

LESSO 联塑

CHINA LESSO GROUP HOLDINGS LIMITED

中國聯塑集團控股有限公司

Incorporated in the Cayman Islands with limited liability

於開曼群島註冊成立的有限公司

Stock Code 股份代號：2128

2019

Annual Report

年度報告



CORPORATE PROFILE

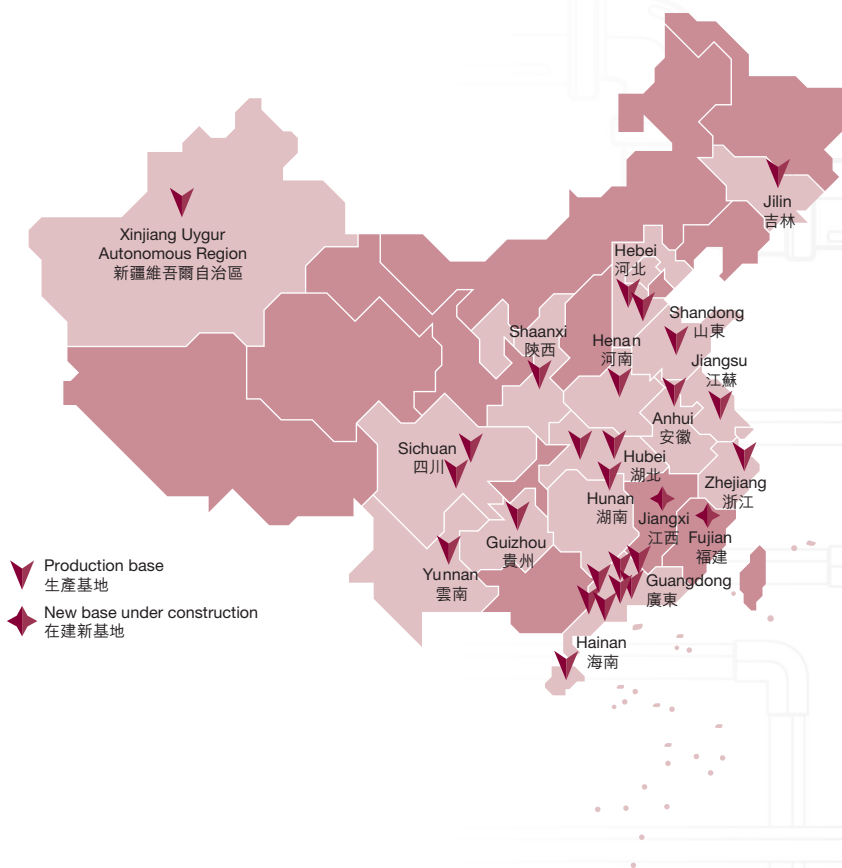
企業簡介

China Lesso Group Holdings Limited is a leading large-scale industrial group that manufactures building materials and interior decoration products in mainland China. It is listed on the main board of The Stock Exchange of Hong Kong Limited (stock name: China Lesso, stock code: 2128). China Lesso is one of the constituent stocks of the Hang Seng Composite Index – MidCap and is covered by Hong Kong Stock Exchange's Stock Connect. The Group provides over 10,000 types of quality products, including plastic piping system, sanitary ware products, integrated kitchens, systems of doors and windows, decorative plates, fire-fighting equipment, and sanitary materials, etc. They are widely applied to fields such as interior decoration, water supply, drainage, power supply and telecommunications, gas transmission, agriculture, aquaculture, floor heating and fire services. The Group is positioned as one of the manufacturers who offer the most comprehensive range of building materials and interior decoration products in China.

The Group has 25 advanced production bases in 16 provinces, namely Guangdong, Guizhou, Sichuan, Hubei, Jiangsu, Anhui, Zhejiang, Henan, Hebei, Jilin, Shaanxi, Xinjiang, Hainan, Yunnan, Shandong and Hunan. The Group has established a nationwide sales network and has also developed long-term strategic partnerships with 2,276 independent and exclusive first-tier distributors to provide quality and comprehensive products as well as professional services for customers.

中國聯塑集團控股有限公司是中國內地領先的大型建材家居產業集團，於香港聯合交易所有限公司主板上市（股票簡稱：中國聯塑，股份代號：2128）。中國聯塑是恒生綜合指數成份股中型股之一，並被獲納入為港股通股份。本集團提供過萬種優質產品，涵蓋塑料管道系統、水暖衛浴產品、整體廚房、門窗系統、裝飾板材、消防器材及衛生材料等類別，並廣泛應用於家居裝修、給水、排水、電力供應及通訊、燃氣輸送、農用、水產養殖業、地暖和消防等領域，為中國建材家居領域產品體系最為齊全的生產商之一。

本集團於廣東、貴州、四川、湖北、江蘇、安徽、浙江、河南、河北、吉林、陝西、新疆、海南、雲南、山東及湖南等16個省份擁有25個先進生產基地。本集團擁有覆蓋全國的分銷網絡，與2,276名的獨立獨家一級經銷商建立長期戰略合作關係，為全國客戶提供優質豐富的產品和專業的服務。



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FINANCIAL HIGHLIGHTS

財務摘要

		2019	2018	Change 變動
For the year ended 31 December (RMB'000)	截至12月31日止年度 (人民幣千元)			
Revenue	收入	26,344,523	23,733,517	11.0%
Gross profit	毛利	7,537,119	6,228,449	21.0%
Finance costs	融資成本	577,194	415,403	38.9%
EBITDA	除息稅折攤前盈利	5,555,866	4,409,098	26.0%
Profit before tax	除稅前溢利	3,981,921	3,235,539	23.1%
Profit for the year	年內溢利	3,028,335	2,446,224	23.8%
Profit attributable to owners of the Company	本公司擁有人應佔溢利	3,024,701	2,491,774	21.4%
At 31 December (RMB'000)	於12月31日 (人民幣千元)			
Total assets	資產總額	40,784,797	34,636,277	17.8%
Cash and bank deposits	現金及銀行存款	7,604,221	6,451,791	17.9%
Total debts ^(a)	債務總額 ^(a)	13,537,099	11,731,058	15.4%
Net debt ^(b)	債務淨額 ^(b)	5,932,878	5,279,267	12.4%
Total equity	權益總額	17,094,396	15,072,865	13.4%
Share information (RMB)	股份資料 (人民幣)			
Earnings per share ^(c)	每股盈利 ^(c)			
– Basic	– 基本	0.98	0.80	22.5%
– Diluted	– 攤薄	0.98	0.80	22.5%
Dividend per share (HK cents)	每股股息 (港仙)			
– Interim dividend	– 中期股息	12	10	20.0%
– Proposed final dividend	– 擬派末期股息	28	20	40.0%
– Total dividend	– 總股息	40	30	33.3%
Equity attributable to owners of the Company per share ^(d)	每股本公司擁有人應佔權益 ^(d)	5.34	4.77	12.0%
Financial ratios	財務比率			
Gearing Ratio (%)	資產負債率 (%)	44.2	43.8	
Net debt to equity ^(e) (%)	債務淨額對權益比率 ^(e) (%)	34.7	35.0	
Interest cover ^(f) (times)	利息盈利比率 ^(f) (倍)	9.63	10.61	

Note:

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

附註：

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

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		For the year ended 31 December 截至12月31日止年度				
		2019	2018	2017	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS	業績	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
REVENUE	收入	26,344,523	23,733,517	20,360,000	17,221,052	15,264,401
GROSS PROFIT	毛利	7,537,119	6,228,449	5,316,783	4,581,778	3,937,571
EXPENSES [#]	開支 [#]	(3,459,637)	(3,033,265)	(2,700,377)	(2,188,759)	(1,906,605)
FINANCE COSTS	融資成本	(577,194)	(415,403)	(229,309)	(107,061)	(87,323)
PROFIT BEFORE TAX	除稅前溢利	3,981,921	3,235,539	2,954,586	2,424,792	2,064,671
Income tax expense	所得稅開支	(953,586)	(789,315)	(688,779)	(511,088)	(446,221)
PROFIT FOR THE YEAR	年內溢利	3,028,335	2,446,224	2,265,807	1,913,704	1,618,450
Profit attributable to:	以下應佔溢利：					
Owners of the Company	本公司擁有人	3,024,701	2,491,774	2,293,055	1,922,027	1,621,117
Non-controlling interests	非控制權益	3,634	(45,550)	(27,248)	(8,323)	(2,667)
		3,028,335	2,446,224	2,265,807	1,913,704	1,618,450

		At 31 December 於12月31日				
		2019	2018	2017	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL POSITION	財務狀況	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
ASSETS	資產					
Non-current assets	非流動資產	23,053,463	19,752,950	15,825,153	12,136,602	8,416,831
Current assets	流動資產	17,731,334	14,883,327	12,148,472	10,058,684	8,232,292
Total assets	資產總額	40,784,797	34,636,277	27,973,625	22,195,286	16,649,123
LIABILITIES	負債					
Non-current liabilities	非流動負債	3,163,655	6,458,341	6,116,343	935,722	2,406,123
Current liabilities	流動負債	20,526,746	13,105,071	8,073,791	9,721,892	4,377,548
Total liabilities	負債總額	23,690,401	19,563,412	14,190,134	10,657,614	6,783,671
NET CURRENT ASSETS/ (LIABILITIES)	流動資產淨額/ (負債)	(2,795,412)	1,778,256	4,074,681	336,792	3,854,744
EQUITY	權益					
Equity attributable to owners of the Company	本公司擁有人 應佔權益	16,576,245	14,803,329	13,489,915	11,231,509	9,770,885
Non-controlling interests	非控制權益	518,151	269,536	293,576	306,163	94,567
Total equity	權益總額	17,094,396	15,072,865	13,783,491	11,537,672	9,865,452

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

指銷售及分銷開支、行政開支和其他開支的總和。

CHAIRMAN'S STATEMENT

主席報告書

China's economic growth continued to slow down in 2019 amid global instability. The central government adopted measures to cool the country's overheated property market under its principle that "houses are for people to live in but not for speculation", thus subjecting the market to mounting downward pressure. China's ongoing urbanisation stimulates both economic growth and unlocks the huge potential of its domestic demand. The Chinese government has invested in a number of large-scale municipal engineering works and urban infrastructure projects as it implements the policies on energy conservation and environmental protection such as "Switching over from Coal to Gas" and "Action Plan for Prevention and Control of Water Pollution". Such projects include the construction of infrastructure for using clean energy for heating in various regions, sewage control planning in major river basins, sewage and pollution control in rural areas and the plan for seawater desalination works around islands. Furthermore, Chinese companies have been cooperating with countries which are covered by China's "Belt and Road Initiative" in oil and gas projects. This can also stimulate the demand for pipe fittings and pipe products.

As a leading large-scale industrial group that manufactures building materials and interior decoration products in mainland China, China Lesso capitalises on the Chinese government's favourable policies by fully developing all of its business segments to meet the strong demand of the market. Despite the downward pressure on the China's economy, the Group achieved sustainable growth in sales revenue and profit and further improved its financial performances during the reporting period with its leading industry position, strong brand and excellent product quality. The Group's revenue increased by 11.0% to RMB26,345 million in 2019 from RMB23,734 million in 2018. Gross profit rose by 21.0% to RMB7,537 million, and profit attributable to owners of the Company grew by 21.4% to RMB3,025 million. The Board proposed a final dividend of HK28 cents per share for the year ended 31 December 2019.

In 2019, Southern China continued to contribute the majority of the Group's revenue. The Group further developed the market of Southern China, thus reinforcing its leading market position there. Meanwhile, it actively expanded the market for plastic pipes in other regions of the country and continued to optimise its product portfolio to increase its market share and boost its overall business growth. The Group continued to increase the levels of automatic production and smart production. Through its effective strategy for procurement, the Group reduced the pressure of the hike in prices of raw materials and production costs, aiming to maximise the benefits of economies of scale.

受全球不穩定因素影響，2019年中國經濟增長持續放緩。在中央政府「房住不炒」的基調下，全國樓市整體降溫，房地產市場下行壓力加劇。中國持續加快城鎮化進程，為經濟增長釋放出一個長期而龐大的內需市場。隨著「煤改氣」及「水污染防治行動計劃」等能源及環保政策的持續推進，中國政府積極投入多項大型市政工程及城市基礎建設項目，其中包括各地清潔取暖基礎建設工程、重點流域污水治理規劃、農村污水污染治理及海島海水淡化工程實施方案等。此外，受惠政策支持，中國企業在「一帶一路」沿海國家積極開展油氣投資項目合作，亦帶動管件管道產品的需求上升。

作為中國內地領先的大型建材家居產業集團，中國聯塑順應國家利好的政策趨勢，全力發展各板塊業務，以滿足市場的殷切需求。儘管國家經濟下行壓力依舊，憑藉本集團領先的行業地位、強大的品牌優勢及過硬的產品品質，本集團於報告期內實現銷售收入及盈利的持續增長，並進一步改善財務績效。於2019年錄得人民幣263.45億元收入，較2018年人民幣237.34億元收入增加11.0%。毛利上升21.0%至人民幣75.37億元，本公司擁有人應佔溢利增加21.4%至人民幣30.25億元。董事會建議派付截至2019年12月31日止年度的末期股息每股28港仙。

2019年，華南地區繼續為本集團貢獻了大部分收入。本集團深耕華南地區，繼續鞏固區內的領先市場地位，與此同時亦積極拓展國內其他地區的塑料管道市場，持續優化產品組合以提升市場佔有率，促進整體業務增長。本集團持續提升生產自動化和智能化水平，憑藉有效的採購策略，本集團著力控制原材料和生產成本的通脹壓力，力求實現規模經濟效益最大化。

During the reporting period, the central and provincial governments resolutely adopted a number of regulatory policies to curb speculation on properties under the principles that “houses are for people to live in but not for speculation” and that “equal emphasis be placed on both the markets for property rental and purchase”. As a result, the real estate market cooled down consistently. According to the National Bureau of Statistics of China, sales of commodity properties in terms of gross floor area dropped by 0.1% in 2019 against the 1.3% growth in 2018. The coronavirus disease (the “COVID-19”) outbreak in early 2020 almost brought economic activities to a standstill and also delivered a blow to the real estate sector. The market expects the government to relax the regulation of the property sector after the COVID-19 pandemic dies out in order to increase market liquidity and stimulate economic growth. This will benefit the development of the industry of building materials and interior decoration. The Group will continue to enhance the competitiveness of its business of building materials and interior decoration and optimise its product portfolio to meet customers’ demand for quality products. The Group remains confident about the future of this business segment and expects to attain synergy between it and its other businesses in the long run.

In recent years, the Chinese government has pursued a series of environmental policies. This has helped to foster the development of the environmental protection industry. To capitalise on this trend, the Group further developed its environmental protection business and increased investment in technological innovation to enhance its own research and development capability. Having established both the upstream and downstream businesses of the pipe products and fittings that cover the whole value chain of that industry, the Group is now endeavouring to develop the business of treating hazardous and solid wastes so as to create synergy between its environmental protection business and plastic piping system business for the long term. The Group will continue to work towards the goal of becoming a one-stop environmental service provider in China, creating a green lifestyle for residents and fulfilling its corporate social responsibility.

In respect of the business of specialty sales and marketing platform, the Group aims to assist Chinese manufacturers in delivering building materials, interior decoration products and other consumer products to retailers and consumers around the globe directly, thus helping them expand the market for their brands. The Group has 13 projects at different stages of development in the United States, Canada, Australia, Thailand, Myanmar, Indonesia, the United Arab Emirates and other countries. We will strive to turn this business into a new growth driver for the Group in the long term.

於報告期內，在「房住不炒」和「租購並舉」的總基調下，中央及地方政府出台多項調控政策，堅決遏制投機房地產炒作，房地產行業持續降溫，增長乏力。根據國家統計局數據，2019年全國商品房銷售面積下跌0.1%，對比2018年1.3%的增長。2020年初2019冠狀病毒病（「COVID-19」）疫情爆發使經濟活動幾近停滯，嚴重損害宏觀經濟的同時，亦對房地產行業造成衝擊。市場預期COVID-19大流行結束後，政府有望放鬆對房地產的調控力度，以增加市場流動性，促進經濟增長。這將利好建材家居板塊的發展。本集團將持續提升競爭力和優化產品組合，滿足客戶對優質建材家居產品的需要。本集團對該業務分部的未來發展仍抱有信心，希望能發揮業務的長遠協同效應。

近年來，中國政府持續推出一系列環境保護政策，鼓勵環保產業的發展。本集團順應趨勢，深化環保領域佈局，增加對技術創新的投入，以持續提升自身研發能力。通過打造以管材管件為核心的上下游產業鏈，本集團正大力推進在危固廢物處理業務領域的發展，力求實現環保業務與塑料管道系統業務的長效協同效應。本集團將繼續向成為中國一站式環保服務供應商的目標努力，為居者打造綠色生活，積極實踐企業社會責任。

本集團的專業市場平台業務，致力協助中國製造商把建材家居及其他消費品直接送達至全球零售商和消費者，為其品牌拓寬發展空間。本集團已於美國、加拿大、澳大利亞、泰國、緬甸、印度尼西亞、阿拉伯聯合酋長國等國家擁有13個處於不同發展階段的項目。我們將致力打造該業務為本集團長遠發展的另一增長點。

CHAIRMAN'S STATEMENT

主席報告書

To cope with the unfavourable macroeconomic environment in 2019, the Group proactively diversified its product range and enhanced its competitive advantage by leveraging its brand strength and its extensive dealer network. In order to adapt to the ever-changing market demand, the Group also devoted itself to developing the business of specialty sales and marketing platform, seeking new growth drivers of revenue and actively expanding both the domestic and overseas markets. This has laid a solid foundation for the growth of revenue and the enhancement of its profitability in the future. In addition, China made steady progress in its plan for development and this generated a robust demand for pipes and pipe fittings in the field of infrastructure construction. To capture the opportunity, the Group will actively expand the scope of applications of its plastic pipes and pipe fittings, explore new opportunities on the market and achieve long-lasting synergy among its businesses. Through strategic cooperation with Guangdong Academy of Agricultural Sciences, the Group will seek to develop more applications of pipes and pipe fittings in agriculture. This can diversify its source of revenue and consolidate its leading market position. The Group is confident about the prospect of this business segment and expects it to perform steadily in the future.

The COVID-19 outbreak in early 2020 can have a temporary impact on the Chinese economy. The momentum of the Chinese economy will be maintained in the medium and long term. It is expected that the central government will launch a number of policies to stimulate the economy. The Group will actively grasp the opportunities arising from the government policies that favour the development of the industries. It will expand its businesses of plastic pipe systems, building materials and interior decoration and environmental protection, and strive for synergy among the various business segments. All this can lead to long-term growth. Looking ahead, the Group will continue to raise the levels of automatic production and smart production and actively build up its production bases so that its production capacity can be increased to support business expansion. The Group will also continue to increase investment in innovation, research and development as it continues to improve product quality and consolidate its leading position in the industry.

面對2019年不利的宏觀經濟環境，本集團充分利用強大的品牌實力及廣泛的經銷商網絡優勢，積極擴闊產品系列，提升品牌競爭優勢。為應對不斷變化的市場需求，本集團亦致力開拓專業市場平台業務，發掘新的收入增長點，並積極拓展中國及海外市場，為未來集團收入及盈利的增長打下堅實基礎。此外，隨著中國發展規劃和基建需求持續旺盛，本集團將積極拓展塑料管道及管件的應用場景，發掘新的市場機會，並發揮長效協同效應。本集團將藉助與廣東省農業科學院的戰略合作，進軍農業應用板塊，擴大收入來源，藉此鞏固本集團領先的市場地位。本集團對該分部業務的發展前景充滿信心，希望未來能繼續為集團帶來穩健的業務表現。

儘管2020年年初COVID-19疫情爆發，短期內會對中國經濟有所影響，但相信這些負面影響只是暫時性的。中國經濟中長期向上、增長的趨勢不會改變。預期中央政府將推出多項復甦政策，以刺激經濟增長。本集團將積極把握利好行業發展的政策機遇，拓展塑料管道系統、建材家居及環保領域業務，力求通過實現各業務板塊間的協同效應，促進收入的可持續增長。展望未來，本集團將繼續提升現有生產基地的自動化及智能化水平，並積極拓展生產基地佈局，促進產能的不斷提升以支持業務擴張。本集團還將持續加大對創新研發的投入，致力不斷提高產品質量，鞏固行業領先地位。

Lesso Group is concerned about the havoc wreaked by the COVID-19 outbreak on society. As a corporate citizen, the Group has supported hospitals across the country in their efforts to build facilities for fighting against the pandemic. The Group has promptly allocated resources in the form of a large amount of various pipe products required for the construction of systems of pipelines for water supply and drainage at emergency hospitals dedicated to the fight against the pandemic. In addition, the Group has provided necessary construction materials for the hospitals which are under reconstruction or expansion. The Group gives full support to the people in all regions in their fight against the disease.

On behalf of the Board, I would like to express my heartfelt gratitude to our management and all the staff members for their commitment and dedication to the Group. In fulfilling its mission of "improving the quality of urban life", the Group will continue to provide the market with high-quality and innovative building materials and interior decoration products. At the same time, we will actively grasp the opportunities arising from the state policies and infrastructure construction to drive the Group's sustainable development for the long term. We will endeavor to achieve better performance and create greater value for customers, investors and Shareholders. China Lesso is determined to scale new heights in the future!

