率結構：

		2019		2018	
		Effective interest rate		Effective interest rate	
		實際利率		實際利率	
		%	RMB'000	%	RMB'000
			人民幣千元		人民幣千元
Fixed rate borrowings:	固定利率借貸：				
Bank loans	銀行貸款	5.90%	1,125,000	5.76%	1,190,000
Interest bearing advances received from related parties	收取關聯方計息墊款	4.28%	130,626	4.28%	167,223
Lease liabilities (Note)	租賃負債(附註)	5.40%	13,019	n/a	n/a
			1,268,645		1,357,223
Variable rate borrowings:	浮動利率借貸：				
Bank loans	銀行貸款	4.65%	520,000	4.73%	1,159,646
Total borrowings	借貸總額		1,788,645		2,516,869
Fixed rate borrowings as a percentage of total borrowings	固定利率借貸佔借貸總額百分比		71%		54%

Note: The Group has initially applied IFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under IAS 17. Under this approach, the comparative information is not restated. See Note 2(c).

附註：本集團於2019年1月1日利用經修訂追溯法首次應用國際財務調整，以將有關先前根據國際會計準則第17號分類為經營租賃之租賃確認為租賃負債。根據此法，比較資料不予重列。有關詳情請參閱附註2(c)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2019, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and the Group's retained profits of approximately RMB4.4 million (2018: approximately RMB9.9 million).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those non-derivative financial instruments held by the Group which expose the Group to cash flow interest rate risk at the end of the reporting period. The impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expenses of such a change in interest rates. The sensitivity analysis is performed on the same basis for 2018.

31 財務風險管理及金融工具的公允價值(續)

(c) 利率風險(續)

(ii) 敏感度分

於2019年12月31日，估計倘利率整體增加／減少100個基點，而所有其他可變因素維持不變，本集團的稅後利潤及本集團保留利潤會分別減少／增加約人民幣4.4百萬元(2018年：約人民幣9.9百萬元)。

上文的敏感度分析顯示本集團的稅後利潤及保留利潤的即時變動，假設利率的變動已於報告期末出現且已應用以重新計量本集團持有且令本集團於報告期末承受現金流量利率風險的非衍生金融工具。對本集團的稅後利潤及保留利潤的影響乃作為有關利率變動對利率開支的年度化影響予以估計。敏感度分析乃按與2018年相同的基準進行。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk

The Group is exposed to currency risk primarily through revenue from and costs incurred for contract work, purchases of imported materials which give rise to receivables, payables, inter-company payables and receivables within the Group, and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD, Euro, SGD, AUD, GBP, CHF, CAD, RMB, HK\$, Qatar Riyal ("QAR"), Vietnamese Dong ("VND") and Russia Rubles ("RUB").

A significant portion of the Group's business is overseas construction contracts, and these contracts are generally settled in currencies other than RMB. The Group uses forward foreign exchange contracts to minimise its exposure to currency risk arising therefrom.

(i) Hedges of foreign currency risk in forecast transactions

The Group hedges portion of its estimated foreign currency exposure in respect of highly probable forecast revenue from overseas construction contracts.

31 財務風險管理及金融工具的公允價值(續)

(d) 貨幣風險

本集團主要通過產生以與有關交易相關的業務之功能貨幣以外的貨幣計值的應收款、應付款、本集團內公司間應付款及應收款及現金結餘的合同工程收入、購買進口材料產生的成本承受貨幣風險。產生此項風險的貨幣主要為美元、歐元、新加坡元、澳元、英鎊、瑞士法郎、加元、人民幣、港元、卡塔爾利雅(「卡塔爾利雅」)、越南盾(「越南盾」)及盧布。

本集團業務的重大部分為海外建築合同，而該等合同一般以人民幣以外的貨幣結算。本集團使用遠期外匯合約，藉以盡量減低其承受的貨幣風險。

(i) 對沖預測交易中的外幣風險

本集團就可能性極高的海外建築工程合同預測收入對沖其部分估計外幣風險。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(i) Hedges of foreign currency risk in forecast transactions (continued)

The Group uses forward foreign exchange contracts to manage its currency risk until the settlement date of foreign currency receivables or payables. The Group designates those forward exchange contracts as hedging instruments in cash flow hedges and does not separate the forward and spot element of a forward exchange contract but instead designates the forward exchange contract in its entirety in a hedging relationship. Correspondingly, the hedged item is measured based on the forward exchange rate.

The Group determines the existence of an economic relationship between the forward exchange contracts and the highly probable forecast transactions based on their currency amounts and the timing of their respective cash flows. The main sources of ineffectiveness in these hedging relationships are:

- (a) the effect of the counterparty's and the Group's own credit risk on the fair value of the forward exchange contracts which is not reflected in the change in the value of the hedged cash flows attributable to the forward rate; and
- (b) changes in the timing of the hedged transactions.

31 財務風險管理及金融工具的公允價值(續)

(d) 貨幣風險(續)

(i) 對沖預測交易中的外幣風險(續)

本集團使用遠期外匯合約管理其貨幣風險直至外幣應收款或應付款的結算日期。本集團將該等遠期外匯合約指定為現金流對沖中的對沖工具及並無區分遠期外匯合約的遠期及短期部分反而於對沖關係中的整體指定遠期外匯合約。因此，對沖項目根據遠期外匯匯率計量。

本集團確定外匯遠期合約及很可能的預期交易之間存在經濟關係，乃以彼等的貨幣金額及各自現金流的時間。該等對沖關係中的無效對沖主要來源為：

- (a) 交易對手方及本集團本身信貸風險對遠期外匯合約公允價值的影響，並無反映在歸因於遠期匯率的已對沖現金流價值變動中；及
- (b) 對沖交易的時間發生變動。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 財務風險管理及金融工具的公允價值(續)

(d) Currency risk (continued)

(d) 貨幣風險(續)

(ii) Recognised assets and liabilities

(ii) 已確認資產及負債

Change in the fair value of forward foreign exchange contracts that economically hedge monetary assets and liabilities denominated in foreign currencies is recognised in profit or loss (see Note 6(a)). At 31 December 2019, the net fair value of forward foreign exchange contracts used by the Group as economic hedges of monetary assets and liabilities denominated in foreign currencies was a loss of RMB5.2 million (31 December 2018: a gain of RMB24.1 million) recognised as derivative financial instruments.

在經濟上對沖以外幣計值的貨幣資產及負債的遠期外匯合同的公允價值變動乃確認為損益(見附註6(a))。於2019年12月31日，本集團用作以外幣計值的貨幣資產及負債的經濟對沖的遠期外匯合約的淨公允價值虧損為人民幣5.2百萬元(2018年12月31日：收益人民幣24.1百萬元)，乃確認為衍生金融工具。

In respect of the remaining receivables and payables denominated in currencies other than the functional currency of the entity to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

就以與實體有關的功能貨幣以外的貨幣計值的其餘應收款及應付款而言，本集團通過在有需要時按現貨價購買或出售外幣以處理短期不平衡情況，確保淨風險維持於可接納水平。

(iii) Exposure to currency risk

(iii) 承受的貨幣風險

The following tables detail the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

下表詳述本集團於報告期末承受以與實體有關的功能貨幣以外貨幣計值的已確認資產或負債產生的貨幣風險。就呈列而言，涉及風險的金額乃以人民幣列示，使用於報告期末的現貨匯率換算，並不包括換算海外業務的財務報表為本集團的呈列貨幣產生的差額。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(iii) Exposure to currency risk (continued)

		2019											
		USD	Euro	SGD	AUD	GBP	CHF	CAD	RMB	HK\$	QAR	VND	RUB
		美元	歐元	新加坡元	澳元	英鎊	瑞士法郎	加元	人民幣	港元	卡塔爾 利雅	越南盾	盧布
		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
Contract assets	合同資產	87,574	-	429	-	-	-	-	-	-	-	-	-
Trade and bills receivables	貿易應收款及應收票據	921,184	36,440	100,813	145,234	206,272	117,171	29,078	-	103,035	13,229	24,934	23,355
Deposits, prepayments and other receivables	按金、預付款及其他應收款	188,473	44,213	5,019	-	11,365	202,480	-	970	355,997	1,308	-	-
Cash on hand and in bank	手頭現金及銀行存款	37,354	5,004	-	21	532	-	-	43	-	-	-	-
Trade and bills payables	貿易應付款及應付票據	(10,039)	(22,371)	-	-	(1,904)	(14,801)	(24)	-	-	-	-	-
Accrued expenses and other payables	應計開支及其他應付款	(126,203)	-	-	-	(18,885)	-	-	(1,005,596)	-	-	-	-
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額	1,098,343	63,286	106,261	145,255	197,380	304,850	29,054	(1,004,583)	459,032	14,537	24,934	23,355
Notional amounts of forward foreign exchange contracts used as economic hedges	用作經濟對沖的遠期外匯合約名義金額	(3,488)	(11,723)	-	(41,517)	(99,645)	(27,371)	-	-	-	-	-	-
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險淨額	1,094,855	51,563	106,261	103,738	97,735	277,479	29,054	(1,004,583)	459,032	14,537	24,934	23,355