Wong Luen Hei

Chairman of the Board

Hong Kong, 27 March 2020

COVID-19疫情牽動著聯塑集團的心。作為企業公民，支援全國各地醫院抗疫建設，本集團義不容辭。本集團緊急調配資源為抗疫而興建的緊急醫院項目提供建設所需的各種大批量管道產品，滿足醫院的給排水工程建設。此外，本集團為現有進一步改造及擴建中的醫院提供所需建設物資，全力支持各地人民抗擊疫情。

本人謹代表董事會衷心感謝本集團管理層及全體員工於過去一年對集團作出的努力和貢獻。秉承著「為城市提高品質生活」的服務理念，本集團將繼續向市場提供優質及創新的建材家居產品。同時，我們將積極把握國家政策及基礎建設帶來的機遇，以推動本集團業務的長期可持續發展。我們將繼續努力，爭取用更佳的業務表現為客戶、投資者及股東創造更大的價值，令中國聯塑於未來再創高峰！

董事會主席

黃聯禧

香港，2020年3月27日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Wong Luen Hei, aged 57, is the founder of the Group, the chairman of the Company and was appointed as an executive director of the Company on 5 November 2009. He is also a director of various companies within the Group. He is primarily responsible for the Group's overall strategic planning and business management. Mr. Wong has approximately 23 years of experience in plastic pipe operations and management. He served as the chairman in Shunde Liansu Industrial from December 1996 to April 1999 and was awarded "Outstanding Private Entrepreneur of Shunde" by Shunde People's Government of Foshan in 2003. Mr. Wong has been a permanent honorary president of Foshan Shunde Longjiang General Chamber of Commerce since 2018. Mr. Wong is the spouse of Ms. Zuo Xiaoping and the brother-in-law of Mr. Zuo Manlun. Mr. Wong is the founder of a trust which holds the entire issued share capital of Xi Xi Development and New Fortune, the controlling shareholders of the Company.

Mr. Zuo Manlun, aged 47, is the chief executive of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies within the Group. He is primarily responsible for the management of the daily business operations of the Group. Mr. Zuo has approximately 20 years of experience in the plastic pipe industry. Mr. Zuo joined the Group in December 1999 and has held various positions in operation management since joining the Group. Mr. Zuo is currently a non-executive director of Xingfa Aluminium Holdings Limited (stock code: 98), which is listed on the Stock Exchange. Mr. Zuo won several awards including "Outstanding Worker of the Plastic Industry in the PRC" by China Plastics Processing Industry Association in 2009 and was awarded as "Senior Plastic Product Engineer (Technical Entrepreneur)" by the Guangdong Human Resources and Social Security Department in 2019. Mr. Zuo is the brother-in-law of Mr. Wong Luen Hei and the younger brother of Ms. Zuo Xiaoping.

Ms. Zuo Xiaoping, aged 53, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. She is also a director/supervisor of various companies within the Group. She is primarily responsible for procurement control and logistics management of the Group. Ms. Zuo has approximately 23 years of experience in the plastic pipe industry. Ms. Zuo served as a director of Shunde Liansu Industrial from December 1996. In 1999, upon establishing the Group together with Mr. Wong Luen Hei, she held various positions in procurement. Ms. Zuo is the spouse of Mr. Wong Luen Hei and the elder sister of Mr. Zuo Manlun.

執行董事

黃聯禧先生，57歲，為本集團創辦人兼本公司主席，於2009年11月5日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團的整體戰略策劃及業務管理。黃先生於塑料管道經營及管理方面累積約23年經驗。彼於1996年12月至1999年4月擔任順德聯塑實業的主席，並於2003年獲佛山市順德區人民政府評為「順德優秀民營企業家」。黃先生自2018年起任佛山市順德區龍江總商會永遠名譽會長。黃先生乃左笑萍女士的配偶及左滿倫先生的姐夫。黃先生為持有本公司控股股東西溪發展及新富星全部已發行股本之信託的創辦人。

左滿倫先生，47歲，為本集團行政總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。彼主要負責本集團日常業務經營管理。左先生於塑料管道行業累積約20年經驗。左先生於1999年12月加盟本集團，自此於經營管理方面曾擔任不同職位。左先生現任在聯交所上市的興發鋁業控股有限公司(股份代號：98)非執行董事。左先生曾獲多個獎項，包括於2009年獲中國塑料加工工業協會評定為「中國塑料行業先進工作者」及2019年獲廣東省人力資源和社會保障廳評定為「塑膠製品工程正高級工程師(科技型企業家)」。左先生乃黃聯禧先生的內弟及左笑萍女士的胞弟。

左笑萍女士，53歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／監事職務。彼主要負責本集團的採購監控及物流管理。左女士於塑料管道行業累積約23年經驗。左女士自1996年12月起擔任順德聯塑實業的董事。於1999年，彼與黃聯禧先生一同成立本集團，出任不同的採購職務。左女士乃黃聯禧先生的配偶及左滿倫先生的胞姐。

EXECUTIVE DIRECTORS (Continued)

Mr. Lai Zhiqiang, aged 53, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies within the Group. He is primarily responsible for the production and technical management of the Group. Mr. Lai has approximately 23 years of experience in the plastic pipe industry and served as a workshop manager of Shunde Liansu Industrial from December 1996 to November 1999. Mr. Lai joined the Group in December 1999 and has held various positions in production management since joining the Group.

Mr. Kong Zhaocong, aged 54, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies within the Group. Mr. Kong is primarily responsible for the China's sales of the Group and has approximately 26 years of experience in the plastic pipe industry. Mr. Kong joined the Group in December 1999 and has held various positions in production management and sales since joining the Group. Prior to joining the Group, Mr. Kong served as a factory manager at Foshan City Dongjian Plastic Materials Factory from March 1993 to January 1999 and served as a manager in the production department of Shunde Liansu Industrial from January 1999 to November 1999.

Mr. Chen Guonan, aged 52, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies within the Group. He is primarily responsible for the management and production of certain companies in the Group. Mr. Chen has approximately 30 years of experience in the plastic pipe industry. Mr. Chen joined the Group in December 1999 and has held various positions in production management and engineering since joining the Group. Prior to joining the Group, Mr. Chen was a manufacturing engineer in the technology department at Guangdong Province Zhaoqing Gaojiang Plastic Products Co., Limited from July 1989 to July 1993. From July 1993 to September 1999, he was a deputy factory manager at Foshan City Dongjian Plastic Materials Factory. Mr. Chen served as a manager in the production department of Shunde Liansu Industrial from September 1999 to November 1999. Mr. Chen has been a deputy secretary general of Plastic Pipe Special Committee of China Plastics Processing Industry Association since 2005. Mr. Chen obtained a bachelor's degree in polymer chemical from South China University of Technology in July 1989.

執行董事(續)

賴志強先生，53歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團的生產及技術管理。賴先生於塑料管道行業累積約23年經驗，並於1996年12月至1999年11月擔任順德聯塑實業的車間經理。賴先生於1999年12月加盟本集團，自此曾任生產管理方面的不同職務。

孔兆聰先生，54歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。孔先生主要負責本集團的國內銷售工作，於塑料管道行業擁有約26年經驗。孔先生於1999年12月加盟本集團，自此於生產管理及銷售方面曾擔任不同職務。於加盟本集團之前，孔先生於1993年3月至1999年1月擔任佛山市東建塑料廠的廠長，並於1999年1月至1999年11月擔任順德聯塑實業的生產部經理。

陳國南先生，52歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團多間成員公司的管理及生產工作。陳先生於塑料管道行業擁有約30年經驗。陳先生於1999年12月加盟本集團，自此於生產管理及工程方面曾擔任不同職務。於加盟本集團之前，陳先生於1989年7月至1993年7月為廣東省肇慶高江塑料製品有限公司的技術部製造工程師。於1993年7月至1999年9月，彼為佛山市東建塑料廠的副廠長。陳先生於1999年9月至1999年11月擔任順德聯塑實業的生產部經理。陳先生自2005年起擔任中國塑料加工工業協會塑料管道專業委員會副秘書長。陳先生於1989年7月取得華南理工大學頒授的高分子化學學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

EXECUTIVE DIRECTORS (Continued)

Dr. Lin Shaoquan, aged 44, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies within the Group. Dr. Lin is primarily responsible for the research and development and overseas sales of the Group. Dr. Lin has approximately 17 years of experience in the plastic pipe industry. Dr. Lin joined the Group in July 2002 and has held various positions in research and development and overseas sales since joining the Group. Over the years, Dr. Lin has won various awards including "National May First Labour Medal" by All-China Federation of Trade Unions in 2006. Dr. Lin received a doctorate degree in polymer chemical and physics from Sun Yat-sen University in June 2002.

Mr. Huang Guirong, aged 44, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies within the Group. Mr. Huang is primarily responsible for the overall management of the factories and production facilities of the Group and has approximately 23 years of experience in the plastic pipe industry. Mr. Huang joined the Group in December 1999 and has held various positions in production management since joining the Group. Prior to joining the Group, Mr. Huang served as a deputy factory manager at Foshan City Dongjian Plastic Materials Factory from 1996 until 1999 and served as a deputy manager of the plastic production department of Shunde Liansu Industrial from June 1999 to November 1999. Mr. Huang completed a programme of marketing from Hubei University of Technology from September 2001 to July 2005.

Mr. Luo Jianfeng, aged 48, was appointed as an executive director of the Company on 2 April 2010. He is also a director/general manager/supervisor of various companies within the Group. Mr. Luo has approximately 27 years of experience in accounting and worked at Shunde City Accounting Firm from July 1993 to March 1996, Guangdong Dezheng Accounting Firm with Limited Liability from April 1996 to December 2001 and Guangdong Gongcheng Accounting Firm from January 2002 to December 2007. Mr. Luo worked for Foshan City Zhongzhengcheng Accounting Firm Co., Limited as a certified public accountant from January 2008 to April 2016. Mr. Luo is currently an executive director of Xingfa Aluminium Holdings Limited (stock code: 98), which is listed on the Stock Exchange. Mr. Luo is a member of The Chinese Institute of Certified Public Accountants. Mr. Luo obtained a bachelor's degree in economics from Guangdong University of Business Studies in June 1993.

執行董事(續)

林少全博士，44歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。林博士主要負責本集團的研發及海外銷售工作。林博士於塑料管道行業擁有約17年經驗。林博士於2002年7月加盟本集團，自此於研發及海外銷售方面曾擔任不同職務。林博士多年來曾獲多個獎項，包括於2006年獲中華全國總工會頒授「全國五一勞動獎章」。林博士於2002年6月在中山大學取得高分子化學與物理博士學位。

黃貴榮先生，44歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。黃先生主要負責本集團工廠及生產設備的整體管理，並於塑料管道行業擁有約23年經驗。黃先生於1999年12月加盟本集團，自此於生產管理方面曾擔任不同職務。於加盟本集團之前，黃先生於1996年至1999年擔任佛山市東建塑料廠的副廠長，並於1999年6月至1999年11月擔任順德聯塑實業的塑料生產部副經理。黃先生於2001年9月至2005年7月在湖北工業大學完成市場營銷課程。

羅建峰先生，48歲，於2010年4月2日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。羅先生於會計方面擁有約27年經驗，並於1993年7月至1996年3月任職於順德市會計師事務所、於1996年4月至2001年12月任職於廣東德正有限責任會計師事務所及於2002年1月至2007年12月任職於廣東公誠會計師事務所。於2008年1月至2016年4月，羅先生在佛山市中正誠會計師事務所有限公司擔任註冊會計師。羅先生現任在聯交所上市的興發鋁業控股有限公司(股份代號：98)執行董事。羅先生為中國註冊會計師協會會員。羅先生於1993年6月取得廣東商學院的經濟學學士學位。

EXECUTIVE DIRECTORS (Continued)

Mr. Lin Dewei, aged 59, has been re-designated as an executive director of the Company on 11 July 2018. Mr. Lin was appointed as a non-executive director of the Company on 27 February 2010. Mr. Lin has approximately 25 years of experience in the legal field and worked as a part-time lawyer at various law firms in the PRC between 1995 and 2001. In 2001, Mr. Lin practised as a lawyer at Guangdong Everwin Law Office and became a partner at the firm in 2004. Since 2013, Mr. Lin has been practising as a lawyer at Guangdong Yogo Law Firm. Mr. Lin obtained a bachelor's degree in physics from South China University of Technology in July 1982. Mr. Lin received a certificate of lawyer qualification in the PRC in January 1990.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kwok Ho Jonathan, aged 46, was appointed as an independent non-executive director of the Company on 27 February 2010. Since 2002, Mr. Wong has been practising as a barrister of the High Court in Hong Kong specialising in both civil and criminal litigation. Mr. Wong is a member of The Chartered Institute of Arbitrators. Mr. Wong obtained a bachelor's degree in business administration from Hawaii Pacific University in August 1997 and a bachelor's degree in law from City University of Hong Kong in November 2001. Mr. Wong received a postgraduate certificate in laws from City University of Hong Kong in July 2002.

Mr. Cheung Man Yu, aged 45, was appointed as an independent non-executive director of the Company on 31 December 2012. Mr. Cheung obtained a bachelor's degree in arts with major in accountancy from The Hong Kong Polytechnic University and is a member of Hong Kong Institute of Certified Public Accountants. Mr. Cheung has over 20 years of experience in financial management and financial services. Mr. Cheung served as the chief financial officer and company secretary of Feiyu Technology International Company Ltd. (stock code: 1022), which is listed on the Stock Exchange from August 2014 to September 2018. Mr. Cheung was employed at the audit department of Ernst & Young, an international accounting firm, from February 2000 to April 2004. Mr. Cheung was a vice president or director at the respective investment banking division of BNP Paribas Capital (Asia Pacific) Limited, UBS AG and J.P. Morgan securities (Asia Pacific) Limited from April 2004 to March 2011.

執行董事(續)

林德緯先生，59歲，於2018年7月11日已獲調任為本公司執行董事。林先生於2010年2月27日獲委任為本公司非執行董事。林先生於法律行業累積約25年經驗，並於1995年至2001年間在多間中國律師事務所任職兼職律師。於2001年，林先生在廣東法制盛邦律師事務所任職律師，並於2004年成為該律師事務所的合夥人。自2013年起，林先生在廣東粵高律師事務所任職律師。林先生於1982年7月獲得華南理工大學物理學學士學位，並於1990年1月獲頒發中國的律師資格證書。

獨立非執行董事

王國豪先生，46歲，於2010年2月27日獲委任為本公司獨立非執行董事。自2002年以來，王先生一直在香港高等法院擔任大律師，專責處理民事及刑事訴訟。王先生為英國特許仲裁員學會會員。王先生於1997年8月在夏威夷太平洋大學取得工商管理學士學位及於2001年11月在香港城市大學取得法律學士學位。王先生於2002年7月在香港城市大學取得法學專業證書。

張文宇先生，45歲，於2012年12月31日獲委任為本公司獨立非執行董事。張先生獲得香港理工大學文學學士學位，主修會計，並為香港會計師公會會員。張先生擁有逾20年財務管理及財務服務經驗。於2014年8月至2018年9月，張先生曾於聯交所上市的飛魚科技國際有限公司(股份代號：1022)任首席財務官兼公司秘書。於2000年2月至2004年4月，張先生任職於國際會計師事務所安永會計師事務所審計部。於2004年4月至2011年3月，張先生曾先後於法國巴黎資本(亞太)有限公司、瑞士聯合銀行集團及摩根大通證券(亞太)有限公司的投資銀行部擔任副總裁或董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Ms. Lan Fang, aged 44, was appointed as an independent non-executive director of the Company on 1 January 2015. Ms. Lan has been the President of Guangdong Construction and Decoration Materials Association since March 2008 and the President of Guangdong Construction and Decoration Design Association since August 2014. Ms. Lan graduated from Guangdong University of Technology with a college diploma in June 1996 and then pursued further studies in the EMBA CEO training programme of Sun Yat-sen University and the business management CEO training programme of Tsinghua University. She worked as the chairman of the materials committee of Guangzhou Architecture & Decoration Association from February 1998 to October 2006. Ms. Lan has accumulated over 22 years of experience with respect to the administration of social organisation and in the industry of construction and decoration materials.

Dr. Tao Zhigang, aged 54, was appointed as an independent non-executive director of the Company on 1 September 2015. Dr. Tao is Professor of Economics and Strategy in the Faculty of Business and Economics and the director of the Institute for China and Global Development, the University of Hong Kong. Prior to joining the University of Hong Kong in 1998, he taught at Hong Kong University of Science and Technology from 1992 to 1998. Dr. Tao received his B.Sc. in management science from Fudan University in 1986, and PhD in economics from Princeton University in 1992. Dr. Tao is currently an independent non-executive director of Huadian Fuxin Energy Corporation Limited (stock code: 816), which is listed on the Stock Exchange. Dr. Tao is senior fellow at Tsinghua University's National Center for Economic Research, senior fellow at Tsinghua University's Center for China in the World Economy, and special-term professor at Fudan University School of Management. He is also co-director of the Asia-Pacific Competitiveness Program of Hong Kong Institute of Economics and Business Strategy.

獨立非執行董事(續)

蘭芳女士，44歲，於2015年1月1日獲委任為本公司獨立非執行董事。蘭女士從2008年3月至今為廣東省建築裝飾材料行業協會會長及從2014年8月至今為廣東省建築裝飾設計協會會長。蘭女士於1996年6月畢業於廣東工業大學，獲大專學歷，並先後就讀中山大學EMBA總裁班、清華大學企業管理總裁班。於1998年2月至2006年10月，彼在廣州市建築裝飾行業協會擔任材料專業委員會主任。蘭女士具有逾22年的社會組織管理和建築裝飾材料行業經驗。

陶志剛博士，54歲，於2015年9月1日獲委任為本公司獨立非執行董事。陶博士為香港大學經濟及工商管理學院戰略管理及經濟學教授，以及中國與全球發展研究所所長。於1998年加入香港大學前，彼於1992年至1998年任教於香港科技大學。陶博士於1986年取得復旦大學管理科學理學士學位，以及於1992年取得普林斯頓大學經濟學博士學位。陶博士現任在聯交所上市的華電福新能源股份有限公司(股份代號：816)獨立非執行董事。陶博士為清華大學中國經濟研究中心高級研究員、清華大學中國與世界經濟研究中心高級研究員，以及復旦大學管理學院特聘教授。彼亦為香港經濟及商業策略研究所亞太競爭力項目共同負責人。

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. Cheng Dickson, aged 50, was appointed as an independent non-executive director of the Company on 11 July 2018. Mr. Cheng is currently the managing director and head of the investment banking department of Shanggu Securities Limited. He acts as its responsible officer and holds licences for types 1, 4 and 6 of regulated activities under the SFO.

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

獨立非執行董事(續)

鄭迪舜先生，50歲，於2018年7月11日獲委任為本公司獨立非執行董事。鄭先生目前為上古證券有限公司董事總經理兼投資銀行部主管。彼擔任其負責人並持有證券及期貨條例項下第1、第4及第6類受規管活動的牌照。

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

SENIOR MANAGEMENT

Mr. Liu Guanggen, aged 38, is the chief financial officer of the Group and is responsible for the Group's overall financial and accounting affairs. Mr. Liu joined the Group in November 2008. Prior to this, he worked as a finance manager in The Industrial and Commercial Bank of China, Shunde Branch from 2004 to 2006, and was a sub-branch manager of The Industrial and Commercial Bank of China, Foshan Shunde Haiqinwan Sub-Branch from 2007 to 2008. Mr. Liu completed a diploma in finance from Southwestern University of Finance and Economics in September 2005, a program in laws at Guangdong University of Business Studies from March 2007 to January 2010, as well as obtaining a master degree in engineering from Chongqing University upon the completion of courses for the master degree in software engineering (specialised in financial informatisation) in June 2014. He is an associate member of the Association of International Accountants.

Mr. Kwan Chi Wai Samuel, aged 42, is the company secretary of the Company. Mr. Kwan has more than 20 years of experience in accounting, auditing and finance. Mr. Kwan joined the Group in June 2010 as secretary on a full time basis. Prior to joining the Group, Mr. Kwan worked in CWCC Certified Public Accountants from March 2000 to November 2004, PricewaterhouseCoopers from November 2004 to October 2007 and Deloitte Touche Tohmatsu from November 2007 to September 2009. The latter two firms are amongst the biggest international accounting firms. Mr. Kwan graduated with a bachelor's degree in Commerce from Deakin University of Australia in September 2000 and obtained a master degree in business administration from University of South Australia in August 2012. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of the CPA Australia.

高級管理層

劉廣根先生，38歲，為本集團財務總監，負責本集團的整體財務及會計事宜。劉先生於2008年11月加盟本集團，之前曾於2004年至2006年任中國工商銀行順德支行財務經理，並於2007年至2008年任中國工商銀行佛山順德海琴灣支行的支行經理。劉先生於2005年9月獲西南財經大學金融學文憑，於2007年3月至2010年1月完成廣東商學院的法律課程，並於2014年6月完成重慶大學的軟件工程領域工程(金融信息化方向)碩士課程取得工程碩士學位。彼為國際會計師公會之會員。

關志偉先生，42歲，為本公司的公司秘書。關先生在會計、審計及財務方面擁有逾20年經驗。關先生在2010年6月加入本集團，全職出任秘書。在加入本集團前，關先生於2000年3月至2004年11月任職陳黃鍾蔡會計師事務所，於2004年11月至2007年10月任職羅兵咸永道會計師事務所，及於2007年11月至2009年9月任職德勤•關黃陳方會計師行。後兩家會計師行屬最大國際會計師行之列。關先生於2000年9月在澳洲迪肯大學畢業，取得商業學士學位及於2012年8月在南澳大學取得工商管理碩士學位。彼為香港會計師公會資深會員及澳洲會計師公會會員。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code governing securities transactions by directors of the Company. Having made specific enquiry to the directors, all of them confirmed that they have complied with the required standards as set out in the Model Code throughout the year. The Model Code is also applicable to other specific senior management of the Company. The directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any of its associated corporations are disclosed in the Directors' Report on page 66.

BOARD

THE COMPOSITION OF THE BOARD

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

企業管治常規

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

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

董事進行證券交易之標準守則

本公司已採納標準守則作為本公司董事進行證券交易之守則。經向董事特定查詢後，所有董事確認彼等於年內一直遵守標準守則所載之規定標準。標準守則亦適用於本公司其他特定之高級管理人員。董事及行政總裁於本公司或其任何相聯法團的股份、相關股份及債權證的權益及淡倉於第66頁的董事會報告中披露。

董事會

董事會組成

董事會現時由15名董事組成，包括10名執行董事及5名獨立非執行董事。

BOARD (Continued)

THE COMPOSITION OF THE BOARD (Continued)

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

CHAIRMAN AND CHIEF EXECUTIVE

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

董事會(續)

董事會組成(續)

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

主席及行政總裁

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

BOARD (Continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

DUTIES OF THE BOARD

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

The Company appointed Ernst & Young as the Company's independent auditor to review the interim results for the six months ended 30 June 2019 and to audit the annual results for the year ended 31 December 2019. The directors of the Company acknowledge their responsibility for preparing the consolidated financial statements included in the annual report and the interim report. In preparing the consolidated financial statements for the year ended 31 December 2019, the directors have selected and applied appropriate accounting policies and have made prudent and reasonable judgements and estimates in accordance with Hong Kong Financial Reporting Standards.

The declaration of reporting responsibility issued by the external auditor of the Company on the Company's consolidated financial statements is set out in the Independent Auditor's Report on pages 76 to 85.

董事會(續)

獨立非執行董事

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

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

董事會職責

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

本公司已經聘請安永會計師事務所為本公司獨立核數師，就截至2019年6月30日止六個月的中期業績進行審閱，及就截至2019年12月31日止年度的全年業績進行審核。本公司董事承認彼等有編製年報及中期報告所載綜合財務報表的責任。在編製截至2019年12月31日止年度綜合財務報表時，董事已根據香港財務報告準則揀選及運用合適的會計政策及作出審慎合理的判斷和估計。

本公司外聘核數師就本公司綜合財務報表作出的匯報責任聲明刊載於第76至85頁的獨立核數師報告內。

BOARD (Continued)

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing corporate governance duties including:

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

The Board has performed the above activities during 2019.

董事會(續)

企業管治職能

董事會負責履行的企業管治職責包括：

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

董事會於2019年期間已執行上述活動。

BOARD (Continued)

BOARD AND GENERAL MEETINGS

For the year ended 31 December 2019, the Board convened ten meetings to review operating performance, funding requirement and recent market conditions. The Board also considered and approved the Group's overall strategy, audited annual results for the year ended 31 December 2018 and reviewed interim results for the six months ended 30 June 2019.

The chairman of the Board and the chairman of the audit committee, the nomination committee and the remuneration committee, attended the AGM of the Company held on 27 May 2019.

The table below sets out the attendance of all members of the Board at the meetings held in 2019:

董事會(續)

董事會會議及股東大會

截至2019年12月31日止年度，董事會召開十次會議，以審閱營運表現、資金需求及最近市況。董事會亦已考慮和批准本集團之整體策略、截至2018年12月31日止年度的經審核全年業績及截至2019年6月30日止六個月的經審閱中期業績。

董事會主席及審核委員會、提名委員會及薪酬委員會的主席均有出席本公司於2019年5月27日舉行的股東週年大會。

下表載列2019年董事會各成員的出席會議情況：

Directors	董事	AGM ^(b) 股東週年大會 ^(b)	Board 董事會	Meetings attended/eligible to attend ^(a) 出席次數/合資格出席的次數 ^(a)		
				Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
Executive directors	執行董事					
Wong Luen Hei	黃聯禧	1/1	10/10	-	1/1	2/2
Zuo Manlun	左滿倫	1/1	10/10	-	1/1	1/2
Zuo Xiaoping	左笑萍	0/1	9/10	-	-	-
Lai Zhiqiang	賴志強	1/1	8/10	-	-	-
Kong Zhaocong	孔兆聰	1/1	9/10	-	-	-
Chen Guonan	陳國南	1/1	10/10	-	-	-
Lin Shaoquan	林少全	1/1	10/10	-	-	-
Huang Guirong	黃貴榮	1/1	10/10	-	-	-
Luo Jianfeng	羅建峰	1/1	10/10	-	-	-
Lin Dewei	林德緯	1/1	10/10	-	-	-
Independent non-executive directors	獨立非執行董事					
Wong Kwok Ho Jonathan	王國豪	1/1	7/10	2/2	1/1	2/2
Cheung Man Yu	張文宇	1/1	9/10	2/2	-	1/2
Lan Fang	蘭芳	1/1	5/10	-	0/1	-
Tao Zhigang	陶志剛	1/1	9/10	2/2	1/1	2/2
Cheng Dickson	鄭迪舜	1/1	10/10	2/2	-	-

Note:

(a) Directors may attend meetings in person, by phone or through other means of video conference in accordance with the Articles.

(b) There was no other general meeting held in 2019.

附註：

(a) 根據章程細則規定，董事均可親身、透過電話或其他視像會議途徑出席大會。

(b) 於2019年內，概無其他股東大會舉行。

BOARD (Continued)

BOARD AND GENERAL MEETINGS (Continued)

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

TRAINING AND SUPPORT FOR DIRECTORS

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

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

In 2019, the Company invited Ernst & Young to give a seminar on the topic of "Introduction to China's Tax Regulatory Environment" to Board members.

董事會(續)

董事會會議及股東大會(續)

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

董事培訓及支援

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

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

於2019年，本公司特別邀請安永會計師事務所舉辦研討會，主題為「中國稅務監管環境介紹」。

BOARD (Continued)

董事會(續)

TRAINING AND SUPPORT FOR DIRECTORS (Continued)

董事培訓及支援(續)

Apart from the above training offered by the Company, based on the training records provided to the Company by the directors, the directors also participated in the following trainings during 2019:

除了上述由本公司提供的培訓外，根據董事向本公司提供的培訓記錄，於2019年，董事亦有參與以下培訓：

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

Note:

附註：

A: attending seminars and/or conferences and/or forums

A: 出席研討會及/或會議及/或論壇

B: delivering talks at seminars and/or conferences and/or forums

B: 於研討會及/或會議及/或論壇發言

C: reading information, newspapers, journals and materials relating to the responsibilities of directors, economy, fiscal, financial, investments and business of the Company

C: 閱讀有關董事職責、經濟、金融、財經、投資及與本公司業務的資訊、報章、刊物及資料

BOARD (Continued)

COMPANY SECRETARY

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

During the year ended 31 December 2019, the company secretary has received no less than 15 hours of relevant professional training to refresh his knowledge and skills.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

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

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

董事會(續)

公司秘書

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

於截至2019年12月31日止年度，公司秘書已接受不少於15小時的相關專業培訓，以更新其知識及技能。

董事及行政人員的彌償

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

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

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

The Audit Committee shall convene at least two meetings each year. In 2019, the Audit Committee convened two meetings. The attendance record of the meetings is set out on a named basis on page 19.

The following is a summary of work performed by the Audit Committee during 2019:

- review of the annual report and the annual results announcement for the year ended 31 December 2018, with a recommendation to the Board for approval;
- review of Ernst & Young's confirmation of independence and its report for the Audit Committee for the year ended 31 December 2018, with a recommendation to the Board for the re-appointment of Ernst & Young at the 2019 AGM;
- review of continuing connected transactions;
- review of the Group internal audit reports;

董事委員會

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

審核委員會

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

審核委員會須每年至少召開會議兩次。於2019年，審核委員會召開了兩次會議。該等會議之出席記錄（以列名形式）載列於第19頁。

以下為審核委員會於2019年內的工作概要：

- 審閱截至2018年12月31日止年度的年報及年度業績公告，並建議董事會通過；
- 審閱安永會計師事務所的獨立性確認文件及其致審核委員會截至2018年12月31日止年度的報告，並向董事會建議於2019年股東週年大會上重新委任安永會計師事務所；
- 審閱持續關連交易；
- 審閱本集團內部審計報告；

BOARD COMMITTEES (Continued)

AUDIT COMMITTEE (Continued)

- review of the interim report and the interim results announcement for the six months ended 30 June 2019, with a recommendation to the Board for approval;
- review and approval of Ernst & Young's report for the Audit Committee for the six months ended 30 June 2019;
- consideration and approval of audit and non-audit services;
- review of the corporate governance report for the year ended 31 December 2018 and the corporate governance disclosures for the six months ended 30 June 2019, with recommendations to the Board for approval;
- review of the corporate social responsibility report for the year ended 31 December 2018 with a recommendation to the Board for approval; and
- review of the annual report on effectiveness of risk management, internal control system and internal audit function under the Code, with a recommendation to the Board for approval.

Subsequent to the year end, the Audit Committee reviewed the annual report and annual results announcement for the year ended 31 December 2019 with a recommendation to the Board for approval.

EXTERNAL AUDITORS

For the year ended 31 December 2019, the service fees paid or payable by the Group to the external auditors are set out as follows:

		RMB million 人民幣百萬元
Annual audit services	年度審計服務	9.37
Non-audit services	非審計服務	
– Interim results review	– 中期業績審閱	1.72
– Others [#]	– 其他 [#]	1.01
Total	總計	12.10

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

董事委員會(續)

審核委員會(續)

- 審閱截至2019年6月30日止六個月的中期報告及中期業績公告，並建議董事會通過；
- 審閱及通過安永會計師事務所致審核委員會截至2019年6月30日止六個月的報告；
- 考慮並通過審計及非審計服務；
- 審閱截至2018年12月31日止年度的企業管治報告及截至2019年6月30日止六個月的企業管治披露，並建議董事會通過；
- 審閱截至2018年12月31日止年度的企業社會責任報告，並建議董事會通過；及
- 根據守則審閱年度風險管理、內部控制系統及內部審核功能成效報告，並建議董事會通過。

於年度結束後，審核委員會審閱截至2019年12月31日止年度的年報及年度業績公告，並建議董事會通過。

外聘核數師

截至2019年12月31日止年度，本集團向外聘核數師已支付或應付之服務費用載列如下：

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

BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE

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

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

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

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

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

董事委員會(續)

薪酬委員會

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

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

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

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

董事概不會在檢討過程中參與釐定其本身的酬金。

BOARD COMMITTEES (Continued)

REMUNERATION COMMITTEE (Continued)

The Remuneration Committee shall convene at least one meeting each year. In 2019, the Remuneration Committee convened two meetings, assessed the performance of the Company's directors and senior management, reviewed terms of their service contracts, and made recommendation of the remuneration packages for directors and senior management to the Board. The attendance record of the meeting is set out on a named basis on page 19.

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

NOMINATION COMMITTEE

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

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

董事委員會(續)

薪酬委員會(續)

薪酬委員會須每年至少召開會議一次。於2019年，薪酬委員會召開了兩次會議、評估本公司董事及高級管理人員的表現、審閱彼等服務合約年期，並向董事會就董事及高級管理人員的薪酬方案提出推薦建議。該等會議之出席記錄(以列名形式)載列於第19頁。

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

提名委員會

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

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

BOARD COMMITTEES (Continued)

NOMINATION COMMITTEE (Continued)

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

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

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

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

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

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

董事委員會(續)

提名委員會(續)

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

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

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

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

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

更多詳情請參閱本公司網站所刊載的提名政策。

BOARD COMMITTEES (Continued)

NOMINATION COMMITTEE (Continued)

The Nomination Committee shall convene at least one meeting each year. In 2019, the Nomination Committee convened two meetings. The Nomination Committee reviewed the structure, size and composition of the Board, recommended the Board on the list of retiring directors for re-election at the AGM on 27 May 2019 in accordance with the director nomination policy and Board diversity policy of the Company, and reviewed the independence of all independent non-executive directors. The attendance record of the meeting is set out on a named basis on page 19.

BOARD DIVERSITY POLICY

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

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

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

董事委員會(續)

提名委員會(續)

提名委員會須每年至少召開會議一次。於2019年，提名委員會召開了兩次會議。提名委員會根據本公司董事提名政策及董事會成員多元化政策檢討董事會的架構、規模及組成，就2019年5月27日之股東週年大會上膺選連任的退任董事名單向董事會提出推薦建議，並審閱全體獨立非執行董事的獨立性。該等會議之出席記錄(以列名形式)載列於第19頁。

董事會成員多元化政策

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

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

於本報告日期，董事會包括15名董事。其中兩名為女性。董事會成員其中三分之一為獨立非執行董事，藉以作出批判檢討及監控管理過程。董事會的組成反映本公司在達致有效領導所需的技能、專業經驗及知識方面取得必要平衡。

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

風險管理及內部控制

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

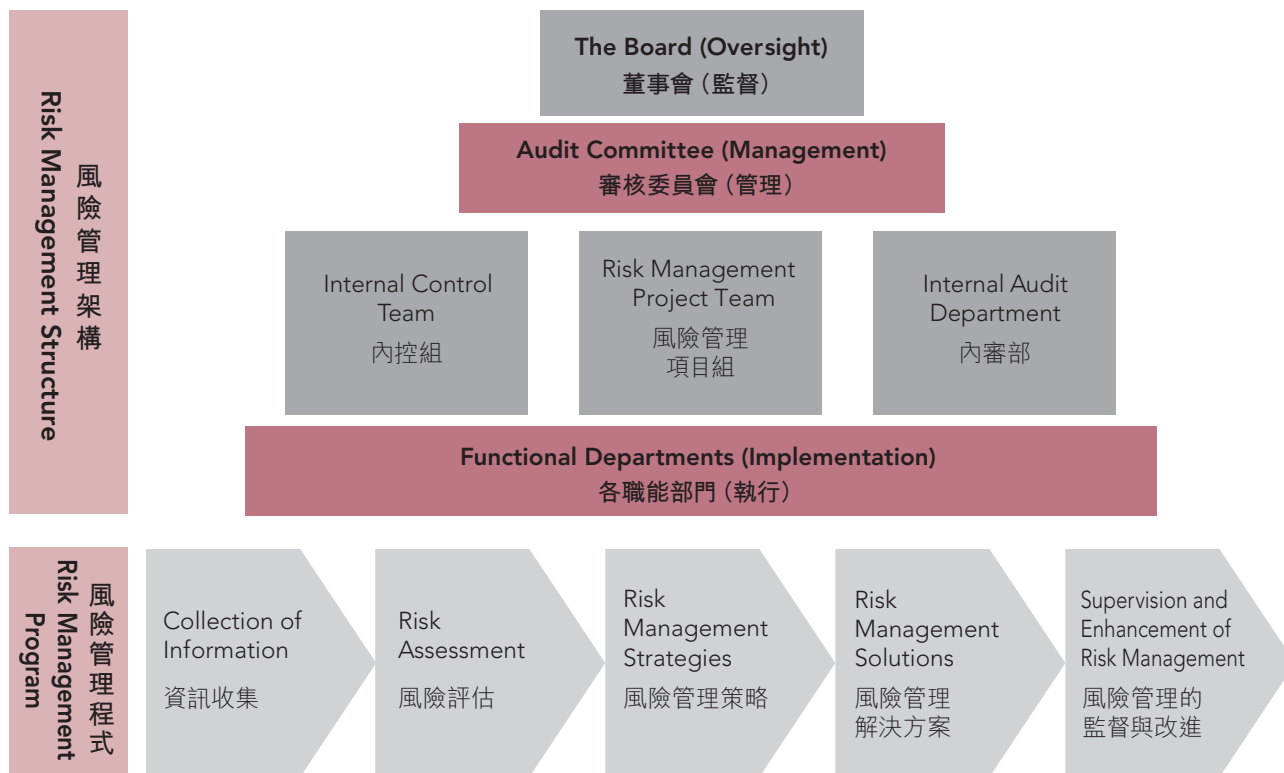
董事會已透過審核委員會就本集團的風險管理及內部控制系統是否充分、有效及足夠進行持續監督及年度檢討，且董事會認為現有的風險管理及內部控制系統足夠而有效。有關檢討涵蓋所有重要的控制方面，包括財務控制、運作控制及合規控制。本集團向審核委員會提交審閱的內部審計報告中亦涵蓋風險管理及內部控制部分。董事會並未察覺任何可能影響股東而須予關注的重要事項，並相信本集團的內部控制完全符合守則中各項有關內部控制的守則條文，包括符合法律和規例上的要求。董事會籍著審核委員會所作之評估，已於董事會會議上檢討、確保及確認本集團在會計、內部審計及財務彙報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足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

RISK MANAGEMENT ORGANISATION SYSTEM

風險管理組織體系

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

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



RISK MANAGEMENT ORGANISATION SYSTEM (Continued)

(A) RISK MANAGEMENT STRUCTURE

Regulatory Organisation

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

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

Risk Management Organisation

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

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

風險管理組織體系(續)

(A) 風險管理架構

監督機構

董事會就全面風險管理工作的有效性負責

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

風險管理機構

審核委員會，為本公司最高層級的風險管理機構，對董事會負責

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

RISK MANAGEMENT ORGANISATION SYSTEM
(Continued)

(A) RISK MANAGEMENT STRUCTURE (Continued)

Leading Risk Management Organisation

Risk management project team, the leading risk management organisation

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

Risk Implementation Organisation

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

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

風險管理組織體系(續)

(A) 風險管理架構(續)

風險管理主導機構

風險管理項目組，風險管理主導機構

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

風險執行機構

本公司各個職能部門應接受風險管理項目組的協調及監督

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

RISK MANAGEMENT ORGANISATION SYSTEM (Continued)

(A) RISK MANAGEMENT STRUCTURE (Continued)

Risk Supporting Organisation

Internal control team

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

Internal audit department

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

風險管理組織體系(續)

(A) 風險管理架構(續)

風險支持機構

內控組

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

內審部

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

RISK MANAGEMENT ORGANISATION SYSTEM
(Continued)

(B) RISK MANAGEMENT PROGRAM

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

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

Key Corporate Risk Management Program



風險管理組織體系(續)

(B) 風險管理程式

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

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

主要企業風險管理程式

SUPERVISION AND ENHANCEMENT OF RISK MANAGEMENT

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

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

MATERIAL RISKS THE GROUP MAY FACE

The material risks that the Group may face which include macro-economic risks, risks of inappropriate strategies for market competition, risks of the fluctuation of raw materials price, risks of adjustments of policies in relation to the environmental protection, economy and industry.

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

風險管理的監督與改進

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

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

本集團可能面臨的重大風險

本集團可能面臨的重大風險包括宏觀經濟風險、市場競爭策略不當風險、原材料價格波動風險、環保政策、經濟政策與行業政策調整風險。

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

MATERIAL RISKS THE GROUP MAY FACE (Continued)

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

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

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

本集團可能面臨的重大風險(續)

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

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

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

MATERIAL RISKS THE GROUP MAY FACE (Continued)

In addition to the material risks mentioned above, we identified, during the course of business planning process in 2019, that the Group may be exposed to new material risks, including cybersecurity risks, risks of the coronavirus disease ("COVID-19"), and climate change risks.

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

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

本集團可能面臨的重大風險(續)

除了以上的重大風險外，我們於2019年在業務規劃過程中識別本集團可能面臨新的重大風險，包括網路安全風險、2019冠狀病毒病（「COVID-19」）風險以及氣候變化風險。

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

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

MATERIAL RISKS THE GROUP MAY FACE (Continued)

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

MANAGEMENT OF INSIDE INFORMATION

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

WHISTLEBLOWING POLICY

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

本集團可能面臨的重大風險(續)

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

內幕消息管理

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

舉報政策

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

DIVIDENDS POLICY

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

THE SHAREHOLDERS' RIGHTS

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

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

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

股息政策

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

股東之權利

召開股東特別大會及於股東大會上提出議案

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

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

THE SHAREHOLDERS' RIGHTS (Continued)

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

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

PROCEDURES FOR DIRECTING THE SHAREHOLDERS' ENQUIRIES TO THE BOARD

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

股東之權利(續)

召開股東特別大會及於股東大會上提出議案(續)

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

向董事會轉達股東查詢的程序

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

RELATIONSHIP WITH INVESTORS AND THE SHAREHOLDERS

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

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

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

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

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2019, there was no change to the memorandum of association of the Company and Articles. The latest memorandum of association of the Company and Articles are available on the websites of the Company and the Stock Exchange.

與投資者及股東的關係

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

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

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

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

組織章程文件

於截至2019年12月31日止年度，本公司組織章程大綱及章程細則概無任何變動。本公司最新組織章程大綱及章程細則可於本公司及聯交所網站查閱。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CORPORATE OVERVIEW

China Lesso is a leading large-scale industrial group which produces building materials and interior decoration products in mainland China. The Group established 25 advanced production bases in 16 provinces within China and foreign countries to support a nationwide sales network. The Group strives to refine its strategic planning and sales network, offering a comprehensive range of diverse industrial products and quality sales services.

The Group continued to reinforce its leading position in the Chinese market, especially in Southern China, on the strength of its quality products, advanced technologies in research and development and a wide sales network. In recent years, the Group has been actively developing business in other local markets and overseas markets. While steadily upgrading the core business of plastic piping systems, the Group has also actively opened up building materials and interior decoration products, environmental protection and specialty market platform businesses, thereby creating long-term business synergy to the overall business of the Group, and providing customers with convenient and efficient solutions.

The brand name LESSO of China Lesso represents the key elements of the Group's corporate culture: "Link, Easiness, Safety, Sharing and Openness", and demonstrates its commitment to "Creating a Relaxing Life for Dwellers". In 2019, China Lesso continued to receive national and industrial awards which consolidated its strong brand reputation and leading position in the industry, including "70 Brands of the 70th Anniversary of New China", "China's Top 500 Companies in Terms of Brand Value", "2019's Interior Decoration Brand in terms of Investment Value", "Top 500 Chinese Private Owned Enterprises", "National Brand of Water Supply and Drainage Industry and Outstanding Contribution Award", "Top 10 Companies Award in China's Light Industry and Plastics Industry". The Group's leading brand position reflects its strong capabilities to conduct product research and development and to ensure excellent product quality. This has laid a solid foundation for the Group's strong business presence in mainland China and overseas markets, and gave the impetus for further expansion of China Lesso's sales network.