31 財務風險管理及金融工具的公允價值(續)

(d) 貨幣風險(續)

(iii) 承受的貨幣風險(續)

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 財務風險管理及金融工具的公允價值(續)

(d) Currency risk (continued)

(d) 貨幣風險(續)

(iii) Exposure to currency risk (continued)

(iii) 承受的貨幣風險(續)

		2018													
		USD	Euro	SGD	AUD	GBP	CHF	JPY	MYR	CAD	RMB	HK\$	QAR	VND	RUB
		美元	歐元	新加坡元	澳元	英鎊	瑞士法郎	日圓	令吉	加元	人民幣	港元	利雅	越南盾	盧布
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Contract assets	合同資產	16,028	-	407	-	-	-	-	-	-	-	-	-	-	-
Trade and bills receivables	貿易應收款及應收票據	790,652	19,662	48,405	178,059	206,741	112,416	5,701	10,429	27,643	-	100,882	18,767	24,511	23,270
Deposits, prepayments and other receivables	按金、預付款及其他應收款	185,568	47,170	-	-	11,557	178,460	5,698	-	-	2,000	327,890	1,319	-	-
Cash on hand and in bank	手頭現金及銀行存款	126,050	3,020	216	131	2,057	-	279	-	120	114	-	-	-	-
Trade and bills payables	貿易應付款及應付票據	(24,239)	(3,766)	-	-	-	(2,793)	-	-	(23)	-	(23)	-	-	-
Accrued expenses and other payables	應計開支及其他應付款	(146,029)	(2,382)	-	-	-	-	-	-	-	(935,490)	-	-	-	-
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額	948,030	63,704	49,028	178,190	220,355	288,083	11,678	10,429	27,740	(933,376)	428,749	20,086	24,511	23,270
Notional amounts of forward foreign exchange contracts used as economic hedges	用作經濟對沖的遠期外匯合約名義金額	(16,742)	(10,332)	(4,706)	(50,587)	(206,741)	(31,967)	-	-	-	-	-	-	-	-
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險淨額	931,288	53,372	44,322	127,603	13,614	256,116	11,678	10,429	27,740	(933,376)	428,749	20,086	24,511	23,270

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(iv) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2019		2018	
		Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and in retained profits	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and in retained profits
		外匯匯率 上升/(下降)	稅後利潤 及保留利潤 增加/(減少) RMB'000 人民幣千元	外匯匯率 上升/(下降)	稅後利潤 及保留利潤 增加/(減少) RMB'000 人民幣千元
USD	美元	10%	91,580	10%	79,270
		(10)%	(91,580)	(10)%	(79,270)
Euro	歐元	10%	5,317	10%	5,223
		(10)%	(5,317)	(10)%	(5,223)
SGD	新加坡元	5%	4,554	5%	1,884
		(5)%	(4,554)	(5)%	(1,884)
AUD	澳元	10%	8,818	10%	10,846
		(10)%	(8,818)	(10)%	(10,846)
GBP	英鎊	10%	10,575	10%	1,172
		(10)%	(10,575)	(10)%	(1,172)
CHF	瑞士法郎	10%	23,585	10%	21,770
		(10)%	(23,585)	(10)%	(21,770)
JPY	日元	n/a 不適用	n/a 不適用	10%	993
		n/a 不適用	n/a 不適用	(10)%	(993)
MYR	馬來西亞令吉	n/a 不適用	n/a 不適用	5%	443
		n/a 不適用	n/a 不適用	(5)%	(443)