概覽

中國聯塑為中國內地領先的大型建材家居產業集團。為配合覆蓋全國的銷售網絡，本集團建立了25個先進的生產基地，分佈於中國16個省份及海外國家。本集團一直致力完善戰略佈局及銷售網絡，並提供種類齊全、多元化的產品及全面優質的銷售服務。

憑藉優質產品、先進的研發技術及廣泛的銷售網絡等優勢，本集團繼續鞏固於中國市場的領導地位，特別是華南地區，亦致力拓展華南以外及海外市場的業務版圖。在穩步提升核心塑料管道系統業務的同時，本集團亦積極開拓建材家居產品、環保及專業市場平台業務，為本集團整體業務帶來長遠的商業協同效應，並為客戶提供便捷高效的解決方案。

中國聯塑的品牌LESSO寓意著本集團「傳承、輕鬆、安全、分享、開放」的企業文化理念，致力「為居者構築輕鬆生活」。2019年，中國聯塑繼續獲得多項國家及行業殊榮，以鞏固其優越的品牌知名度及領先的行業地位，包括「新中國成立70年70品牌」、「中國品牌價值500強」、「2019年投資價值家居品牌」、「中國民營企業500強」、「全國給排水行業名牌及突出貢獻獎」、「中國輕工業塑料行業十強企業」等獎項。本集團領先的品牌地位足證其產品研發實力及優秀的產品質量，並為本集團於中國內地及海外市場的發展奠下穩健基礎，更有助進一步拓展中國聯塑的銷售網絡。

MARKET REVIEW

In 2019, the protracted Sino-United States trade friction shrouded the global economy in uncertainty. However, China continued with its supply-side reform aiming for steady economic growth in the long term. During the year under review, the central government of China reiterated that “houses are for people to live in but not for speculation” and put in place a long-term regulatory mechanism for stabilising the prices of lands and housing and managing market expectations. It had also fine-tuned the policies on the property sector and made them more flexible by allowing municipal governments to adopt city-specific policies according to the conditions of the local property markets. This is summed up by the principles of “City-specific Policies and One Strategy for One City”. The Chinese government also tightened controls on the financing of the real estate sector throughout the year of 2019. As a result, downward pressure on the real estate market mounted. Meanwhile, the Chinese government pressed on with its policies on energy conservation and environmental protection to match the progress of urbanisation. Accordingly, it increased investment in urban infrastructure. The conditions for the financing of the projects undertaken through public-private partnerships were also improving, favouring the development of urban infrastructure. All this resulted in steady growth in demand for pipes and pipe fittings.

In addition, large-scale infrastructure projects will add impetus to urbanisation and regional economic development. This means enormous demand for pipes and pipe fittings. According to a forecast made in the “Proposal on Development of the PRC’s Plastic Industry During the 13th Five-year Plan Period (2016–2020)”, the volume of China’s plastic pipe production will grow by approximately 3% annually. In 2020, it is expected that the volume of China’s plastic pipe production will reach 16 million tonnes. Moreover, in “The 13th Five-year Plan for the Construction of the Nationwide Urban Municipal Infrastructure”, targets have been set for the development of the country’s infrastructure for water supply, heating, drainage and prevention of waterlogging. Under this program, China plans to add 93,000 kilometres (“km”) of new pipelines to the water supply network, add 95,000 km of new pipelines to the drainage network, and replace 23,000 km of old pipelines in drainage network. It will also extend the central heating network by 41,000 km of pipelines and build 137,000 km of gas pipelines and 112,400 km of urban rainwater pipelines during the period of “The 13th Five-year Plan”. All this indicates a bright future of the pipes and pipe fittings industry.

市場概況

儘管2019年，中美貿易摩擦反復，不確定因素持續籠罩全球經濟；然而國內的側供給改革持續深入推進，有利中國宏觀經濟的平穩增長。於回顧年內，中央政府重申「房住不炒」，配以穩地價、穩房價、穩預期的長效管理調控機制，並按照「因城施政，一城一策」的基本原則以保持政策優化的空間和靈活性。房地產金融抑制政策貫穿2019全年。在此背景下，房地產市場下行壓力進一步凸顯。另一方面，隨著城鎮化進程的不斷推進，中國政府大力推進能源及環保政策，加大市政工程的投資，而PPP（即政府和社會資本合作）項目的融資環境持續得到改善，為城市基礎建設發展創造有利條件，管道管件應用的需求保持穩定增長。

此外，規模宏大的基礎設施工程，將進一步推動城鎮化及區域經濟發展，為管道行業帶來龐大的市場需求。根據《中國塑料行業「十三·五」期間（2016–2020）發展建議》預測，中國塑料管道生產量將維持在約3%的年增長速度，到2020年，預計中國塑料管道生產量將達到1,600萬噸。另外，《全國城市市政基礎設施建設「十三·五」規劃》亦提出國家在供水、供熱、排水防澇等基礎設施的發展目標，中國計劃於「十三·五」期間新建供水管網、污水管網各9.3萬公里及9.5萬公里，改造老舊污水管網2.3萬公里，建設集中供熱管網、燃氣管道及城市雨水管道各4.1萬公里、13.7萬公里及11.24萬公里。由此可見，管道行業前景亮麗。

MARKET REVIEW (Continued)

The accelerating global trend of conversion to low-carbon clean energy that China's demand for natural gas is constantly increasing. There is room for steady growth of the pipes and pipe fittings industry. "The Program for Natural Gas Development under the 13th Five-Year Plan" stated that during this period, China will build 40,000 km of new main and branch natural gas pipelines, which will result in a total length of 104,000 km in 2020. Specifically, according to the "Plan for Using Clean Energy for Winter Heating in Northern China (2017–2021)", the country plans to build eight new main pipes with the total capacity of transmitting approximately 75 billion cubic meters of natural gas per year. Further details of the national plan show that Beijing, Tianjin, Hebei, Shandong, Henan and Shanxi will together add 4,300 km of natural gas pipelines during the period from 2017 to 2021. All the infrastructure construction projects for conversion to clean energy for winter heating are expected to lead to steady growth of the pipes and pipe fittings industry.

During the reporting period, the Chinese government continued its efforts to promulgate the "Action Plan for Prevention and Control of Water Pollution". According to the requirements of the newly enacted "Law on Prevention and Control of Water Pollution" and the related planning under the "13th Five-year Plan" of the country, various provincial governments in the country have successively promulgated a series of policies on pollution control, which will facilitate sewage control, improve the quality of water environment, enhance the municipal pipeline network and sewage disposal equipment, thus generating enormous demand for the pipes and pipe fittings. In the "Water Pollution Prevention and Control Plan for Major River Basins (2016–2020)", the National Development and Reform Commission estimates that investments in water pollution prevention and control projects in major river basins can total around RMB700 billion if the objectives set in the "13th Five-year Plan" are met. In particular, the investment in the construction of municipal facilities for sewage disposal is estimated to be RMB316.1 billion. Various local governments in China have embarked on plans for restructuring pipeline networks. This can generate enormous demand.

市場概況(續)

在全球能源加快向低碳清潔化轉型的大趨勢下，中國天然氣需求不斷攀升，為管道行業的穩定增長創造空間。《天然氣發展「十三•五」規劃》提出，於「十三•五」期間，中國將新建天然氣主幹及配套管道4萬公里，2020年總里程將達到10.4萬公里。根據《北方地區冬季清潔取暖規劃(2017–2021年)》，中國計劃新增八條主幹管道，建成並投產後的供應能力每年增加約750億立方米。同時，北京、天津、河北、山東、河南及山西六個省市2017年至2021年規劃將新增4,300公里。市場預期這些計劃中的各地清潔取暖基礎建設工程將驅動管道行業的穩定增長。

於報告期內，中國政府持續全面推進「水污染防治行動計劃」，根據新的《水污染防治法》和國家「十三•五」相關規劃的要求，各地政府相繼出台一系列的治污政策，加快發展污水治理，提升水環境品質，推動市政管網、污水處理等設備，為管道行業帶來巨大的市場需求。國家發改委在《重點流域水污染防治規劃(2016–2020年)》中，根據「十三•五」規劃目標對重點流域水污染防治項目投資進行了匡算，共計約人民幣7,000億元，其中，城鎮污水處理及配套設施建設項目匡算投資約人民幣3,161億元。同時，中國多地政府啟動管網改造計劃，預期將釋放大量市場需求。

MARKET REVIEW (Continued)

In 2018, the State Council promulgated the “Strategic Plan for Rural Revitalisation (2018–2022)”, in which it proposed a greater effort to develop rural infrastructure, especially the irrigation network. This is also part of the government’s effort to promote the integrated development of urban and rural areas. In the “Crucial Action Plan for Pollution Control in Agriculture and Rural Areas” jointly promulgated by the Ministry of Ecology and Environment and the Ministry of Agriculture and Rural Affairs, it is even expressly stated that pollution control in rural areas is of major concern. General sewage control in rural areas has been a top priority. Rural infrastructure shall be actively developed. For example, in regions where rural environmental infrastructure development is lagging, there shall be initiation of the development of infrastructure such as water supply, drainage gutter, sewage collecting pipeline and sewage disposal networks. It is expected that by 2020, erratic disposal of sewage in rural areas will be under control. The steady progress in rural infrastructure construction will create room for growth in the market for pipeline networks.

The “Program for Developing National Marine Economy under the 13th Five-year Plan” was introduced by the Chinese government to restructure and improve the traditional marine industries, promote comprehensive regional development of the marine industries primarily in the form of marine ranch construction, vigorously develop the aquaculture in sea water in a healthy manner and support the deep-water aquaculture cage that can withstand winds and waves, in order to realise a sustainable development in the marine fishery industry. According to the “Implementation Plan for Seawater Desalination Works around Islands”, it is intended to promote the development, upgrade and transformation of seawater desalination works around 100 islands in three to five years in coastal provinces such as Liaoning, Shandong, Zhejiang, Fujian and Hainan. The plan is also aimed at popularising and expanding the scale of seawater desalination. The move to improve the marine industries is expected to enlarge the market for plastic pipes and widen the scope of the application of pipes, thus generating more business opportunities.

市場概況(續)

中央國務院於2018年發佈《鄉村振興戰略規劃(2018–2022年)》，提出加大力度發展農村基礎設施建設，加強農村水利基礎設施網路建設，推動城鄉一體化的城鎮化發展。生態環境部、農業農村部發佈的《農業農村污染治理攻堅戰行動計劃》更加明確地表示了對農村污染治理的高度重視，將梯次推進農村生活污水治理，積極開拓農村基礎設施建設，包括於農村環境基礎設施建設滯後的地區，開展供水、排水溝、污水收集及污水處理管網等基礎設施的建設，預期2020年農村生活污水亂放的情況將得到管控。農村的基礎建設的持續推進為管道建設市場創造增長空間。

中國政府提出《全國海洋經濟發展「十三·五」規劃》，調整及優化海洋傳統產業，推進以海洋牧場建設為主要形式的區域性綜合開發，大力發展海水健康養殖，支持深水抗風浪網箱養殖，實現海洋漁業可持續發展。《海島海水淡化工程實施方案》計劃在遼寧、山東、浙江、福建、海南等沿海省份，於3至5年內推進100個海島的海水淡化工程建設及升級改造，更加積極推動了海水淡化規模化的應用。預期海洋產業的調整，將拓寬塑料管道的市場基礎，為管道應用帶來商機。

MARKET REVIEW (Continued)

After the central government had set the tone for the regulation of the country's property market with such principles as "houses are for people to live in but not for speculation" and "equal emphasis on both the markets for property rental and purchase", provincial and municipal governments stepped up regulatory measures that resulted in cooling property markets nationwide in 2019. Development of the local property markets in cities of different tiers became even more divergent. Specifically, downward pressure on the real estate market in the tier three and four cities increased. This, coupled with the uncertainties of the trade friction between China and the United States, accelerated the consolidation of the building materials and interior decoration industry in China. Other factors that also contributed to the development are the implementation of the "Environmental Protection Tax Law" and the application of a range of more stringent standards to the building materials and interior decoration industry. However, the consumption upgrade, the growing trend of new retail, further progress in the supply-side reform, advances in the new mode of urbanisation and redecoration of flats presented new opportunities for the building materials and interior decoration industry.

China actively exchanged ideas about development with different countries and regions to harmonise their development strategies for mutual benefits. A large number of Sino-foreign cooperation projects were launched, including those in China-Myanmar Economic Corridor, the China-Europe Railway Express and the lease of Hambantota Port to China, etc. Meanwhile, the Chinese government continued to increase investment in industries covered by the "Belt and Road Initiative". The move can make the overseas markets covered by the initiative growth drivers for Chinese companies. Some Chinese companies started oil and gas projects through cooperation with foreign companies in countries covered by the "Belt and Road Initiative". The projects included infrastructure construction which demand a lot of piping systems and building materials.

市場概況(續)

2019年，在「房住不炒」和「租購並舉」的總基調下，各地房地產調控政策不斷加碼，全國樓市整體降溫，各線城市延續分化走勢，三四線城市房地產市場下行壓力加大。受全國房地產市場的直接影響，加上中美貿易摩擦帶來的不確定因素，全國建材家居市場已經進入快速洗牌期。《環境保護稅法》的正式實施及一系列更加嚴格的建材家居行業標準出台，在進一步規範建材家居行業的同時，也加劇了行業洗牌的腳步。然而，消費結構升級、新零售發展、供給側結構性改革深入、新型城鎮化的推進及房產二次裝修等，為建材家居行業帶來新機遇。

海外市場發展方面，中國積極尋求與不同國家和地區交流發展理念，加強戰略對接，實現合作共贏，並積極推進了大批中外合作項目，例如中緬經濟走廊、中歐班列及漢班托塔港口等。同時，中國政府持續大力推進及落實擴大「一帶一路」產業投資，使得海外市場成為中國企業堅實的業務增長點。中國企業在「一帶一路」沿線國家開展油氣投資項目合作，當中包括基礎設施建設，為管道系統應用以及建材設備帶來大量需求。

BUSINESS OVERVIEW

During the reporting period, the Group continued to capture the opportunities brought by national policies and the real estate industry. It did so by pushing forward the development of its plastic piping systems business, actively developing the business of building materials and interior decoration and the environmental protection business. This broadened the revenue base for the Group and achieved sustainable growth of businesses. More importantly, on 26 November 2019, China Lesso was officially made a constituent of MSCI China index. This reflected the market's confidence in the future prospect of the Group and its investment value.

In 2019, on the back of the steady growth of the Chinese economy and a rebound in demand from infrastructure construction, the revenue of China Lesso increased by 11.0% to RMB26,345 million (2018: RMB23,734 million). During the reporting period, because of the Group's economies of scale, continued enhancement of the production capacity of its plants and effective procurement strategy, gross profit rose by 21% to RMB7,537 million (2018: RMB6,228 million), with gross profit margin increased to 28.6% (2018: 26.2%). Net profit margin increased by 1.2 percentage points to 11.5% (2018: 10.3%).

The table below sets out the breakdown of revenue by business unit for 2019 and 2018:

		Revenue			% of total revenue	
		2019	2018	Change	2019	2018
		RMB million	RMB million		佔總收入%	
		人民幣百萬元	人民幣百萬元	變動		
Plastic piping systems	塑料管道系統	23,709	21,343	11.1%	90.0%	89.9%
Building materials and interior decoration products	建材家居產品	1,519	1,314	15.6%	5.8%	5.6%
Others [#]	其他 [#]	1,117	1,077	3.7%	4.2%	4.5%
Total	總計	26,345	23,734	11.0%	100.0%	100.0%

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

業務概覽

於報告期內，本集團繼續把握國策及房地產產業帶來的機遇，持續推動塑料管道系統業務的發展，同時積極開拓建材家居業務和環保業務，實現拓寬本集團的收入基礎，並取得持續增長。更重要的一點是，中國聯塑成功於2019年11月26日正式獲納入為MSCI中國指數成分股之一，反映市場對本集團未來發展前景充滿信心，並認同本集團的投資價值。

2019年，受益於維持平穩增長的中國經濟及回升的基礎建設需求，中國聯塑收入按年增加11.0%至人民幣263.45億元（2018年：人民幣237.34億元）。於報告期內，得益於本集團的規模經濟效益、持續提升廠房產能和有效的採購策略，毛利按年增加21%至人民幣75.37億元（2018年：人民幣62.28億元），毛利率提升至28.6%（2018年：26.2%），淨利率上升1.2個百分點至11.5%（2018年：10.3%）。

下表載列截至2019年及2018年收入按業務劃分的詳情：

[#] 「其他」包括環境工程及其他相關服務、金融服務及其他業務等。

For the year ended 31 December 2019, the number of the Group's independent and exclusive first-tier distributors nationwide increased to 2,276 (2018: 2,193). Southern China remained the Group's major revenue contributor, and revenue generated from Southern China and other regions accounted for 53.8% and 46.2% respectively (2018: 55.3% and 44.7%) of the Group's total revenue.

截至2019年12月31日止年度，本集團於全國各地的獨立獨家一級經銷商數目增至2,276名（2018年：2,193名）。華南市場繼續為本集團的主要市場，來自華南地區及其他地區的收入佔本集團總收入分別為53.8%及46.2%（2018年：55.3%及44.7%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS OVERVIEW (Continued)

The table below sets out the breakdown of revenue by region for 2019 and 2018:

業務概覽(續)

下表載列截至2019年及2018年收入按地區劃分的詳情：

Region [#]	地區 [#]	Revenue 收入			% of total revenue 佔總收入%	
		2019 RMB million 人民幣百萬元	2018 RMB million 人民幣百萬元	Change 變動	2019	2018
Southern China	華南	14,180	13,136	7.9%	53.8%	55.3%
Southwestern China	西南	2,627	2,541	3.4%	10.0%	10.7%
Central China	華中	3,090	2,844	8.7%	11.7%	12.0%
Eastern China	華東	1,558	1,265	23.2%	5.9%	5.3%
Northern China	華北	1,972	1,608	22.7%	7.5%	6.8%
Northwestern China	西北	1,263	954	32.4%	4.8%	4.0%
Northeastern China	東北	700	582	20.3%	2.7%	2.5%
Outside China	中國境外	955	804	18.7%	3.6%	3.4%
Total	總計	26,345	23,734	11.0%	100.0%	100.0%

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

[#] 各地區的覆蓋範圍詳情載於綜合財務報表附註4。

By leveraging its economies of scale, production automation and effective strategy for procurement, the Group effectively controlled the costs for raw materials and production. In addition, the Group actively enhanced operational efficiency, optimised its product portfolio and expanded market coverage, thereby contributing to the sustainable development of business and maintaining a healthy level of profit.

憑藉其規模經濟效益，自動化生產及有效的採購策略，本集團有效控制原材料和生產成本。此外，本集團亦積極提升營運效益、優化產品組合併不斷擴大市場份額，從而促進業務的持續發展，維持健康的盈利水平。

During the reporting period, the Group's EBITDA increased by 26.0% to RMB5,556 million (2018: RMB4,409 million), and the EBITDA margin was 21.1% (2018: 18.6%). Profit before tax increased by 23.1% to RMB3,982 million (2018: RMB3,236 million). Profit attributable to owners of the Company increased by 21.4% to RMB3,025 million (2018: RMB2,492 million). Basic earnings per share increased by 22.5% to RMB0.98 (2018: RMB0.80). The effective tax rate stayed at 23.9% (2018: 24.4%).

於報告期內，本集團之除息稅折攤前盈利按年增加26.0%至人民幣55.56億元(2018年：人民幣44.09億元)，而除息稅折攤前盈利率則為21.1%(2018年：18.6%)。除稅前溢利按年增加23.1%至人民幣39.82億元(2018年：人民幣32.36億元)。本公司擁有人應佔溢利按年增加21.4%至人民幣30.25億元(2018年：人民幣24.92億元)。每股基本盈利按年增加22.5%至人民幣0.98元(2018年：人民幣0.80元)。實際稅率則維持於23.9%之水平(2018年：24.4%)。

To express gratitude to the Shareholders for their support and to share with them the fruits of the Group's endeavours, the Board proposed payment of a final dividend of HK28 cents per share for the year ended 31 December 2019 (2018: HK20 cents per share).

為回饋所有股東的支持和分享業績成果，董事會建議宣派截至2019年12月31日止年度之末期股息為每股28港仙(2018年：每股20港仙)。

BUSINESS REVIEW AND OUTLOOK

PLASTIC PIPING SYSTEMS

The Chinese government promoted various policies on energy conservation and environmental protection such as the one on “Switching over from Coal to Gas” and the “Action Plan for Prevention and Control of Water Pollution”. It also proceeded with the plan for constructing pipeline networks. This generated stable demand for plastic pipes and pipe fittings. For the year ended 31 December 2019, the number of orders for plastic piping systems increased and the Group’s plastic piping systems business maintained stable growth. The increase was attributable to a number of factors, including the stable demand of the Chinese construction industry, the resumption of construction projects in Southern China in the second half of the year, the Chinese government’s increased effort to redevelop old towns, the construction of systems for rural water supply and drainage, a gradual rebound in infrastructure investment and the overall stable development of the real estate sector. During the year under review, revenue from the plastic piping systems business increased by 11.1% to RMB23,709 million (2018: RMB21,343 million), and accounted for 90.0% of the Group’s total revenue (2018: 89.9%).

The table below sets out the breakdown of revenue from plastic piping systems business by the application of the products for 2019 and 2018:

		Revenue			% of revenue	
		2019	2018	Change	2019	2018
		RMB million	RMB million		佔收入%	
		人民幣百萬元	人民幣百萬元	變動		
Water supply	供水	9,228	8,274	11.5%	38.9%	38.8%
Drainage	排水	8,966	8,171	9.7%	37.8%	38.3%
Power supply and telecommunications	電力供應及通訊	4,126	3,716	11.0%	17.4%	17.4%
Gas transmission	燃氣輸送	383	459	(16.6)%	1.6%	2.1%
Others [#]	其他 [#]	1,006	723	39.2%	4.3%	3.4%
Total	總計	23,709	21,343	11.1%	100.0%	100.0%

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

業務回顧及展望

塑料管道系統

中國政府持續積極推動「煤改氣」及「水污染防治行動計劃」等能源及環保政策，持續落實管道管網規劃，為塑料管道及管件產品帶來穩定的市場需求。截至2019年12月31日止年度，受惠於中國建築行業的需求持續穩定，特別是下半年華南地區建築工程項目重新活躍，施工速度提升，而政府積極推進舊城改造與鄉村給排水建設項目，基礎設施投資亦逐步回升，加上房地產整體表現穩定發展，帶動塑料管道系統訂單數量增加，並使本集團的塑料管道系統業務維持全年的穩健增長。回顧年內，塑料管道系統業務的收入按年增加11.1%至人民幣237.09億元(2018年：人民幣213.43億元)，佔本集團總收入的90.0%(2018年：89.9%)。

下表載列截至2019年及2018年塑料管道系統業務收入按產品應用劃分的詳情：

[#] 「其他」包括農用、地暖及消防。

BUSINESS REVIEW AND OUTLOOK (Continued)

PLASTIC PIPING SYSTEMS (Continued)

The Group continued to boost sales volume of plastic piping systems such that sales volume increased by 10.6%. In terms of product materials, sales volume of PVC products increased by 8.0% to 1,817,179 tonnes (2018: 1,682,949 tonnes) while that of non-PVC products increased by 19.6% to 580,685 tonnes (2018: 485,673 tonnes). Revenue from sales of PVC products increased by 8.0% to RMB14,748 million (2018: RMB13,660 million) while that of non-PVC products increased by 16.6% to RMB8,961 million (2018: RMB7,683 million).