31 財務風險管理及金融工具的公允價值(續)

(d) 貨幣風險(續)

(iv) 敏感度分析

下表顯示倘本集團於報告期末承受重大風險的外幣匯率於該日期有所變動，假設所有其他可變風險因素維持不變，本集團的稅後利潤及保留利潤的即時變動。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 財務風險管理及金融工具的公允價值(續)

(d) Currency risk (continued)

(d) 貨幣風險(續)

(iv) Sensitivity analysis (continued)

(iv) 敏感度分析(續)

		2019		2018	
		Increase/ (decrease) in in foreign exchange rates 外匯匯率 上升/(下降)	Increase/ (decrease) in profit after tax and in retained profits 稅後利潤 及保留利潤 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in in foreign exchange rates 外匯匯率 上升/(下降)	Increase/ (decrease) in profit after tax and in retained profits 稅後利潤 及保留利潤 增加/(減少) RMB'000 人民幣千元
CAD	加元	10%	2,470	10%	2,358
		(10)%	(2,470)	(10)%	(2,358)
RMB	人民幣	10%	(100,458)	10%	(93,338)
		(10)%	100,458	(10)%	93,338
HK\$	港元	10%	40,682	10%	38,098
		(10)%	(40,682)	(10)%	(38,098)
QAR	卡塔爾利雅	10%	1,255	10%	1,727
		(10)%	(1,255)	(10)%	(1,727)
VND	越南盾	10%	2,119	10%	2,083
		(10)%	(2,119)	(10)%	(2,083)
RUB	盧布	20%	3,970	20%	3,956
		(20)%	(3,970)	(20)%	(3,956)

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(iv) Sensitivity analysis (continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit/loss after tax and retained profits measured in their respective functional currencies, translated into RMB at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The sensitivity analysis is performed on the same basis for 2018.

31 財務風險管理及金融工具的公允價值(續)

(d) 貨幣風險(續)

(iv) 敏感度分析(續)

上表呈列的分析結果指合併本集團各實體以各自的功能貨幣計量的稅後利潤／虧損及保留利潤的即時影響，乃按報告期末適用的匯率換算為人民幣，以供呈列用途。

敏感度分析假設已應用外幣匯率的變動以重新計量本集團持有而令本集團於報告期末承受外幣風險的金融工具，包括以貸款人或借款人的功能貨幣以外的貨幣計值的本集團公司間應付款及應收款。分析不包括自換算海外業務的財務報表為本集團的呈列貨幣而產生的差額。敏感度分析乃按與2018年相同的基準進行。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 財務風險管理及金融工具的公允價值(續)

(e) Fair value measurement

(e) 公允價值計量

(i) Financial assets and liabilities measured at fair value

(i) 按公允價值計量的金融資產及負債

Fair value hierarchy

公允價值層級

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

下表載列根據國際財務報告準則第13號公允價值計量，定期於報告期結算日計量本集團金融工具之公允價值分類為三個公允價值層級。參考按估值方法所輸入數據的可觀察性及重要性作以下級別釐定：

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

- 第1層估值：僅使用第1層輸入數據(即計量日期當日相同資產或負債活躍市場上的未經調整報價)計量的公允價值。
- 第2層估值：使用第2層輸入數據(即不符合第1層標準的可觀察數據)計量的公允價值，且不會使用重大不可觀察輸入數據。不可觀察輸入數據為未能取得市場數據的輸入數據。
- 第3層估值：使用重大不可觀察輸入數據計量的公允價值。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

Recurring fair value measurements:

Assets

Derivative financial instruments:
– Forward foreign exchange contracts

Liabilities

Derivative financial instruments:
– Forward foreign exchange contracts

經常公允價值計量：

資產

衍生金融工具：
– 遠期外匯合約

負債

衍生金融工具：
– 遠期外匯合約

17,781 55,451

23,021 31,343

During the year ended 31 December 2019, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

31 財務風險管理及金融工具的公允價值(續)

(e) 公允價值計量(續)

(i) 按公允價值計量的金融資產及負債(續)

公允價值層級(續)

Fair value measurements categorised into Level 2 分類為第2層的公允價值計量

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

於截至2019年12月31日止年度，第1層及第2層之間，或轉入或轉出第3層概無轉撥項目。本集團之政策為於其產生之報告期末確認公允價值層級之間的轉撥項目

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 財務風險管理及金融工具的公允價值(續)

(e) Fair value measurement (continued)

(e) 公允價值計量(續)

(i) Financial assets and liabilities measured at fair value (continued)

(i) 按公允價值計量的金融資產及負債(續)

Valuation techniques and inputs used in Level 2 fair value measurements

於第2層的公允價值計量所用的估值技術及輸入數據

The fair value of forward foreign exchange contracts in Level 2 is determined by discounting the contractual forward price and deducting the current forward rate. The discount rate used is derived from the PRC government yield curve as at the end of the reporting period plus an adequate constant credit spread.

遠期外匯合約的公允價值(第2層)是通過將遠期合約匯率扣除當前遠期匯率後貼現計算。貼現率乃自於報告期末中國政府孳息曲線加足夠信貸息差產生。

(ii) Fair value of financial assets and liabilities carried at other than fair value

(ii) 並非按公允價值列賬的金融資產及負債的公允價值

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2019 and 2018.

於2019年及2018年12月31日，本集團按成本或攤銷成本列賬的金融工具賬面值與其公允價值並無重大差異。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

32 COMMITMENTS

(a) Capital commitments

At 31 December 2019, the outstanding capital commitments of the Group not provided for in the consolidated financial statements were as follows:

Commitments in respect of buildings, machinery and equipment
就樓宇、機器及設備的承擔

– Contracted for 一已訂約

As at 31 December 2019, the Group has not committed to enter into any lease contract that is not yet commenced.

(b) At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

Within 1 year 一年內
After 1 year but within 5 years 一年後但五年內

32 承擔

(a) 資本承擔

於2019年12月31日，於合併財務報表中並未撥備之本集團未償還資本承擔如下：

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

1,730	7,104
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截至2019年12月31日，本集團尚未簽約任何並未開始執行的租賃合同。

(b) 於2018年12月31日，本集團根據不可撤銷經營租賃應付的未來最低租金總額如下：

2018
RMB'000
人民幣千元

6,417

7,224

13,641

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

32 COMMITMENTS (continued)

- (b) At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows: (continued)

The Group is the lessee in respect of a number of plant, buildings, motor vehicles and other equipment held under leases which were previously classified as operating leases under IAS 17. The Group has initially applied IFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see Note 2(c)). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in Note 2(j).

33 CONTINGENT LIABILITIES

- (a) Guarantees issued

At 31 December 2019, the Group has issued the following guarantees:

Guarantees for construction contracts' bidding, performance and retentions	建築合同投標、履約及保留金的擔保
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As of the end of the reporting period, the directors of the Company do not consider it probable that a claim in excess of the provision for warranties provided by the Group will be made against the Group under any of the guarantees. The maximum liability of the Group as of the end of the reporting period under the guarantees issued is the amount disclosed above.

32 承擔(續)

- (b) 於2018年12月31日，本集團根據不可撤銷經營租賃應付的未來最低租金總額如下：(續)

本集團為根據國際會計準則第17號先前分類為經營租賃的租賃項下持有若干廠房、建築及車輛的承租人。本集團使用經修訂追溯法初步應用國際財務報告準則第16號。根據此方法，本集團已於2019年1月1日調整期初餘額以確認該等租賃的租賃負債(見附註2(c))。自2019年1月1日起，未來租賃付款根據附註2(j)所載的政策於財務狀況表中確認為租賃負債。

33 或然負債

- (a) 已發出擔保

於2019年12月31日，本集團已發出下列擔保：

2019	2018
RMB'000	RMB'000
人民幣千元	人民幣千元

1,901,761	2,054,923
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於報告期末，本公司董事認為將不可能出現根據任何擔保對本集團提出超過本集團所提供的保修撥備的申索。本集團於報告期末根據已發出擔保的最高責任為上文所披露的金額。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

33 CONTINGENT LIABILITIES (continued)

(b) Contingent liabilities in respect of legal claims

- (i) In December 2009, Shenyang Yuanda and Yuanda India, both wholly-owned subsidiaries of the Group, jointly received a notice that they are being sued by a former sub-contractor in India in respect of Shenyang Yuanda's and Yuanda India's non-performance of the terms as stipulated in the sub-contract agreement entered into between Shenyang Yuanda and this former sub-contractor. Shenyang Yuanda has made a counterclaim against this sub-contractor for non-performance of the sub-contract agreement. On 30 September 2016, a first instance court judgement has been rendered in favour of Shenyang Yuanda and Yuanda India and pursuant to which the former sub-contractor shall pay to Shenyang Yuanda and Yuanda India damages in the amount of INR81.8 million (equivalent to approximately RMB8.0 million) plus accrued interest.