The table below sets out the breakdown of revenue from plastic piping systems by region for 2019 and 2018:

Region	地區	Revenue 收入			% of revenue 佔收入%	
		2019 RMB million 人民幣百萬元	2018 RMB million 人民幣百萬元	Change 變動	2019	2018
Southern China	華南	12,658	11,743	7.8%	53.4%	55.0%
Other than Southern China	華南以外地區	10,563	9,223	14.5%	44.5%	43.2%
Outside China	中國境外	488	377	29.2%	2.1%	1.8%
Total	總計	23,709	21,343	11.1%	100.0%	100.0%

The Group adopts a cost-plus pricing method. During the reporting period, the Group effectively controlled the costs of raw materials and production through economies of scale, bulk procurement and other measures, therefore the average cost of sales decreased by 1.8%. Due to increase in proportion of non-PVC products sales, the Group maintained the average selling price of its plastic piping systems at RMB9,887 per tonne (2018: RMB9,842 per tonne). The gross profit margin at the plastic piping systems business reached 28.9% (2018: 27.2%).

業務回顧及展望(續)

塑料管道系統(續)

本集團繼續著力提升塑料管道系統的產品銷量，該產品銷量按年增加10.6%。產品物料方面，PVC產品的銷量按年增加8.0%至1,817,179噸(2018年：1,682,949噸)，非PVC產品的銷量則按年增加19.6%至580,685噸(2018年：485,673噸)。銷售PVC產品及非PVC產品所得的收入分別按年增加8.0%至人民幣147.48億元(2018年：人民幣136.60億元)及16.6%至人民幣89.61億元(2018年：人民幣76.83億元)。

下表載列截至2019年及2018年塑料管道系統業務收入按地區劃分的詳情：

本集團採用成本加成的定價方法。報告期內，憑藉通過規模經濟效益、與原材料供應商進行大量採購等措施，本集團有效控制原材料和生產成本，所以平均銷售成本價格按年下降1.8%。由於非PVC產品銷售比重增加，本集團塑料管道系統的平均售價維持於每噸人民幣9,887元(2018年：每噸人民幣9,842)，塑料管道系統業務的毛利率達28.9%(2018年：27.2%)。

BUSINESS REVIEW AND OUTLOOK (Continued)

PLASTIC PIPING SYSTEMS (Continued)

The table below sets out the breakdown of average selling price, sales volume, and revenue from plastic piping systems business by product material for 2019 and 2018:

		Average selling price			Sales volume			Revenue		
		平均售價			銷量			收入		
		2019	2018	Change	2019	2018	Change	2019	2018	Change
		RMB	RMB		Tonne	Tonne		RMB million	RMB million	
		人民幣	人民幣	變動	噸	噸	變動	人民幣百萬元	人民幣百萬元	變動
PVC products	PVC產品	8,116	8,116	-	1,817,179	1,682,949	8.0%	14,748	13,660	8.0%
Non-PVC products [#]	非PVC產品 [#]	15,431	15,820	(2.5)%	580,685	485,673	19.6%	8,961	7,683	16.6%
Total	總計	9,887	9,842	0.5%	2,397,864	2,168,622	10.6%	23,709	21,343	11.1%

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

業務回顧及展望(續)

塑料管道系統(續)

下表載列截至2019年及2018年塑料管道系統業務按產品物料劃分的平均售價、銷量及收入分項詳情：

[#] 「非PVC」塑料管道及管件主要是PE或PP-R制。

The Group continued to raise the level of automation and computerization of production and strived for full mechanisation of the production of pipe products so as to improve the overall production capacity, the product quality and the efficiency. During the reporting period, the Group's annual designed capacity for producing plastic pipes and pipe fittings expanded from 2.62 million tonnes in 2018 to 2.78 million tonnes, with a capacity utilisation rate of 88.0%.

本集團持續提升生產自動化和智能化水平，在管道產品生產中實現全面機械化，藉以提高整體產能、質量和效益，滿足市場需求。於報告期內，本集團塑料管道及管件生產的年度設計產能由2018年的262萬噸擴至278萬噸，期內產能使用率達88.0%。

The Group has been expanding its production capacity in line with its business development and actual needs. The Group's new production bases currently under construction in Fujian, Jiangxi and Zhejiang are expected to be completed and put into trial production in 2020. This will help enhance the advantage of the economies of scale. Looking ahead, the Group will continue to develop its production bases and identify targets for acquisition. Meanwhile, the Group will continue to enhance its core competitiveness by actively introducing smart technology into its production plants and updating the equipment there. It will also improve the efficiency of such intelligent plants and its information system. Meanwhile, the Group will continue its effort to have its production bases fully automated and to further improve machinery and ancillary facilities in its existing production bases in order to raise the level of automation and accelerate the production process. This will help expand the production capacity and enhance the production efficiency. In addition, the Group will also continue to step up its effort to innovate and conduct research and development, with a focus on cutting-edge technologies in the industry of pipes and building materials, which will ensure that the Group leads the industry in technology and provides diverse and quality products.

本集團一直逐步擴充產能，以滿足業務發展及實際需要。本集團目前於福建、江西及浙江的在建生產基地預期將於2020年內相繼竣工及試產，有助進一步釋放產能，凸顯規模經濟效益。展望未來，本集團將繼續拓展生產基地佈局，並留意市場上潛在收購項目，為產能拓展提供支持。同時，本集團將繼續提升核心競爭力及積極發展智能化廠房和更新設備，以提升智能化及信息化設備效能，並持續推動生產基地全面自動化，進一步完善現有生產基地的機械設備及配套，以提升自動化水平及加快生產過程，從而擴充產能及提升生產效率。此外，本集團亦將持續投入創新研發，專注於管道和建材產業的前沿技術研究，確保技術的行業領先地位，致力於為大眾提供多元化、高質量的產品。

BUSINESS REVIEW AND OUTLOOK (Continued)

PLASTIC PIPING SYSTEMS (Continued)

In terms of the expansion of overseas markets, the Group gave its nationwide network of production bases across China full play and actively sought prospective business partners to grasp the opportunity in China's "Belt and Road Initiative". In May 2019, the Group signed a strategic partnership agreement with Xinjiang Ba Steel International Trade Co., Ltd.* ("Xinjiang Ba Steel") to jointly develop the markets of Central Asia and Xinjiang. The Group will leverage Xinjiang Ba Steel's well-developed sales channels and high-quality customer base in five Central Asian countries to increase its brand awareness there with the aim of increasing its products market penetration and turning into another sales growth driver. In addition, the Group is optimistic about the potential of the Southeast Asian market so it accelerated the globalisation of its business. To tap Indonesia's huge domestic market and potential for infrastructure development, the Group announced an investment plan of approximately US\$60 million in September 2019 to establish a large-scale pipeline production base in the country. The factory to be built will be able to enhance the Group's competitiveness and influence in the Southeast Asian market and allow it to seize the opportunities that arise from the Belt and Road Initiative. The Group believes that this move will become an important strategic deployment for China Lesso to establish a global business presence. The production base in Indonesia is expected to be completed and commence trial production in the second half of 2020. In the future, the Group will continue to actively seek opportunities for business development in other Asian countries, such as India, Vietnam and Thailand, adding impetus to the Group's overseas business development.

業務回顧及展望(續)

塑料管道系統(續)

在開拓海外市場方面，本集團充分發揮其生產基地佈局全國的優勢，積極尋找具潛力的合作對象，以把握「一帶一路」政策所帶來的龐大機遇。2019年5月，本集團成功與新疆八鋼國際貿易股份有限公司(「新疆八鋼」)針對中亞及新疆市場簽訂戰略合作協議，冀可憑藉新疆八鋼於中亞五國擁有成熟的銷售渠道與優質的客戶資源，推動中國聯塑的產品滲透中亞市場，以提高在當地的品牌知名度及拓展新的銷售增長點。此外，本集團看好東南亞市場的發展潛力，加速業務全球化佈局。有見印度尼西亞(「印尼」)的內需市場和基建發展潛力龐大，本集團於2019年9月宣佈於印尼計劃投資約六千萬美元建立大型的管道生產基地，以提升在東南亞市場的競爭力和影響力，把握一帶一路發展計劃的機遇。本集團相信此舉將成為中國聯塑建立全球業務版圖的重要戰略部署。印尼的生產基地預計於2020年下半年竣工及進行試產。未來，本集團將繼續積極在其他亞洲國家，包括印度、越南、泰國等部署業務發展，為本集團海外發展增添主要增長動力。

BUSINESS REVIEW AND OUTLOOK (Continued)

PLASTIC PIPING SYSTEMS (Continued)

The scope of applications of plastic pipes and pipe fittings had been extended because of the steady progress in China's plan for national development and the robust demand in the field of infrastructure construction. This, in turn, has generated more opportunities for business. The central government continues to invest heavily in the construction of Xiong'an New Area and other infrastructure projects, thus boosting the demand for plastic pipes and pipe fittings. As a market leader, the Group will strive to expand the scope of applications of plastic pipes and pipe fittings to increase product sales, thereby maintaining its market leadership. In January 2020, the Group signed a strategic cooperation agreement with Guangdong Academy of Agricultural Sciences to actively explore business opportunities in the agricultural sector and to further diversify its source of income. The collaboration between the two strong industry players will involve in-depth cooperation in various fields such as facility agriculture. They will provide customers with high-quality and professional modern facility agriculture solutions that encompass the facilities, construction, production, and after-sales service. This can promote the development of facility agriculture and agricultural modernization. Overall, the management is confident about the prospect of the plastic piping systems business and believes that it will continue to perform well.

BUILDING MATERIALS AND INTERIOR DECORATION PRODUCTS

In 2019, the Chinese government continued with various measures to regulate the property sector, thus increasing downward pressure on it. In response to an obvious sign of tightening policy, the overall growth of the real estate sector continued to slow down. Both the floor area sold and sales value declined. Affected by macroeconomic factors, the market for building materials and interior decoration products continued to experience downward pressure during the year. However, the change in the bulk purchasing model in real estate industry and the gradual rebound in the rate of completion of property projects in the second half of the year helped boost the sales of building materials and interior decoration products. This resulted in an increase in the number of new orders and an improvement in overall business performance. During the reporting period, the business segment maintained stable development and recorded a revenue of RMB1,519 million, accounting for 5.8% of the Group's total revenue.

業務回顧及展望(續)

塑料管道系統(續)

隨著中國發展規劃和基建需求持續旺盛，塑料管道及管件應用得到進一步延伸，帶來市場發展機遇。中央持續投放大量資金支持雄安新區及其他基建項目建設，有助帶動塑料管件及管道產品的需求。作為市場的領導者，本集團將致力全方位擴展塑料管道及管件的應用範疇，增加產品銷量，藉此鞏固集團市場領導地位。2020年1月，本集團與廣東省農業科學院簽署戰略合作協議，積極拓展農業領域板塊，進一步豐富收入來源。是次強強聯合，將在設施農產業等多個領域進行深度合作，從設施、施工、生產、售後為客戶提供優質及專業現代設施農業整體解決方案，為推進設施農業發展、實現農業現代化、提高行業創收創益貢獻力量。總體而言，管理層對塑料管道系統業務分部的發展前景充滿信心，並相信能繼續為集團帶來穩健和滿意的業務表現。

建材家居產品

2019年，中國政府繼續採取各項調控舉措，加劇房地產行業的下行壓力。政策收緊信號明顯，房地產行業整體規模增速持續放緩，銷售面積及銷售額有所下降。受宏觀因素的負面影響，年內建材家居產品市場持續承壓。然而，房地產行業的大宗採購模式轉變、下半年房地產竣工率逐漸回暖，有助帶動建材家居產品銷量提升，新訂單數目增長理想，整體業務表現獲得改善。於報告期內，該業務板塊保持穩定發展，錄得收益人民幣15.19億元，佔本集團總收入的5.8%。

BUSINESS REVIEW AND OUTLOOK (Continued)

BUILDING MATERIALS AND INTERIOR DECORATION PRODUCTS (Continued)

In 2020, the Chinese government's regulation of the real estate sector may not be as tight as that in 2019. This can ease the downward pressure on the economy. The Group will actively seize the opportunities in the new mode of urbanisation and the redevelopment of old towns to boost revenue at its business of building materials and interior decoration products and increase the contribution of the business to the Group's total revenue. At the same time, the Group will further strengthen its relations with existing customers and actively engage new customers and increase sales revenue by providing diverse products. China's ongoing new mode of urbanisation will enable the Group's business of building materials and interior decoration products to achieve synergy with its businesses of other product lines. This will become a driving force behind the steady development of this business for the long term.

OTHER BUSINESSES

Environmental Protection Business

In recent years, the Chinese government has issued a series of environmental protection policies which bode well for the development of the environmental protection industry. Riding on this trend, the Group constantly expands the market for environmental protection. It capitalised on municipal projects in various fields, including those of sewerage, river treatment, soil restoration, utility tunnels, sponge city, installation of integrated water purifiers, thus tapping the growing demand for plastic pipes and pipe fittings. The Group has strived to create synergy between its environmental protection business and its plastic piping systems business for the long term. Through successful mergers and acquisitions, the Group aspires to establish itself as a one-stop integrated environmental service provider, providing customers with comprehensive services from environmental consulting, solutions design, project construction to environmental equipment manufacturing. During the reporting period, this business sustained to grow and recorded a revenue of RMB326 million. In the future, the Group will continue to enhance its own research and development capability while developing its existing environmental protection business steadily. For instance, it endeavours to develop a business of treating hazardous and solid wastes and actively explores opportunities for mergers and acquisitions so as to form new growth drivers.

業務回顧及展望(續)

建材家居產品(續)

展望2020年，本集團預期房地產調控政策有望較2019年有所放寬，以緩解宏觀經濟的下行壓力。本集團將積極把握新型城鎮化及舊城改造項目帶來的機遇，促進建材家居產品業務收入增長，提升該業務對本集團總收入的貢獻。同時，本集團會進一步鞏固與現有客戶的聯繫，並積極開拓新客戶，透過提供多元化產品以增加銷售收入。受惠於中國新型城鎮化建設不斷推進，本集團的建材家居產品業務將與其他現有的產品線發揮協同效應，成為該業務穩健發展的長期推動力。

其他

環保業務

近年來，中國政府出台一系列環境保護政策，大力支持環保產業發展。本集團順應趨勢，持續開拓環保業務市場。通過積極把握不同範疇的市政項目，包括污水、河涌治理、土壤修復、地下綜合管廊、海綿城市、一體化淨水設備等所帶來對塑料管道及管件的需求，本集團力求實現環保業務與塑料管道系統業務的長遠商業協同效應。本集團亦通過成功併購，矢志成為一站式綜合環保服務供應商，由環保諮詢、方案設計、項目施工、環保設備製造等，為客戶提供全方位服務。於報告期內，該業務持續發展，實現收入人民幣3.26億元。未來，本集團將繼續提升自身研發能力，在保持原有環保業務穩健發展的同時，致力發展危固廢處理業務，並積極探索收併購的機會，以拓展新的業務增長點。

BUSINESS REVIEW AND OUTLOOK (Continued)

OTHERS (Continued)

Business of Specialty Sales and Marketing Platform

To capitalise on the Chinese government's "Belt and Road Initiative", the Group extended the reach of its specialty sales and marketing platform, "One-Stop Specialty Market for Home Furnishing and Consumer Products", to the overseas markets. The Group built multinational platforms for Chinese manufacturers of home furnishings, building materials and consumer products to showcase their products and facilitate the distribution and retailing of such products. The Group also provides ancillary services, including marketing and branding. During the reporting period, the business recorded a revenue of RMB379 million.

The Group has 13 reserve properties in the United States, Canada, Australia, Thailand, Myanmar, Indonesia, the United Arab Emirates and other countries. All the properties are located close to major metropolitan areas. The Group aims to develop the largest one-stop showroom specialty markets in home furnishing and consumer products on these properties in its respective local markets. The tenants will be able to operate their own showrooms independently, and sell their products directly to local traders, retailers and consumers. During the reporting period, the Group entered into a joint venture agreement with a Myanmar company to further explore the local market. The Group is confident that the specialty sales and marketing platform will become another growth driver for the Group in the long run.

業務回顧及展望(續)

其他(續)

專業市場平台業務

為配合國家「一帶一路」倡議，本集團將一站式專業家居展廳及消費品商城的專業市場平台業務推廣至海外市場。本集團為中國家居建材及消費品生產商建立跨國平台，以展示其產品及促進其產品的分銷及零售，也將提供營銷及品牌推广等配套服務。於報告期內，該業務實現收入人民幣3.79億元。

本集團已於美國、加拿大、澳大利亞、泰國、緬甸、印度尼西亞、阿拉伯聯合酋長國等國家有13處物業儲備，該等物業均毗鄰主要大都會區。本集團將在各地建成當地市場最具規模的一站式專業家居展廳及消費品商城。商城中各展廳由租戶獨立經營，直接銷售產品予當地分銷商、零售商及消費者。於報告期內，本集團與緬甸公司訂立合營協議進一步開拓當地市場業務。本集團相信專業市場平台業務將成為本集團長遠發展的另一增長點。

CAPITAL EXPENDITURE

The Group's capital expenditure for 2019 was approximately RMB5,275 million, which was primarily used for improvement of automated facilities in production bases, expansion of the existing production bases, acquisition of properties in foreign countries and the facilities acquired in business combination.

FINANCIAL POSITION

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

As at 31 December 2019, the Group had total debts (i.e. borrowings, lease liabilities and debt component of convertible loans) of approximately RMB13,537 million, of which 52.8% was denominated in US dollar, 20.6% was denominated in HK dollar, 21.3% was denominated in RMB, 3.7% was denominated in Australian dollar, 1.2% was denominated in Canadian dollar and 0.4% was denominated in other currencies. Other than the approximately US\$93 million of the outstanding convertible loans at an effective interest rate of 7.70% per annum and due in 2022, the Group's borrowings are subject to effective interest rates ranging from 2.38% to 7.60% per annum with maturity periods ranging from within one year to more than five years. The Group's Gearing Ratio stood at a healthy level of 44.2%.

As at 31 December 2019, the Group's total equity increased to approximately RMB17,094 million. The Group's current assets and current liabilities were approximately RMB17,731 million and RMB20,526 million respectively. The Group's Current Ratio and Quick Ratio decreased to 0.86 and 0.67 from 1.14 and 0.87 as at 31 December 2018, respectively. The Group recorded net current liabilities of RMB2,795 million, which was mainly resulted from two syndicated loans (the "Syndicated Loans") aggregated of approximately RMB5,381 million which will be due for repayment in second half of 2020.

During the reporting period, the Group has entered into a facility agreement and its amendment agreement (collectively as the "Facility Agreements") in relation to dual currency syndicated term loan and revolving credit facilities in the equivalent amount of US\$1,100 million (the "Facilities"). The final maturity date under the Facility Agreements is the date falling 48 months after the first utilisation date. The Facilities will be used for general corporate purpose, including the refinancing of the Group's existing financial indebtedness. For details, please refer to the announcements made by the Company on 30 July 2019 and 23 October 2019. Meanwhile, the Board believes the Group will be able to continue to generate positive cash flows from its operations. On this basis, the Board considers that the Group is able to meet in full its financial obligations as they fall due in the coming 12 months.

資本開支

本集團2019年的資本開支為約人民幣52.75億元，主要用於改進生產基地的自動化設備、現有生產基地的擴建工程、購置海外物業，以及業務合併中獲得的設施。

財務狀況

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

於2019年12月31日，本集團的債務總額（即借款、租賃負債及可換股貸款債務部份）為約人民幣135.37億元，其中52.8%以美元計值、20.6%以港元計值、21.3%以人民幣計值、3.7%以澳元計值、1.2%以加元計值，而餘下0.4%則以其他貨幣計值。除了實際年利率為7.70%並於2022年到期的約9,300萬美元未償還可轉換貸款外，本集團的借款之實際年利率介乎2.38%至7.60%，到期期間由一年內至多於五年不等。本集團的資產負債率仍處於44.2%的健康水平。

於2019年12月31日，本集團的權益總額增至約人民幣170.94億元。本集團的流動資產及流動負債分別為約人民幣177.31億元及人民幣205.26億元。本集團的流動比率及速動比率從2018年12月31日的1.14及0.87分別下降至0.86及0.67。本集團錄得流動負債淨額人民幣27.95億元，主要由於合計約人民幣53.81億元的兩項銀團貸款（「銀團貸款」）將於下半年到期償還所致。

於報告期內，本集團訂立一項融資協議及其修訂協議（統稱為「融資協議」），內容有關金額相當於11億美元的雙幣銀團定期貸款及循環信貸融資（「融資」）。融資協議的最後到期日為首次動用日期起計48個月屆滿當日。融資將以作為一般企業用途（其中包括本集團現有財務負債再融資）。詳情請參閱本公司日期為2019年7月30日及2019年10月23日的公告。與此同時，董事會相信本集團可繼續從業務營運產生正向現金流。在此基礎上，董事會認為本集團有能力承擔將於未來12個月到期的全部債務。

FINANCIAL POSITION (Continued)

With cash and bank deposits, including restricted cash, of approximately RMB7,604 million as well as unutilised banking facilities, the Board considers that the Group has sufficient working capital for its operation and future development.

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

CHARGE ON ASSETS

As at 31 December 2019, the secured bank loans were secured by the investment property of a subsidiary, time deposit of a subsidiary, loan receivables of a subsidiary, concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities.