The former sub-contractor and Shenyang Yuanda and Yuanda India later on filed appeals and as at the date of these financial statements, the lawsuit is under reviewed before the Hon'ble High Court of Delhi. If Shenyang Yuanda and Yuanda India are found to be liable, the total expected monetary compensation may amount to approximately INR1,410.8 million (equivalent to approximately RMB138.0 million) plus accrued interest. Shenyang Yuanda and Yuanda India deny any liability in respect of the appeal filed by the former sub-contractor and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Shenyang Yuanda and/or Yuanda India. No provision has therefore been made in respect of this claim.

33 或然負債(續)

(b) 有關法律申索的或然負債

- (i) 於2009年12月，本集團兩家全資附屬公司瀋陽遠大及遠大印度共同接獲通知，指彼等被印度的前分包商就瀋陽遠大及遠大印度不履行瀋陽遠大與此前分包商訂立的分包協議所訂明的條款提出起訴。瀋陽遠大亦已就此分包商未有履行分包商協議提出反申索。於2016年9月30日，原訟法庭已判瀋陽遠大及遠大印度勝訴及根據該判決，此前分包商須向瀋陽遠大及遠大印度支付損失金額81.8百萬印度盧比(約等於人民幣8.0百萬元)加應計利息。

此前分包商與瀋陽遠大及遠大印度其後提出上訴，而於本公告日期，訴訟正於德里Hon'ble高等法院審理。倘瀋陽遠大及遠大印度被裁定須負上責任，預期金錢補償總額可能約達1,410.8百萬印度盧比(約等於人民幣138.0百萬元)加應計利息。瀋陽遠大及遠大印度否認有關此前分包商的提出的上訴，而根據法律意見，本公司董事並不相信法庭會判決瀋陽遠大及／或遠大印度敗訴，故並無就此項申索計提撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

33 CONTINGENT LIABILITIES (continued)

(b) Contingent liabilities in respect of legal claims (continued)

- (ii) In addition to the lawsuits mentioned in Notes 33(b)(i), certain subsidiaries of the Group are named defendants on other lawsuits or arbitrations in respect of construction work carried out by them. As at the date of these financial statements, these lawsuits and arbitrations are under reviewed before courts or arbitrators. If these subsidiaries are found to be liable, the total expected monetary compensation may amount to approximately RMB207.0 million, of which RMB18.5 million has already been provided for and the Group's bank deposits of RMB39.8 million at 31 December 2019 was frozen by courts for certain of these lawsuits. Based on legal advices, the directors of the Company do not believe it is probable that the courts or arbitrators will find against these subsidiaries of the Group on these lawsuits and arbitrations.

(c) Contingent compensation payable

In July 2016, it was reported that certain construction materials supplied by the Group was found to contain asbestos in two construction projects in Australia. The Group is cooperating with relevant authorities on investigation into the reason for the reported cases. As at the date of these financial statements, asbestos was not found in other projects constructed by the Group and there was no related legal action against the Group in Australia. As the investigation is yet to be completed and claims against the Group from contractors have not been quantified, the directors of the Company cannot reliably estimate the repair cost and potential compensation for projects found with asbestos. No provision in this regard has therefore been made.