HUMAN RESOURCES

As at 31 December 2019, the Group employed a total of approximately 13,000 employees including directors. Total staff costs were RMB1,278 million during the reporting period. The Group ensures that the remuneration packages for employees are determined based on their work performance, professional experience and the prevailing industry practice. Discretionary year-end bonus and shares award may be distributed to employees based on individual performance. Other benefits to employees include medical insurance, retirement scheme and training programmes.

財務狀況(續)

現金及銀行存款(包括受限制現金)為約人民幣76.04億元，再加上尚未使用之銀行融資額度，董事會認為本集團擁有足夠的營運資金用於經營及未來發展。

期內，本集團並無任何重大外匯波動風險，亦無作任何對沖安排。

資產抵押

於2019年12月31日，有抵押銀行貸款乃以一間附屬公司的投資物業、一間附屬公司的定期存款、一間附屬公司的應收借款、一間附屬公司的特許經營權及其一名股東的個人擔保。

或然負債

於2019年12月31日，本集團概無任何重大或然負債。

人力資源

於2019年12月31日，本集團共聘用約13,000名僱員，包括董事在內。報告期內的員工成本總額為人民幣12.78億元。本集團確保僱員薪酬乃根據其工作表現、專業經驗及現行行業慣例釐定，並可按照個人表現年底酌情向僱員發放花紅及股份獎勵。其他僱員福利包括醫療保險、退休計劃及培訓課程。

SIGNIFICANT INVESTMENTS

FINANCIAL INVESTMENTS

As at 31 December 2019, the Group held long-term and short-term financial investments of approximately RMB1,771 million (31 December 2018: RMB1,853 million) and RMB8 million (31 December 2018: RMB47 million), respectively. The investment portfolio comprised of 35.2% in listed equity securities (issued by PRC-based home improvement and furnishings shopping malls operating companies, PRC-based internet companies and PRC based environmental companies), 31.8% in listed debt securities, 1.2% in stock funds, 0.5% in listed perpetual capital securities and 31.3% in unlisted securities. Each of these investments has a carrying amount accounting to less than 5% of the Group's total assets as at 31 December 2019.

During the reporting period, the Group recognised a realised disposal gain of approximately RMB64 million, unrealised mark-to-market valuation loss of approximately RMB306 million due to volatility of the global capital market and recognised approximately RMB24 million of exchange gain on translation. Income from the portfolio amounted to approximately RMB43 million in the reporting period, representing dividend and interest incomes.

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

INVESTMENT PROPERTIES

As at 31 December 2019, the Group's investment properties were approximately RMB6,870 million. Increase in investment properties was mainly attributable to the capitalisation of construction costs on certain investment properties under development, addition of investment properties and the translation difference during the reporting period.

Among these investment properties, the mall in Toronto, Canada is an existing property; the malls in Long Island, US and in Auburn district of Sydney, Australia are under refurbishment; the lands in Thailand, Myanmar, the United Arab Emirates and China are under development; and other properties are under rezoning or at the planning stage of development.

重大投資

金融投資

於2019年12月31日，本集團分別持有長期及短期金融投資約人民幣17.71億元(2018年12月31日：人民幣18.53億元)及人民幣800萬元(2018年12月31日：人民幣4,700萬元)。投資組合包括35.2%的上市股本證券(由位於中國的家居裝飾及傢俱商場運營公司、位於中國的互聯網公司及位於中國的環保公司發行)、31.8%的上市債務證券、1.2%的股票型基金、0.5%的上市永久資本證券及31.3%的非上市證券。該等各項投資的賬面值均低於本集團於2019年12月31日總資產的5%。

於報告期內，本集團確認約人民幣6,400萬元的已實現出售利益、因全球資本市場波動而產生約人民幣3.06億元的按市值估值的未實現虧損及確認約人民幣2,400萬元的匯兌收益。報告期內投資組合的收益為約人民幣4,300萬元，為股息及利息收益。

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

投資物業

於2019年12月31日，本集團的投資物業為約人民幣68.70億元。報告期內的投資物業增加，主要歸因於報告期內若干發展中投資物業的建設成本資本化、投資物業增加及匯兌影響所致。

投資物業裡，加拿大多倫多商場是現有物業；美國長島商場及澳洲悉尼奧本商場在進行翻新工程；泰國、緬甸、阿拉伯聯合酋長國及中國的土地在發展中；及其他物業正進行重新改劃或尚處於規劃發展階段。

SIGNIFICANT INVESTMENTS (Continued)

INVESTMENT IN ASSOCIATES

Given the increasing trend in using aluminium profiles as major construction materials in the PRC, the Group acquired a 26.28% equity interest in Xingfa Aluminium Holdings Limited (“Xingfa Aluminium”), the issued shares of which is listed on the Stock Exchange, in 2018 at a consideration of HK\$974 million. Xingfa Aluminium is one of the leading aluminium profile manufacturers in China. The Group considers Xingfa Aluminium not only serves as a valuable investment with sustainable returns, but also as a good strategic investment. With extensive experience in the business of construction materials and industrial materials, Xingfa Aluminium has established various kinds of sales channels and a diverse customer base. The acquisition may create long-term commercial synergies with the Group’s businesses to broaden its sales channels and expand its customer base, and enrich the Group’s already comprehensive portfolio of products and services. This can facilitate the Group’s business diversification and reinforce its market leadership. In 2019, Xingfa Aluminium recorded a revenue of RMB11,281 million, and profit attributable to the shareholders of Xingfa Aluminium was RMB606 million.

Save as disclosed above, the Group did not have any significant investments as at 31 December 2019.

重大投資(續)

投資聯營公司

有見中國使用鋁型材作為主要建築材料之趨勢日盛，本集團於2018年以9.74億港元代價入股興發鋁業控股有限公司（「興發鋁業」，其已發行股份於聯交所上市）26.28%權益。興發鋁業為中國領先鋁型材製造商之一，本集團認為興發鋁業不單是一項可創造持續回報的有價值投資，亦是本集團進行戰略投資的良機。由於興發鋁業在建築及工業材料業務擁有豐富經驗，因此已建立了不同的銷售管道及客戶群，可為本集團業務創造長期的商業協同效應，一方面擴闊本集團的銷售管道及增加客戶群，另一方面帶來更全面的產品及服務組合，推動多元化業務發展及有助鞏固本集團之市場領導地位。於2019年，興發鋁業錄得收入為人民幣112.81億元，實現歸屬於興發鋁業股東之溢利為人民幣6.06億元。

除上文所披露者外，於2019年12月31日，本集團並無任何重大投資。

CORPORATE SOCIAL RESPONSIBILITY

ENVIRONMENT

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

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

COMMUNITY ENGAGEMENT

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

企業社會責任

環境

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

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

社區投入

中國聯塑積極參與社區投資和社會公益，關愛社會弱勢群體，注重在集團所在的社區發揮影響力，為社區帶來積極正面的影響，並與所在社區建立良好關係。此外，本集團亦積極支持貧困地區的教育事業發展，鼓勵員工加入到社區服務和志願者工作。於報告期內，本集團開展了如雲南和貴州貧困地區教育事業及四川改善飲用水工程的扶貧濟困項目。

CORPORATE SOCIAL RESPONSIBILITY (Continued)

EMPLOYEE

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

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

CUSTOMER AND SUPPLIER

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

企業社會責任(續)

員工

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

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

客戶與供應商

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

DIRECTORS' REPORT

董事會報告

Set out below is the report presented by the Board together with the Group's audited consolidated financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2019 and the Group's financial position at that date are set out in the consolidated financial statements on pages 86 to 221.

The Board recommended the payment of a final dividend of HK28 cents per share for the year ended 31 December 2019 (the "Proposed Final Dividend") to the Shareholders whose names appear on the register of members of the Company on Tuesday, 2 June 2020, subject to the Shareholders' approval at the forthcoming annual general meeting of the Company to be held on Friday, 22 May 2020 (the "2020 AGM"). It is expected that the Proposed Final Dividend will be paid on Thursday, 11 June 2020.

Including the interim dividend of HK12 cents per share (2018: HK10 cents per share) for the six months ended 30 June 2019 which was paid to the Shareholders on 23 September 2019, the total dividend for 2019 amounts to a total of HK40.0 cents per share (2018: HK30 cents per share), which represents a payout ratio of 36.8% (2018: 32.7%) of the profit attributable to the Shareholders for the year ended 31 December 2019.

以下為董事會提呈的報告連同本集團截至2019年12月31日止年度的經審核綜合財務報表。

主要業務及業務回顧

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

業績及分配

本集團截至2019年12月31日止年度的溢利及本集團於該日的財務狀況載於第86至221頁的綜合財務報表內。

董事會建議向2020年6月2日(星期二)名列本公司股東名冊的股東派付截至2019年12月31日止年度的末期股息每股股份28港仙(「擬派末期股息」)，惟須待股東於本公司2020年5月22日(星期五)即將舉行的股東週年大會(「2020年股東週年大會」)批准方可作實。預期擬派末期股息將於2020年6月11日(星期四)支付。

經計及於2019年9月23日向股東派付截至2019年6月30日止六個月的中期股息每股12港仙(2018年：每股10港仙)後，2019年的總股息合共為每股40.0港仙(2018年：每股30港仙)，派息比率為截至2019年12月31日止年度股東應佔溢利的36.8%(2018年：32.7%)。

CLOSURE OF REGISTER OF MEMBERS

(A) FOR DETERMINING THE ENTITLEMENT TO ATTEND AND VOTE AT THE 2020 AGM

The register of members of the Company will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020, both dates inclusive, during this period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2020 AGM, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 18 May 2020.

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

The register of members of the Company will be closed from Friday, 29 May 2020 to Tuesday, 2 June 2020, both dates inclusive, during this period no transfer of shares of the Company will be registered. In order to be eligible to receive the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 28 May 2020.

CORPORATE GOVERNANCE AND PERMITTED INDEMNITY PROVISION

Principal corporate governance practices and permitted indemnity provision adopted by the Company are set out in the Corporate Governance Report on pages 15 to 41.

FINANCIAL SUMMARY

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

暫停辦理股份過戶登記手續

(A) 確定出席2020年股東週年大會並於會上投票的資格

本公司股東名冊將於2020年5月19日(星期二)至2020年5月22日(星期五)(包括首尾兩天)暫停登記, 這期間不會辦理本公司股份過戶登記手續。為取得出席2020年股東週年大會並於會上投票的資格, 本公司股份的未登記持有人須確保不遲於2020年5月18日(星期一)下午4時30分向本公司股份過戶登記分處 — 香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室) — 遞交所有股份過戶表格連同相關股票辦理登記。

(B) 確定收取擬派末期股息的資格

本公司股東名冊將於2020年5月29日(星期五)至2020年6月2日(星期二)(包括首尾兩天)暫停登記, 這期間不會辦理本公司股份過戶登記手續。為取得收取擬派末期股息的資格, 本公司股份的未登記持有人須確保不遲於2020年5月28日(星期四)下午4時30分向本公司股份過戶登記分處 — 香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室) — 遞交所有股份過戶表格連同相關股票辦理登記。

企業管治及獲准許彌償條文

本公司採納的主要企業管治常規及獲准許彌償條文刊載於第15至41頁的企業管治報告內。

財務概要

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

PROPERTIES

Particulars of the Group's major properties and property interests are set out on pages 222 to 225.

SHARE CAPITAL

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

ACQUISITION OF SUBSIDIARIES

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

DISTRIBUTABLE RESERVE

As at 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB2,935 million (2018: RMB2,523 million). The amount of RMB1,906 million (2018: RMB1,906 million) represented the Company's share premium which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the total turnover attributable to the Group's five largest customers was less than 4.0% of the Group's total turnover. The total purchase attributable to the Group's five largest suppliers was 41.3% of the Group's total purchases and the purchases from the largest supplier included therein amounted to 30.7%.

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

CHARITABLE DONATIONS

During the year, the Group's charitable donations were approximately RMB7.48 million (2018: RMB5.13 million).

物業

本集團主要物業及物業權益的詳情載於第222至225頁。

股本

本公司於年內的股本變動詳情載於綜合財務報表附註34。

收購附屬公司

收購附屬公司詳情載於綜合財務報表附註37。

可供分派儲備

於2019年12月31日，根據開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)計算的本公司可供分派儲備為人民幣29.35億元(2018年：人民幣25.23億元)。為數人民幣19.06億元(2018年：人民幣19.06億元)的款項指本公司可予分派的股份溢價，惟於緊隨建議派發股息之日，本公司將能夠償還日常業務範圍內的到期債務。

主要客戶及供應商

截至2019年12月31日止年度，本集團五大客戶應佔的總營業額少於本集團總營業額的4.0%。本集團五大供應商應佔的總購貨額是本集團總購貨額的41.3%，其中，最大供應商的購貨額佔30.7%。

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

慈善捐款

年內，本集團的慈善捐款約為人民幣748萬元(2018年：人民幣513萬元)。

TAX RELIEF AND EXEMPTION

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

PRE-EMPTIVE RIGHTS

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

DIRECTORS

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

EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kwok Ho Jonathan
Mr. Cheung Man Yu
Ms. Lan Fang
Dr. Tao Zhigang
Mr. Cheng Dickson

Pursuant to Article 16.18 of the articles of association of the Company, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang, Mr. Chen Guonan and Mr. Huang Guirong are subject to retirement by rotation at the 2020 AGM and, being eligible, offer themselves for re-election.

Biographical details of directors are set out on pages 8 to 13.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the 2020 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

稅務減免及豁免

董事並不知悉任何股東因持有本公司的證券而可享有任何稅務減免及豁免。

優先購買權

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

董事

於年內並截至本報告日期止在任的董事如下：

執行董事

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

獨立非執行董事

王國豪先生
張文宇先生
蘭芳女士
陶志剛博士
鄭迪舜先生

根據本公司的組織章程細則第16.18條，左滿倫先生、左笑萍女士、賴志強先生、陳國南先生和黃貴榮先生須於2020年股東週年大會上輪席告退，惟合資格並願膺選連任。

董事履歷刊載於第8至13頁。

董事服務合約

擬於2020年股東週年大會膺選連任的董事概無與本集團訂立不可於一年內由本集團終止而毋須支付賠償(法定賠償除外)的服務合約。

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

董事及行政總裁於股份、相關股份及債權證的權益及淡倉

As at 31 December 2019, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

於2019年12月31日，本公司董事及行政總裁於本公司或其任何相聯法團（證券及期貨條例第XV部內的定義）的股份、相關股份及債權證中擁有根據證券及期貨條例第352條須於本公司存置的登記冊中記錄，或根據標準守則須通知本公司及聯交所的權益及淡倉如下：

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

Notes:

附註：

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

(a) 字母「L」指該人士於該等證券的好倉。

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

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

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

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

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

(d) 該等股份實指上文附註(b)所述的同一本公司股份權益。

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

(Continued)

Save as disclosed above, as at 31 December 2019, none of the directors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF OTHER SHAREHOLDERS PURSUANT TO SFO

As at 31 December 2019, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

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

Notes:

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

Save as disclosed above, as at 31 December 2019, the directors of the Company were not aware of any person or corporation (other than the directors and chief executive of the Company) who had any interests or short positions in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

董事及行政總裁於股份、相關股份及債權證的權益及淡倉(續)

除上文所披露者外，於2019年12月31日，本公司董事或行政總裁概無於本公司或其任何相聯法團的任何股份、相關股份及債權證中擁有任何根據證券及期貨條例第352條須於登記冊中記錄，或根據標準守則須通知本公司及聯交所的權益或淡倉。

根據證券及期貨條例其他股東的權益及淡倉

於2019年12月31日，於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊中記錄的權益或淡倉的人士(本公司董事及行政總裁除外)如下：

附註：

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

除上文所披露者外，於2019年12月31日，本公司董事概不知悉任何人士或法團(本公司董事及行政總裁除外)於本公司任何股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊記錄的任何權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The share award scheme (the "Scheme") of the Company was adopted by the Company on 28 August 2018. The trustee of the Scheme, pursuant to the rules and trust deed of the Scheme, purchased on the Stock Exchange a total of 22,991,000 shares of the Company at a total consideration of about HK\$99.98 million. Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the reporting period.

SHARE AWARD SCHEME

On 28 August 2018, the Company adopted a share award scheme (the "Scheme") to recognise the contributions by certain eligible persons to the Group and to offer suitable incentives to attract and retain targeted talent and personnel for the continual operation and future development of the Group. On 29 November 2018, a trust deed (the "Trust Deed") was entered into between the Company as settlor and Computershare Hong Kong Trustees Limited as trustee (the "Trustee") in relation to the establishment of a trust (the "Trust"). Pursuant to the rules of the Scheme, Shares will be purchased by the Trustee from the open market out of cash contributed by the Company, and shall not exceed HK\$750 million and be held on trust for the selected participants until such Shares are vested with the relevant selected participants in accordance with the rules of the Scheme. The Scheme is a discretionary scheme of the Company and shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules. The Scheme will remain in force for a period of 10 years since the date of adoption of the Scheme. Early termination of the Scheme may be elected by the Board, provided that such termination shall not affect any subsisting rights of any selected participants. For details, please refer to the announcement made by the Company on 28 August 2018. Since the date of adoption of the Scheme and up to the date of this report, no shares have been awarded under the Scheme. As at 31 December 2019, there were 22,991,000 shares held in the Trust under the Scheme.

購買、出售或贖回上市證券

本公司於2018年8月28日採納股份獎勵計劃「該計劃」。該計劃的受託人根據該計劃的規則及信託契據，以總額約9,998萬港元在聯交所購入合共22,991,000股本公司股份。除上文所披露外，本公司或其任何附屬公司於報告期內概無購買、出售或贖回任何本公司的上市證券。

股份獎勵計劃

於2018年8月28日，本公司採納股份獎勵計劃（「該計劃」），以肯定若干合資格人士對本集團所作出的貢獻及給予適當激勵，藉此吸引及挽留目標人才及人員促進本集團的持續經營及未來發展。於2018年11月29日，本公司（作為財產授予人）與香港中央證券信託有限公司（作為信託人，「信託人」）就設立信託（「信託」）訂立信託契據（「信託契據」）。根據該計劃的規則，信託人將以本公司出資的現金自公開市場購入不超過7.50億港元的股份，並以信託形式代選定參與人持有，直至有關股份根據該計劃的規則歸屬於相關選定參與人為止。該計劃屬本公司的酌情計劃，並由董事會及信託人根據該計劃的規則及信託契據進行管理。該計劃並不構成上市規則第17章所界定的購股權計劃。該計劃將自採納該計劃當日起10年期間維持有效。董事會可選擇提早終止該計劃，惟有關終止不得影響任何選定參與人的任何存續權利。有關詳情請參閱本公司於2018年8月28日作出的公告。自採納該計劃當日起及截至本報告日期止，並無根據該計劃授出股份。於2019年12月31日，根據該計劃以信託形式持有22,991,000股股份。

SHARE OPTION SCHEME (Continued)

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

Eligible participants of the Share Option Scheme ("Eligible Persons") include (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and (g) an associate of any of the persons referred to in paragraphs (a) to (c) above.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 300,000,000 Shares, representing 9.67% of the issued Shares as at 31 December 2019. The maximum number of Shares issued and to be issued upon the exercise of the options granted to any Eligible Persons (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time. There is no minimum period for which an option must be held before it can be exercised. The subscription price in respect of any particular option shall be the price as the Board may in its discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the highest of: (a) the nominal value of a Share; (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date; and (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date.

購股權計劃(續)

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

購股權計劃的合資格參與人(「合資格人士」)包括(a)本集團任何成員公司的任何執行董事、經理，或擔當行政、管理、監督或類似職位的其他僱員、任何全職或兼職僱員，或暫時派往本集團任何成員公司全職工作或兼職工作的僱員；(b)本集團任何成員公司的董事或候任董事(包括獨立非執行董事)；(c)本集團任何成員公司的直接或間接股東；(d)本集團任何成員公司的貨品或服務供應商；(e)本集團任何成員公司的客戶、顧問、業務或合營夥伴、特許經營商、承包商、代理或代表；(f)向本集團任何成員公司提供設計、研究、開發或其他支援或任何諮詢、顧問、專業或其他服務的人士或實體；及(g)上述(a)至(c)段所述任何人士的聯繫人。

根據購股權計劃及本集團任何其他計劃授出的所有購股權獲行使而可予發行的股份總數，合共不得超出300,000,000股股份，佔於2019年12月31日已發行股份的9.67%。在任何12個月內，行使授予任何合資格人士之購股權(包括已行使及尚未行使的購股權)時已發行及將予發行之最高股份數目，不得超出本公司不時已發行股本之1%。概無規定購股權於可行使前須持有的最短期限。任何特定購股權的認購價須由董事會在授出相關購股權時酌情釐定，惟認購價不得低於以下各項的最高者：(a)股份面值；(b)股份於要約日期在聯交所每日報價表所示的收市價；及(c)緊接要約日期前五個營業日股份於聯交所每日報價表所示的平均收市價。

SHARE OPTION SCHEME (Continued)

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. An offer of the grant of a share option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the date of the Board approving the grant of the share options (the "Offer Date") provided that no such grant of an option may be accepted after the expiry of the effective period of the Share Option Scheme. An option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an option must be accepted by the relevant Eligible Person, being a date not later than 28 days after the Offer Date. Such remittance shall in no circumstances be refundable.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

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

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

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

購股權計劃(續)

購股權計劃的有效期自採納日期起計為期10年。提呈授出的購股權可由董事會批准授出購股權之日(「提呈日期」)起計28天期間內供有關合資格人士接納，但在購股權計劃的有效期屆滿後，則不可接納授出的購股權。當本公司於相關合資格人士必須接納提呈購股權當日(即提呈日期後不多於28天)或之前收到由承授人正式簽署構成接納提呈購股權的提呈函件複本連同支付本公司的價款1港元作為授出代價後，則購股權將被視為已授出及獲合資格人士接納及已生效。上述價款在任何情況下均不獲退還。

董事購買股份或債權證的安排

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

董事於重大合約的權益

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

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

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

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

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

(A) On 11 August 2016, the Company as guarantor and its wholly-owned subsidiary as borrower entered into a facility agreement (the "Facility Agreement I") in relation to syndicated term loan facilities in the amount of US\$600 million at an interest rate of LIBOR plus 1.85% per annum with syndicate lenders which were independent financial institutions. The loan made thereunder is repayable 42 months after the same has been made.

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

遵守及執行控股股東的不競爭承諾

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

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

根據上市規則第13.18條及第13.21條作出的披露

(A) 於2016年8月11日，本公司(作為擔保人)及其全資附屬公司(作為借款人)與銀團貸款人(獨立金融機構)訂立一項6億美元，年利率為倫敦銀行同業拆息加1.85%的銀團定期貸款融資之融資協議(「融資協議I」)。根據該協議項下作出之貸款須於貸款作出後42個月償還。

根據融資協議I，黃聯禧先生及其家族(統稱「黃氏家族」)須共同直接或間接擁有(且並無抵押)本公司已發行股本最少51%實益股權(佔最少51%的表決權)。否則，將被視為融資協議I項下的違約事件。

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES (Continued)

(B) On 15 August 2017, the Company as guarantor (the "Guarantor") and its wholly-owned subsidiary as borrower (the "Borrower") entered into a facility agreement (the "Facility Agreement II") in relation to syndicated term loan facilities in the amount of HK\$800 million at an interest rate of HIBOR plus 1.55% per annum with syndicate lenders (the "Facility"). The loan made thereunder is repayable 36 months after the same has been made.

On 22 September 2017, the Guarantor and the Borrower entered into a syndication and amendment agreement in relation to the Facility Agreement II (the "Amendment Agreement"). Pursuant to the Amendment Agreement, the number of syndicate lenders have increased and the total commitment under the Facility has increased to HK\$1,350 million. Save for the aforesaid amendment and supplement, all other major terms of the Facility Agreement II remain in full force and effect.

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

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

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

根據上市規則第13.18條及第13.21條作出的披露(續)

(B) 於2017年8月15日，本公司(作為擔保人(「擔保人」))及其全資附屬公司(作為借款人(「借款人」))與銀團貸款人訂立一項8億港元，年利率為香港銀行同業拆息加1.55%的銀團定期貸款融資(「該融資」)之融資協議(「融資協議II」)。根據該協議項下作出之貸款須於貸款作出後36個月償還。

於2017年9月22日，擔保人及借款人就融資協議II訂立銀團及修訂協議(「修訂協議」)。根據修訂協議，銀團貸款人數目已增加，而該融資項下之總承擔增至13.50億港元。除上述修訂及補充外，融資協議II之所有其他主要條款均維持十足效力及有效。

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

(C) 於2019年5月6日，本公司(作為擔保人)及其全資附屬公司(作為借款人)訂立一項1億美元，年利率為3.00%的可換股貸款融資協議(「可換股貸款融資協議」)。就各項融資的最後到期日而言，為該融資提取日期後36個月的日期。

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

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES (Continued)

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

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

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

CONNECTED TRANSACTIONS

For the year ended 31 December 2019, certain of the related party transactions as disclosed in note 40 to consolidated financial statements also constitute connected transactions or continuing connected transactions within the meaning of the Listing Rules and satisfied relevant disclosure requirements thereof. Details of the non-exempt connected transactions or continuing connected transactions are summarised below:

根據上市規則第13.18條及第13.21條作出的披露(續)

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

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

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

關連交易

截至2019年12月31日止年度，綜合財務報表附註40披露的若干關聯人士交易亦構成符合上市規則定義的關連交易或持續關連交易，並符合相關的披露要求。不獲豁免關連交易或持續關連交易詳情概述如下：

CONNECTED TRANSACTIONS (Continued)

PURCHASE OF MACHINERY

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

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

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

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

Annual Cap: RMB150 million (for the year ended 31 December 2019); and RMB150 million (for the year ending 31 December 2020)

Total consideration paid for the year: RMB114 million

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

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

關連交易(續)

購買機器

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

框架協議的細節已根據上市規則規定披露如下：

交易性質： 向廣東聯塑機器採購機器。

條款： 訂約方將協定的採購價不得超過當前市價。

年度上限： 人民幣1.50億元（截至2019年12月31日止年度）；及人民幣1.50億元（截至2020年12月31日止年度）

本年度支付總代價： 人民幣1.14億元

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

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

CONNECTED TRANSACTIONS (Continued)

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

RELATED PARTY TRANSACTIONS

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

PUBLIC FLOAT

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

AUDITOR

A resolution will be submitted to the 2020 AGM to re-appoint Ernst & Young as auditor of the Company.

By order of the Board

Zuo Manlun
Chief Executive and Director

Hong Kong, 27 March 2020

關連交易(續)

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

關聯人士交易

關聯人士交易的詳情載於綜合財務報表附註40。

公眾持股量

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

核數師

本公司將於2020年股東週年大會上提呈決議案，以續聘安永會計師事務所為本公司的核數師。

承董事會命

行政總裁兼董事
左滿倫

香港，2020年3月27日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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

OPINION

We have audited the consolidated financial statements of China Lesso Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 86 to 221, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致中國聯塑集團控股有限公司股東
(於開曼群島註冊成立的有限責任公司)

意見

我們已審核列載於第86至221頁的中國聯塑集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於2019年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基準

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

KEY AUDIT MATTERS

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

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

關鍵審核事項

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

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

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 如何應對關鍵審核事項
<p data-bbox="113 502 932 562"><i>Provision for impairment of trade and bills receivables and loan receivables</i> 貿易應收款項及票據和應收借款的減值撥備</p> <p data-bbox="113 584 796 922">At 31 December 2019, the Group had trade and bills receivables of RMB3,259,456,000, net of provision for impairment of RMB237,226,000, and loan receivables of RMB376,286,000, net of provision for impairment of RMB190,677,000, which in aggregate accounted for 8.91% of the total assets. The assessment of impairment of such trade and bills receivables and loan receivables was considered to be a matter of most significance as it required the application of judgement and use of subjective assumptions by management.</p> <p data-bbox="113 929 796 1166">於2019年12月31日，貴集團的貿易應收款項及票據賬面值為人民幣3,259,456,000元，該賬面值為扣除減值撥備人民幣237,226,000元之後之餘額，和應收借款賬面值為人民幣376,286,000元，該賬面值為扣除減值撥備人民幣190,677,000元之後之餘額，合共佔資產總額的8.91%。由於貿易應收款項及票據和應收借款的減值評估需要管理層作出判斷及使用主觀假設，故被視為最重要的事項。</p> <p data-bbox="113 1209 796 1511">HKFRS 9 requires that the impairment of financial assets should be measured by "expected credit loss" ("ECL") model. In order to measure the impairment of trade and bills receivables and loan receivables under HKFRS 9, management should use judgement, assumptions and estimation techniques in aspects such as judging significant increase in credit risk, estimating the parameters for measuring ECL and determining the forward-looking adjustments.</p> <p data-bbox="113 1517 796 1720">香港財務報告準則第9號規定，金融資產的減值應以「預期信貸虧損」(「預期信貸虧損」)模型計量。為根據香港財務報告準則第9號計量貿易應收款項及票據和應收借款的減值，管理層應於多方面(如就信貸風險大幅增加作出判斷、就計量預期信貸虧損的參數作出估計及釐定前瞻性調整)運用判斷、假設及估計方法。</p>	<p data-bbox="798 584 1305 644">Our audit procedures included among others: 我們的審核程序包括(但不限於)：</p> <p data-bbox="798 687 1441 1095">(i) Evaluated and tested the effectiveness of the design and implementation of key controls relating to approval, post approval monitoring, the credit grading management, and loan impairment assessment. We adopted a risk-based sampling approach in our tests of the allowances for impairment of trade and bills receivables and loan receivables; 評估及測試與審批、審批後監察、信貸評級管理及貸款減值評估方面有關的關鍵控制的設計及執行成效。我們於就貿易應收款項及票據和應收借款減值撥備的測試採用以風險為基礎的抽樣方法；</p> <p data-bbox="798 1172 1441 1338">(ii) Selected samples of performing loans considering size, risk factors, industry trends for our tests on the measurement of impairment; 考慮樣本大小、風險因素、行業趨勢等因素，選取履約貸款的樣本用於測試減值計量；</p>

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

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

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 如何應對關鍵審核事項
<p data-bbox="113 500 794 564"><i>Provision for impairment of manufacturing and trading related inventories</i> 製造及貿易相關存貨減值撥備</p> <p data-bbox="113 586 794 888">At 31 December 2019, the Group had manufacturing and trading inventories of RMB3,660,365,000, net of provision for impairment of RMB196,533,000, which represented 8.97% of the total assets. The provision for impairment mainly related to certain obsolete and slow-moving inventories. We focused on this area because these inventories are material to the Group and the provision for impairment of inventories involves a high level of management's judgement and estimate.</p> <p data-bbox="113 896 794 1095">於2019年12月31日，貴集團製造及貿易存貨賬面值為人民幣3,660,365,000元，該賬面值為扣除減值撥備人民幣196,533,000元之後之餘額，佔資產總額的8.97%。該減值撥備主要關於若干過時及滯銷存貨項目。我們重點關注該科目是由於該等存貨對於貴集團重大且存貨減值撥備涉及高度管理層判斷和估計。</p> <p data-bbox="113 1138 794 1203">Related disclosures in the consolidated financial statements are included in notes 2.4, 3 and 22.</p> <p data-bbox="113 1211 794 1233">於綜合財務報表內的相關披露載於附註2.4、3及22。</p>	<p data-bbox="801 586 1442 651">Our audit procedures included among others: 我們的審核程序包括(但不限於)：</p> <p data-bbox="801 694 1442 888">(i) Evaluated, amongst others, the analyses and assessments made by management with respect to obsolete and slow-moving inventories, including market values and expected selling prices of the related inventories and the Group's future plan of usage or sale; 評估(當中包括)管理層就過時及滯銷存貨作出的分析及評估，包括有關存貨的市值及預期售價，以及貴集團的未來使用或出售計劃；</p> <p data-bbox="801 1039 1442 1297">(ii) Assessed the reliability of the underlying data used by management in calculating the production related inventory provisions such as the inventory ageing reports, by re-performing the ageing calculation generated by the system; 重新計算系統產生的年期(如存貨年期報告)，以評估管理層用於計算生產相關存貨撥備的相關資料可靠性；</p> <p data-bbox="801 1341 1442 1513">(iii) Tested the accuracy of the management's calculation by assessing the calculation criteria and recalculating the provision; and 評估計算標準及重新計算撥備，以測試管理層計算的準確性；及</p> <p data-bbox="801 1556 1442 1750">(iv) Evaluated, based on a sample of production related inventories, the analyses performed by management regarding the net realisable values of the production related inventories. 抽樣檢查生產相關存貨，以評估管理層有關生產相關存貨可變現淨值的分析。</p>

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 如何應對關鍵審核事項
<p data-bbox="164 498 539 562"><i>Valuation of investment properties</i> 投資物業估值</p> <p data-bbox="164 584 825 1095">At 31 December 2019, the Group had investment properties of RMB6,870,181,000 which represented 16.84% of the total assets and were measured at fair value. The valuation of the investment properties is important to our audit as it represents a significant judgment area and an important part of the total assets of the Group. Management employed independent qualified valuers to assess the fair value. The valuation of the investment properties is highly dependent on a range of estimates made by the management. 於2019年12月31日，貴集團的投資物業賬面值為人民幣6,870,181,000元，佔資產總額的16.84%並按公允價值計量。由於投資物業估值涉及重大判斷且為貴集團資產總額的重要組成部分，故該估值對我們審核影響重大。管理層聘用獨立及合資格的估值師評估公允價值。投資物業估值高度依賴管理層作出的一系列估計範圍。</p> <p data-bbox="164 1138 825 1235">Related disclosures in the consolidated financial statements are included in notes 2.4, 3 and 14. 於綜合財務報表內的相關披露載於附註2.4、3及14。</p>	<p data-bbox="845 584 1378 644">We carried out all the procedures, among others: 我們已進行全部程序(包括)：</p> <ul style="list-style-type: none"> <li data-bbox="845 687 1471 784">(i) Considered the objectivity, independence and expertise of the professional valuers; 考慮專業估值師的客觀性、獨立性及專業知識； <li data-bbox="845 827 1471 957">(ii) Assessed the correctness of the property related data, which have been used as input for the valuations; 評估作為估值輸入數據的物業相關數據之正確性； <li data-bbox="845 1000 1471 1235">(iii) Engaged our internal specialists to assist us in analysing the valuations and challenging the underlying assumptions, such as the appropriateness of comparable lands under the sales comparison approach; and 委任內部專家協助我們分析估值及質疑相關假設，例如銷售比較法下可資比較土地的適合性；及 <li data-bbox="845 1278 1471 1440">(iv) Focused on the adequacy and appropriateness of the disclosures relating to the valuations of these investment properties. 專注於該等投資物業估值相關披露的充足性及適合性。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

年報所載的其他資料

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

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

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

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

核數師就審核綜合財務報表承擔的責任

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

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

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

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

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

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

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

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

核數師就審核綜合財務報表承擔的責任(續)

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

除其他事項外，我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部控制的任何重大缺陷。

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

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

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

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

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

27 March 2020

核數師就審核綜合財務報表承擔的責任(續)

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

出具本獨立核數師報告的審核項目合夥人是李美群。

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

2020年3月27日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2019
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
REVENUE	收入	5	26,344,523	23,733,517
Cost of sales	銷售成本		(18,807,404)	(17,505,068)
Gross profit	毛利		7,537,119	6,228,449
Other revenue, income and gains	其他收入、收益及利益	5	483,390	571,430
Selling and distribution expenses	銷售及分銷開支		(1,227,651)	(1,111,914)
Administrative expenses	行政開支		(1,263,440)	(1,080,820)
Impairment losses on financial and contract assets	金融及合約資產的減值虧損		(108,705)	(233,091)
Other expenses	其他開支		(968,546)	(840,531)
Finance costs	融資成本	6	(577,194)	(415,403)
Share of results of associates	分佔聯營公司業績		105,895	116,803
Share of results of joint ventures	分佔合營企業業績	18	1,053	616
PROFIT BEFORE TAX	除稅前溢利	7	3,981,921	3,235,539
Income tax expense	所得稅開支	9	(953,586)	(789,315)
PROFIT FOR THE YEAR	年內溢利		3,028,335	2,446,224
OTHER COMPREHENSIVE EXPENSE	其他全面開支			
Items that may be reclassified subsequently to profit or loss:	其後可能重新歸類至損益的項目：			
Debt instruments at fair value through other comprehensive income:	按公允價值計入其他全面收益的債務工具：			
Changes in fair value	公允價值變動		7,587	(758)
Reclassification adjustments for gain on disposal included in consolidated statement of profit or loss	重新歸類調整綜合損益表內之出售利益		(7,587)	-
			-	(758)
Share of other comprehensive expense of an associate, net of tax	分佔一間聯營公司的其他全面開支(稅後淨額)		(196)	(800)
Exchange differences on translation of foreign operations	折算外幣報表產生的匯兌差額		(27,660)	(207,018)
			(27,856)	(208,576)
Items that will not be reclassified to profit or loss:	其後不會重新歸類至損益的項目：			
Changes in fair value of equity instruments at fair value through other comprehensive income	按公允價值計入其他全面收益的股本工具的公允價值變動		(252,571)	(189,718)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR	年內其他全面開支		(280,427)	(398,294)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額		2,747,908	2,047,930

		Note	2019	2018
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Profit attributable to:	以下應佔溢利：			
Owners of the Company	本公司擁有人		3,024,701	2,491,774
Non-controlling interests	非控制權益		3,634	(45,550)
			3,028,335	2,446,224
Total comprehensive income attributable to:	以下應佔全面收益總額：			
Owners of the Company	本公司擁有人		2,733,430	2,089,225
Non-controlling interests	非控制權益		14,478	(41,295)
			2,747,908	2,047,930
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔每股盈利			
Basic and diluted	基本及攤薄	11	RMB0.98 人民幣 0.98 元	RMB0.80 人民幣0.80元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019
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
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	9,394,821	7,478,765
Prepaid land lease payments	預付土地租賃款	13A	–	1,337,959
Right-of-use assets	使用權資產	13B	1,614,395	–
Investment properties	投資物業	14	6,870,181	4,650,423
Deposits paid for the purchase of land, property, plant and equipment	購買土地、物業、廠房及設備所支付的按金		884,486	1,731,202
Goodwill	商譽	15A	398,589	363,133
Other intangible assets	其他無形資產	15B	336,109	257,787
Interests in associates	於聯營公司的權益	17	1,501,137	1,375,567
Interests in joint ventures	於合營企業的權益	18	10,356	9,303
Other financial assets	其他金融資產	19	1,771,120	1,852,511
Loan receivables	應收借款	20	11,613	163,422
Other non-current assets	其他非流動資產	21	70,784	360,097
Contract assets	合約資產	23	81,571	84,651
Deferred tax assets	遞延稅項資產	32	108,301	88,130
Total non-current assets	非流動資產總額		23,053,463	19,752,950
CURRENT ASSETS	流動資產			
Inventories	存貨	22	3,966,048	3,521,214
Contract assets	合約資產	23	279,443	327,279
Other financial assets	其他金融資產	19	8,363	47,649
Loan receivables	應收借款	20	364,673	355,470
Trade and bills receivables	貿易應收款項及票據	24	3,259,456	2,379,447
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	25	2,249,130	1,800,477
Cash and bank deposits	現金及銀行存款	26	7,604,221	6,451,791
Total current assets	流動資產總額		17,731,334	14,883,327
CURRENT LIABILITIES	流動負債			
Contract liabilities	合約負債	23	1,725,300	1,482,994
Trade and bills payables	貿易應付款項及票據	27	5,829,534	4,277,323
Other payables and accruals	其他應付款項及應計費用	28	1,181,792	927,482
Tax payable	應付稅項		289,958	272,780
Borrowings	借款	29	11,411,319	6,144,492
Lease liabilities	租賃負債	13C	88,843	–
Total current liabilities	流動負債總額		20,526,746	13,105,071
NET CURRENT (LIABILITIES)/ ASSETS	流動(負債)/資產淨額		(2,795,412)	1,778,256
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		20,258,051	21,531,206

		Note	2019	2018
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	借款	29	1,267,061	5,586,566
Convertible loans	可換股貸款	30	652,595	–
Lease liabilities	租賃負債	13C	117,281	–
Other long-term payables	其他長期應付款項		106,093	109,546
Derivative financial instruments	衍生金融工具	31	14,360	6,592
Deferred tax liabilities	遞延稅項負債	32	788,671	572,967
Deferred income	遞延收益	33	217,594	182,670
Total non-current liabilities	非流動負債總額		3,163,655	6,458,341
Net assets	資產淨額		17,094,396	15,072,865
EQUITY	權益			
Share capital	股本	34	135,344	135,344
Reserves	儲備	35	16,440,901	14,667,985
Equity attributable to owners of the Company	本公司擁有人應佔權益		16,576,245	14,803,329
Non-controlling interests	非控制權益		518,151	269,536
Total equity	權益總額		17,094,396	15,072,865

Wong Luen Hei
黃聯禧
Director
董事

Luo Jianfeng
羅建峰
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2019
截至2019年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔												
		Share capital	Share premium	Shares held for share award scheme	Statutory reserve ^(a)	Capital reserve ^(b)	Merger reserve	Fair value revaluation reserve	Exchange fluctuation reserve	Convertible loans equity reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	股份獎勵計劃所持股份	法定儲備 ^(a)	資本儲備 ^(b)	合併儲備	公允價值重估儲備	匯率波動儲備	可換股貸款權益儲備	保留溢利	總計	非控制權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	135,344	1,905,618	-	1,678,064	8,534	5,515	205,703	44,802	-	9,506,335	13,489,915	293,576	13,783,491
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	2,491,774	2,491,774	(45,550)	2,446,224
Other comprehensive expense for the year	年內其他全面開支	-	-	-	-	-	-	(190,476)	(212,073)	-	-	(402,549)	4,255	(398,294)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(190,476)	(212,073)	-	2,491,774	2,089,225	(41,295)	2,047,930
Acquisition of non-controlling interests	收購非控制權益	-	-	-	-	(59,994)	-	-	-	-	-	(59,994)	(60,346)	(120,340)
Capital contributions from non-controlling interests	非控制權益出資	-	-	-	-	-	-	-	-	-	-	-	16,513	16,513
Non-controlling interests arising from business combination	業務合併產生的非控制權益	-	-	-	-	-	-	-	-	-	-	-	49,958	49,958
Transfer of fair value reserve upon the disposal of equity instruments at FVTOCI	出售按公允價值計入其他全面收益的股本工具後轉讓至公允價值儲備	-	-	-	-	-	-	(90,472)	-	-	90,472	-	-	-
Disposal of subsidiaries	出售附屬公司	-	-	-	(381)	-	-	-	-	-	-	(381)	11,130	10,749
Dividends recognised as distributions to owners (note 10)	確認為向擁有人分派的股息(附註10)	-	-	-	-	-	-	-	-	-	(715,436)	(715,436)	-	(715,436)
Appropriation to statutory reserve	轉撥至法定儲備	-	-	-	370,177	-	-	-	-	-	(370,177)	-	-	-
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	135,344	1,905,618 ^(a)	-	2,047,860 ^(a)	(51,460) ^(a)	5,515 ^(a)	(75,245) ^(a)	(167,271) ^(a)	-	11,002,968 ^(a)	14,803,329	269,536	15,072,865
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	3,024,701	3,024,701	3,634	3,028,335
Other comprehensive expense for the year	年內其他全面開支	-	-	-	-	-	-	(252,571)	(38,700)	-	-	(291,271)	10,844	(280,427)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(252,571)	(38,700)	-	3,024,701	2,733,430	14,478	2,747,908
Acquisition of non-controlling interests	收購非控制權益	-	-	-	-	(36,419)	-	-	-	-	-	(36,419)	21,361	(15,058)
Capital contributions from non-controlling interests	非控制權益出資	-	-	-	-	-	-	-	-	-	-	-	90,423	90,423
Non-controlling interests arising from business combination (note 37)	業務合併產生的非控制權益(附註37)	-	-	-	-	-	-	-	-	-	-	-	122,612	122,612
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	-	-	(259)	(259)
Transfer of fair value reserve upon the disposal of equity instruments at FVTOCI	出售按公允價值計入其他全面收益的股本工具後轉讓至公允價值儲備	-	-	-	-	-	-	(56,476)	-	-	56,476	-	-	-
Issuance of convertible loans (note 30)	發行可換股貸款(附註30)	-	-	-	-	-	-	-	-	27,605	-	27,605	-	27,605
Dividends recognised as distributions to owners (note 10)	確認為向擁有人分派的股息(附註10)	-	-	-	-	-	-	-	-	-	(866,871)	(866,871)	-	(866,871)
Shares purchased for share award scheme (note 36(B))	就股份獎勵計劃購入股份(附註36(B))	-	-	(85,440)	-	-	-	-	-	-	-	(85,440)	-	(85,440)
Share of capital reserve of an associate	分佔一間聯營公司的資本儲備	-	-	-	-	611	-	-	-	-	-	611	-	611
Appropriation to statutory reserve	轉撥至法定儲備	-	-	-	221,654	-	-	-	-	-	(221,654)	-	-	-
At 31 December 2019	於2019年12月31日	135,344	1,905,618 ^(a)	(85,440) ^(a)	2,269,514 ^(a)	(87,268) ^(a)	5,515 ^(a)	(384,292) ^(a)	(205,971) ^(a)	27,605 ^(a)	12,995,620 ^(a)	16,576,245	518,151	17,094,396

[#] These reserve accounts comprise the reserves of RMB16,440,901,000 (2018: RMB14,667,985,000) in the consolidated statement of financial position.