33 或然負債(續)

(b) 有關法律申索的或然負債(續)

- (ii) 除於附註33(b)(i)所述的訴訟外，本集團若干附屬公司被指控為有關建築工程的其他訴訟或仲裁的被告人。於本財務報表日期，上述訴訟及仲裁正由法院及仲裁員審理。倘該等附屬公司被裁定須負上責任，預期金錢補償總額約達人民幣207.0百萬元，其中已計提人民幣18.5百萬元，於2019年12月31日集團銀行賬戶中人民幣39.8百萬元已因法律訴訟被法院凍結。根據法律意見，本公司董事並不相信該等法院或仲裁員會就該等訴訟及仲裁判決本集團的該等附屬公司敗訴。

(c) 應付或然補償

於2016年7月，據報告，本集團供應的澳洲兩個建築項目的若干建築材料被發現含有石棉。本集團正與有關機構合作調查所報告案件的原因。於本財務報表日期，於本集團建造的其他項目中並未發現石棉且於澳洲國內並無針對本集團的相關法律行動。由於調查尚未完成及總包商對本集團提起的申索尚未量化，本公司董事不能可靠估計被發現含有石棉的項目的維修成本及潛在補償。因此，並無就此作出撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

34 公司層面的財務狀況報表

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元 (Note) (附註)
	Note 附註		
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司的投資	2,189,122	2,050,058
Current assets	流動資產		
Prepayments and other receivables	預付款及其他應收款	327	805
Cash on hand and in bank	手頭現金及銀行存款	2,330	1,948
		2,657	2,753
Current liabilities	流動負債		
Accrued expenses and other payables	應計開支及其他應付款	1,126,634	1,106,920
Net current liabilities	流動負債淨額	(1,123,977)	(1,104,167)
NET ASSETS	淨資產	1,065,145	945,891
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	519,723	519,723
Reserves	儲備	545,422	426,168
TOTAL EQUITY	總權益	1,065,145	945,891

Note: The Company has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. There has been no impact on the Company's statement of financial position.

附註：本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。對公司財務狀況報表無重大影響。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

35 COMPARATIVE FIGURES

The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 2(c).

36 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Novel Coronavirus Pneumonia outbreak (the “NCP Outbreak”) since early 2020 has brought about additional uncertainties in the Group’s operating environment and may impact the Group’s operations and financial position.

The Group has been closely monitoring the impact from the NCP Outbreak on the Group’s businesses and has commenced to put in place various contingency measures. The directors of the Company confirm that these contingency measures include but not limited to, assessing the readiness of the production units and revisiting the progress of curtain wall systems projects, reassessing the adequacy and suitability of the Group’s existing suppliers inventory of raw materials, the expanding of the Group’s supplier base in a view to negotiating with customers on possible delay in delivery timetables, increase monitoring of the business environment of the Group’s customers, and improving the Group’s cash management by expediting debtor settlements and negotiating with suppliers on payment extensions. The Group will keep the contingency measures under review as the NCP Outbreak situation evolves.

35 比較數字

本集團於2019年1月1日利用經修訂追溯法首次應用國際財務報告準則第16號。根據此法，比較資料不予重列。有關會計政策變動之進一步詳情請參閱附註2(c)。

36 報告期後非調整事項

自2020年初以來，新的冠狀病毒肺炎爆發(「新冠肺炎爆發」)給本集團的經營環境帶來了額外的不確定性，並可能影響本集團的經營和財務狀況。

本集團一直密切監察新冠肺炎爆發對集團業務的影響，並已開始採取各種應急措施。公司董事確認，這些應急措施包括但不限於評估生產單位的準備情況，重新評估幕牆系統項目的進度，重新評估本集團現有原材料供應商庫存的充分性和適宜性，擴大集團的供應商基礎，以便與客戶就交貨時間表可能出現的延誤進行談判，加強對集團客戶業務環境的監測，並通過加快債務人結算和與供應商就延期付款進行談判，改善集團的現金管理。隨著新冠肺炎爆發的發展，本集團將持續審視應急措施。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

36 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD (continued)

As far as the Group's businesses are concerned, the NCP Outbreak may cause production and delivery delays on curtain wall systems construction, but the directors of the Company consider that such impact could be reduced by the Group's expedition of the production/construction process when the situation resume to normal. In addition, the NCP Outbreak may also significantly impact the repayment abilities of the Group's debtors and the willingness of the main contractor to promote construction, which in turn may result in additional impairment losses on trade receivables and/or contract assets in future periods. These possible impacts have not been reflected in 2019, and the actual impact may differ from estimates adopted now as the NCP Outbreak situation continues to evolve and when further information may become available.

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

36 報告期後非調整事項(續)

就本集團業務而言，新冠肺炎爆發可能會導致幕牆系統施工的生產和交付延誤，但本公司董事會認為，當情況恢復正常時，本集團加快生產／施工過程可能會減少這種影響。此外，新冠肺炎爆發還可能對集團債務人的還款能力和主承包商促進施工的意願產生重大影響，進而可能在未來期間對貿易應收款和／或合同資產造成額外的減值損失。這些可能的影響在2019年沒有得到反映。隨著新冠肺炎爆發繼續演變以及可能獲得更多信息，實際影響可能與現在採用的估計有所不同。

37 截至2019年12月31日止年度已頒布但尚未生效的修訂、新訂準則及詮釋可能造成的影響

截至此等財務報表刊發日期，國際會計準則理事會已頒布若干截至2019年12月31日止年度尚未生效的準則修訂、新訂準則及詮釋，其並未於此等財務報表內採納。該等新訂準則及準則修訂包括以下可能與本集團有關的各項。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

37 截至2019年12月31日止年度已頒布但尚未生效的修訂、新訂準則及詮釋可能造成的影響

**Effective for
accounting periods
beginning on or after**
於以下日期或之後開始
的會計期間生效

Amendments to IFRS 3, *Definition of a business*
國際財務報告準則第3號之修訂，業務定義

1 January 2020
2020年1月1日

Amendments to IAS 1 and IAS 8, *Definition of material*
國際會計準則第1號及第8號之修訂，重要性定義

1 January 2020
2020年1月1日

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正評估該等新訂準則及準則修訂的影響，並預期處於初步應用期。本集團對採納新準則修訂已有結論，並認為其採納不大可能對綜合財務報表帶來重大影響。

38 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The directors of the Company consider the immediate and ultimate holding company of the Company as at 31 December 2019 to be Best Outlook Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

38 直接及最終控股公司

截至2019年12月31日，本公司董事確定本公司的直接及最終控股公司為佳境有限公司，該公司在英屬維爾京群島註冊成立。該實體並不編製可供公眾使用的財務報表。

Five Year Financial Summary

五年財務摘要

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015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
Results	業績					
Revenue	營業額	4,041,253	4,615,704	5,688,650	7,324,415	8,594,364
Profit/(loss) from operations	經營利潤／(虧損)	338,541	222,929	291,073	173,640	(168,395)
Finances costs	融資成本	(142,523)	(68,767)	(232,801)	(86,446)	1,107
Profit/(loss) before taxation	稅前利潤／(虧損)	196,018	154,162	58,272	87,194	(167,288)
Income tax	所得稅	(106,198)	(65,991)	27,457	(10,577)	(443)
Profit/(loss) for the year	年內利潤／(虧損)	89,820	88,171	85,729	76,617	(167,731)
Attributable to:	以下人士應佔：					
Equity shareholders of the Company	本公司權益	89,820	79,119	60,652	87,039	(192,257)
Non-controlling interests	非控股權益	-	9,052	25,077	(10,422)	24,526
Profit/(loss) for the year	年內利潤／(虧損)	89,820	88,171	85,729	76,617	(167,731)
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	1,134,011	1,355,031	1,672,104	1,716,027	1,728,283
Current assets	流動資產	8,399,134	8,706,332	9,809,008	11,463,726	12,610,538
Current liabilities	流動負債	6,624,937	7,048,236	7,300,206	9,936,815	10,817,304
Net current assets	流動資產淨值	1,774,197	1,658,096	2,508,802	1,526,911	1,793,234
Total assets less current liabilities	總資產減流動負債	2,908,208	3,013,127	4,180,906	3,242,938	3,521,517
Non-current liabilities	非流動負債	176,513	305,000	982,640	235,285	478,458
NET ASSETS	淨資產	2,731,695	2,708,127	3,198,266	3,007,653	3,043,059
Capital and reserves	資本及儲備					
Share capital	股本	519,723	519,723	519,723	519,723	519,723
Reserves	儲備	2,211,972	2,188,404	2,817,332	2,633,717	2,658,041
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額	2,731,695	2,708,127	3,337,055	3,153,440	3,177,764
Non-controlling interests	非控股權益	-	-	(138,789)	(145,787)	(134,705)
TOTAL EQUITY	總權益	2,731,695	2,708,127	3,198,266	3,007,653	3,043,059



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