[#] 該等儲備賬構成綜合財務狀況表中儲備人民幣16,440,901,000元(2018年:人民幣14,667,985,000元)。

Note:

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

附註：

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

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2019
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
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	3,981,921	3,235,539
Adjustments for:	就以下各項作出調整：		
Interest income	利息收益	5 (125,320)	(111,149)
Government grants released	已撥入的政府補助	(8,853)	(4,300)
Gain on fair value changes of investment properties	投資物業公允價值變動利益	5 (147,997)	(311,809)
Gain on fair value changes of financial instruments at fair value through profit or loss	按公允價值計入損益的金融工具的公允價值變動利益	5 (3,432)	(7,098)
Gain on disposal of debt instrument at fair value through other comprehensive income	出售按公允價值計入其他全面收益的債務工具利益	5 (7,587)	–
Investment income	投資收益	5 (19,693)	(32,178)
Gain on termination of right-of-use assets	終止使用權資產所得利益	5 (5,992)	–
Interest expenses	利息開支	6 577,194	415,403
Depreciation and amortisation	折舊及攤銷	7 996,751	758,156
Write-down/(write-back) of inventories to net realisable value, net	撇減/(撥回)存貨至可變現淨值淨額	7 5,691	(13,238)
Loss on disposal of items of other intangible assets and property, plant and equipment	出售其他無形資產和物業、廠房及設備項目的虧損	7 14,575	40,838
Loss on fair value changes of derivative financial instruments	衍生金融工具公允價值變動虧損	7 7,768	–
Loss/(gain) on disposal of subsidiaries	出售附屬公司虧損/(利益)	7 8,324	(33,273)
Impairment of property, plant and equipment	物業、廠房及設備減值	7 9,880	2,711
Impairment of trade and bills receivables, net	貿易應收款項及票據減值淨額	7 35,486	51,736
Impairment of prepayments	預付款減值	7 34,330	–
Impairment of other receivables	其他應收款項減值	7 38,990	–
Impairment of contract assets	合約資產減值	7 3,052	21,855
Impairment of goodwill	商譽減值	7 29,100	372
Impairment of loan receivables	應收借款減值	7 31,177	159,500
Share of results of associates	分佔聯營公司業績	(105,895)	(116,803)
Share of results of joint ventures	分佔合營企業業績	18 (1,053)	(616)
		5,348,417	4,055,646
Decrease in other non-current assets	其他非流動資產減少	290,154	92,196
Increase in inventories	存貨增加	(274,178)	(297,192)
Decrease/(increase) in contract assets	合約資產減少/(增加)	54,505	(111,955)
Decrease in loan receivables	應收借款減少	111,429	111,524
Increase in trade and bills receivables	貿易應收款項及票據增加	(632,910)	(387,989)
Increase in prepayments, deposits and other receivables	預付款、按金及其他應收款項增加	(319,659)	(437,779)
Increase in contract liabilities	合約負債增加	170,062	261,270
Increase in trade and bills payables	貿易應付款項及票據增加	1,199,408	1,327,056
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用(減少)/增加	(4,935)	234,389
(Decrease)/increase in other long-term payables	其他長期應付款項(減少)/增加	(3,217)	3,448
Increase in deferred income	遞延收益增加	43,778	49,958
Cash generated from operations	經營產生的現金	5,982,854	4,900,572
Bank interest received	已收銀行利息	102,460	105,140
Corporate income tax paid	已付企業所得稅	(773,122)	(595,975)
Net cash flows from operating activities	經營活動所得現金流量淨額	5,312,192	4,409,737

	Note 附註	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(1,781,326)	(1,309,966)
Proceeds from disposal of items of other intangible assets and property, plant and equipment		294,536	76,306
Additions to right-of-use assets/ prepaid land lease payments		(107,203)	(73,510)
Additions to investment properties		(1,085,295)	(829,950)
Deposit for right-of-use assets		(2,222)	-
Additions to other intangible assets		(10,750)	(5,739)
Additions to associates		(6,621)	(1,143,325)
Acquisitions of subsidiaries	37	(1,162,818)	(384,446)
Proceeds from disposal of subsidiaries		17,462	7,224
Purchases of other financial assets		(612,027)	(860,747)
Proceeds from disposal of other financial assets		514,735	469,627
Proceeds from early redemption of convertible notes		-	141,305
Investment income received		19,693	32,178
Dividend received from an associate		19,326	-
Interest received from other financial assets		22,875	8,088
Contingent consideration paid for the acquisition of subsidiaries		-	(56,000)
Prepayment for acquisition of a subsidiary		-	(354,293)
Increase in restricted cash		(183,822)	(283,344)
Net cash flows used in investing activities		(4,063,457)	(4,566,592)
FINANCING ACTIVITIES			
New bank borrowings raised		6,264,914	6,446,937
Repayment of bank and other loans		(5,725,736)	(3,404,925)
Convertible loans raised		667,718	-
Capital contributions from non-controlling interests		90,423	16,513
Acquisition of non-controlling interests		(15,058)	(78,897)
Purchase of shares for share award scheme		(85,440)	-
Repayment of lease liabilities		(92,406)	-
Interest paid		(530,490)	(397,996)
Dividends paid		(866,871)	(715,436)
Net cash flows (used in)/from financing activities		(292,946)	1,866,196
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year		5,393,836	3,677,759
Effect of foreign exchange rate changes, net		12,819	6,736
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		6,362,444	5,393,836
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Time deposits with original maturity of three months or less when acquired	26	454,916	8,440
Cash and bank balances	26	5,907,528	5,385,396
		6,362,444	5,393,836

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. CORPORATE AND GROUP INFORMATION

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

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

2.1 BASIS OF PREPARATION

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

As at 31 December 2019, the Group recorded net current liabilities of RMB2,795,412,000, which was mainly resulted from two syndicated loans (the “Syndicated Loans”) of US\$599,001,000 (equivalent to approximately RMB4,174,913,000) and HK\$1,346,558,000 (equivalent to approximately RMB1,206,220,000) which will be due for repayment in July 2020 and October 2020, respectively, as disclosed in note 29 to the consolidated financial statements.

1. 公司及集團資料

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

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

2.1 編製基準

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

於2019年12月31日，本集團錄得流動負債淨額人民幣2,795,412,000元，主要由於綜合財務報表附註29所披露的599,001,000美元（相當於約人民幣4,174,913,000元）及1,346,558,000港元（相當於約人民幣1,206,220,000元）的兩項銀團貸款（「銀團貸款」）分別將於2020年7月及2020年10月到期償還所致。

2.1 BASIS OF PREPARATION (Continued)

On 30 July 2019, the Company (as guarantor) and its wholly-owned subsidiary (as borrower) entered into a facility agreement (the "Facility Agreement"), in relation to dual currency syndicated term loan and revolving credit facilities in the equivalent amount of US\$900,000,000 (the "Facilities"). The final maturity date under the Facility Agreement is the date falling 48 months after the first utilisation date. On 23 October 2019, an amendment agreement in relation to the Facility Agreement was entered into to increase the total commitment under the Facilities to the equivalent amount of US\$1,100,000,000 for general corporate purpose, including the refinancing of the Group's existing financial indebtedness. The directors of the Company believe the Group will be able to continue to generate positive cash flows from its operations. On this basis, the directors of the Company consider that the Group is able to meet in full its financial obligations as they fall due in the coming 12 months. Accordingly, the consolidated financial statements have been prepared by the directors of the Company on a going concern basis.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

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

2.1 編製基準(續)

於2019年7月30日，本公司(作為擔保人)及其全資附屬公司(作為借款人)訂立一項融資協議(「融資協議」)，內容有關金額相當於900,000,000美元的雙幣銀團定期貸款及循環信貸融資(「融資」)。融資協議的最後到期日為首次動用日期起計48個月屆滿當日。於2019年10月23日，有關融資協議的修訂協議訂立，將融資之總承擔額增至相當於1,100,000,000美元以作一般企業用途(其中包括本集團現有財務負債再融資)。本公司董事相信，本集團可繼續從業務營運產生正向現金流。在此基礎上，本公司董事認為本集團有能力承擔將於未來12個月到期的全部債務。因此，本公司董事按持續經營基準編製綜合財務報表。

綜合基準

綜合財務報表包括本公司及其附屬公司截至2019年12月31日止年度的財務報表。

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

2.1 BASIS OF PREPARATION (Continued)

BASIS OF CONSOLIDATION (Continued)

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

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

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 編製基準(續)

綜合基準(續)

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

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised standards for the first time for the current year's consolidated financial statements.

HKFRS 16	Leases
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as further explained below, the application of these new and revised standards has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. For a sublease arrangement, the classification of the sublease is made by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. HKFRS 16 did not have any significant impact on leases where the Group is the lessor.

2.2 會計政策及披露事項變動

本集團於本年度綜合財務報表內首次應用下列新訂及經修訂準則。

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不確定性
香港財務報告準則第9號修訂本	具有負補償之預付款項特性
香港會計準則第19號修訂本	計劃修訂、縮減或結清
香港會計準則第28號修訂本	於聯營公司及合營企業之長期權益
年度改善2015年至2017年週期	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號的修訂本

除下文進一步闡釋外，應用該等新訂及經修訂準則對本集團本年度及過往年度的財務表現及狀況及／或載列於本綜合財務報表之披露並無任何重大影響。

香港財務報告準則第16號

香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)一詮釋第4號釐定安排是否包括租賃、香港(常設詮釋委員會)一詮釋第15號經營租賃一優惠及香港(常設詮釋委員會)一詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列租賃確認、計量、呈列及披露的原則，並要求承租人採用單一資產負債表內模型對所有租賃進行會計處理，以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。根據香港財務報告準則第16號的出租人會計處理與根據香港會計準則第17號的會計處理大致不變。出租人繼續採用與香港會計準則第17號類似的原則將租賃分為經營租賃或融資租賃。對於轉租安排，轉租賃乃參考總租賃產生的使用權資產分類，而非參考相關資產。香港財務報告準則第16號並無對本集團為出租人的租賃產生任何重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 16 (Continued)

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

(a) New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a 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 obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2.2 會計政策及披露事項變動(續)

香港財務報告準則第16號(續)

本集團採用香港財務報告準則第16號時使用經修訂追溯法，並於2019年1月1日首次應用。根據以上方法，已追溯應用該準則，而首次應用的累計影響作為對2019年1月1日保留溢利期初結餘的調整，2018年的比較資料並無重列，並繼續根據香港會計準則第17號及相關詮釋呈報。

(a) 新租賃定義

香港財務報告準則第16號規定，如果合約將可識別資產於一定期間內之使用控制權有償轉讓，則該合約為租賃或包含租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益以及擁有指示使用可識別資產的權利時，即有控制權。本集團選擇應用過渡性的實際權宜辦法以允許該準則僅適用於先前於首次應用日期已根據香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號確定為租賃之合約。根據香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號未確定為租賃的合約不會重新評估。因此，香港財務報告準則第16號下的租賃定義僅應用於在2019年1月1日或之後訂立或變更的合約。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 16 (Continued)

(b) As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of leasehold land, plants and buildings, motor vehicles and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities as finance costs.

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The Group elected to present the lease liabilities separately in the consolidated statement of financial position.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the consolidated statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the consolidated statement of financial position.

2.2 會計政策及披露事項變動(續)

香港財務報告準則第16號(續)

(b) 作為承租人 — 先前分類為經營租賃的租賃

採用香港財務報告準則第16號的影響性質

本集團擁有多個租賃業權土地、廠房及樓宇、汽車及其他設備項目的租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權的絕大部分回報及風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團採用單一方法確認及計量所有租賃的使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及租期為十二個月或以下的租賃(「短期租賃」)(按相關資產類別選擇)的兩項選擇性豁免除外。本集團並非於2019年1月1日開始的租期內按直線法確認經營租賃的租金支出，而是確認使用權資產的折舊(及減值(如有))以及未償還租賃負債的應計利息為融資成本。

過渡影響

於2019年1月1日之租賃負債按剩餘租賃款的現值，經使用2019年1月1日的增量借款利率貼現後予以確認。本集團選擇於綜合財務狀況表中單獨列示租賃負債。

使用權資產根據租賃負債金額計量，並就緊接2019年1月1日前於綜合財務狀況表確認的租賃相關的任何預付或應計租賃款金額作出調整。所有該等資產於該日均根據香港會計準則第36號就任何減值作出評估。本集團選擇於綜合財務狀況表中單獨列示使用權資產。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 16 (Continued)

(b) As a lessee — Leases previously classified as operating leases (Continued)

Impact on transition (Continued)

For the leasehold land and buildings that were held to earn rental income and/or for capital appreciation previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

For the leases previously accounted for as operating leases and entered into for earning sublease rental income, the related right-of-use assets of the head leases amounting to RMB48,080,000 were measured at fair value at 1 January 2019, and have been accounted for and classified as investment properties applying HKAS 40 from that date.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics when measuring the lease liabilities at 1 January 2019
- Excluding initial direct costs from the measurement of the right-of-use assets at the date of initial application

2.2 會計政策及披露事項變動(續)

香港財務報告準則第16號(續)

(b) 作為承租人 — 先前分類為經營租賃的租賃(續)

過渡影響(續)

對於先前包括在投資物業內並按公允價值計量的租賃業權土地及樓宇(為賺取租金收入及/或作資本增值而持有), 本集團於2019年1月1日繼續將其包括在投資物業內。其繼續應用香港會計準則第40號按公允價值計量。

對於先前入賬列為經營租賃及為賺取轉租租金收益而訂立的租賃, 總租賃的相關使用權資產人民幣48,080,000元於2019年1月1日按公允價值計量, 並自該日起應用香港會計準則第40號入賬及分類為投資物業。

於2019年1月1日應用香港財務報告準則第16號時, 本集團使用以下選擇性實際權宜辦法:

- 對租期於首次應用日期起計十二個月內結束的租賃應用短期租賃豁免
- 倘合約包含延期/終止租賃的選擇權, 則於事後釐定租期
- 於2019年1月1日計量租賃負債時對具有合理相似特徵的租賃組合使用單一貼現率
- 於首次應用日期, 使用權資產的計量不包括初始直接成本

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

2.2 會計政策及披露事項變動(續)

HKFRS 16 (Continued)

香港財務報告準則第16號(續)

(c) Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 as at 1 January 2019 was as follows:

(c) 於2019年1月1日的財務影響

於2019年1月1日因採納香港財務報告準則第16號所產生的影響如下：

		Increase/(decrease) 增加/(減少) RMB'000 人民幣千元
Assets:	資產：	
Increase in right-of-use assets	使用權資產增加	1,689,086
Increase in investment properties	投資物業增加	48,080
Decrease in prepaid land lease payments	預付土地租賃款減少	(1,337,959)
Decrease in prepayments, deposits and other receivables	預付款、按金及其他應收款項減少	(30,455)
Increase in total assets	資產總額增加	368,752
Liabilities:	負債：	
Increase in lease liabilities and total liabilities	租賃負債及負債總額增加	368,752

The lease liabilities as at 1 January 2019 reconciled to the operating lease arrangements as at 31 December 2018 are as follows:

於2019年1月1日的租賃負債與於2018年12月31日的經營租賃安排的對賬如下：

		RMB'000 人民幣千元
Operating lease arrangements as at 31 December 2018	於2018年12月31日的經營租賃安排	349,861
Less: Arrangements relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	減：與短期租賃及剩餘租期於2019年12月31日或之前結束的租賃相關的安排	(6,539)
Arrangements relating to leases of low-value assets	與低價值資產的租賃相關的安排	(982)
Add: Management service fee not included in arrangements as at 31 December 2018	加：於2018年12月31日未包括在安排中的管理服務費	113,490
		455,830
Weighted average incremental borrowing rate as at 1 January 2019	於2019年1月1日的加權平均增量借款利率	4.69%
Discounted operating lease arrangements and lease liabilities as at 1 January 2019	於2019年1月1日的貼現經營租賃安排及租賃負債	368,752

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

Amendments to HKAS 1 and HKAS 8	Definition of Material ¹
Amendments to HKFRS 3	Definition of a Business ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ¹
HKFRS 17	Insurance Contracts ²
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Mandatory effective date not yet determined

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

2.3 已頒佈但尚未生效的香港財務報告準則

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

香港會計準則第1號及香港會計準則第8號修訂本	重大的定義 ¹
香港財務報告準則第3號修訂本	業務的定義 ¹
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本	利率基準改革 ¹
香港財務報告準則第17號	保險合約 ²
香港財務報告準則第10號及香港會計準則第28號(2011)修訂本	投資者與其聯營公司或合營企業之間的資產出售或投入 ³

¹ 適用於2020年1月1日或以後開始的年度期間

² 適用於2021年1月1日或以後開始的年度期間

³ 尚未釐定強制生效日期

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

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

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

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

2.4 主要會計政策概要

於聯營公司及合營企業的投資

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTEREST IN JOINT OPERATION

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

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

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

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

2.4 主要會計政策概要(續)

於合營業務之權益

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

本集團就其於合營業務之權益確認：

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS AND GOODWILL

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

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS AND GOODWILL (Continued)

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

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE MEASUREMENT

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

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

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

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

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

2.4 主要會計政策概要(續)

公允價值之計量

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE MEASUREMENT (Continued)

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

2.4 主要會計政策概要(續)

公允價值之計量(續)

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

非金融資產減值

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RELATED PARTIES

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

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

or

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

2.4 主要會計政策概要(續)

關聯人士

於下列情況下，有關人士將被視為本集團的關聯人士：

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

或

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

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

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

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

Freehold land	Not depreciated
Land and buildings	2.3% to 5%
Plant and machinery	9% to 19%
Furniture, fixtures and office equipment	9.5% to 32.3%
Motor vehicles	9.5% to 32.3%
Leasehold improvements	Over the shorter of the lease terms and 20%

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

2.4 主要會計政策概要(續)

物業、廠房及設備之折舊

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

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

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

永久業權土地	並無折舊
土地及樓宇	2.3%至5%
廠房及機器	9%至19%
家具、裝置及辦公室設備	9.5%至32.3%
汽車	9.5%至32.3%
租賃物業裝修	按租期與20%兩者中的較短者

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (Continued)

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

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

INVESTMENT PROPERTIES

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset (2018: leasehold property under an operating lease) which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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

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

2.4 主要會計政策概要(續)

物業、廠房及設備之折舊(續)

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

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

投資物業

投資物業乃持作賺取租金收入及／或作資本增值之土地及樓宇權益(包括可能符合投資物業定義之持作使用權資產之租賃物業(2018年：於經營租賃下之租賃物業))，而非用於生產或供應貨品或服務；或非用作行政用途；或非作日常業務中之銷售。當中包括就尚未決定未來用途持有之土地及興建中或已發展作未來作投資物業之物業。該等物業初步按成本(包括交易成本)計量。於初始確認後，投資物業以反映於報告期末市況之公允價值入賬。

投資物業公允價值變動利益或虧損於產生之年度計入損益。

投資物業報廢或出售時產生的任何利益或虧損於報廢或出售的年度於損益中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTANGIBLE ASSETS (OTHER THAN GOODWILL)

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

Computer software

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

Research and development costs

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

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

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

Patents and proprietary technologies

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

2.4 主要會計政策概要(續)

無形資產(商譽除外)

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

電腦軟件

電腦軟件以成本減任何減值虧損列賬，並以直線法按其估計可使用年期五年攤銷。

研發成本

全部研究成本於產生時於損益內扣除。

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

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

專利及專有技術

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTANGIBLE ASSETS (OTHER THAN GOODWILL) (Continued)

Trademark, brand name and operating concession rights

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

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

LEASES (APPLICABLE FROM 1 JANUARY 2019)

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

Group as a lessee

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

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

商標、商號及特許經營權

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

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

租賃(自2019年1月1日起適用)

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

本集團作為承租人

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (APPLICABLE FROM 1 JANUARY 2019) (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

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

Leasehold land	20 to 50 years
Plants and buildings	1 to 17 years
Motor vehicles	1 to 3 years
Other equipment	1 to 3 years

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

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

2.4 主要會計政策概要(續)

租賃(自2019年1月1日起適用)(續)

本集團作為承租人(續)

(a) 使用權資產

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

租賃業權土地	20至50年
廠房及樓宇	1至17年
汽車	1至3年
其他設備	1至3年

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (APPLICABLE FROM 1 JANUARY 2019) (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

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

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

2.4 主要會計政策概要(續)

租賃(自2019年1月1日起適用)(續)

本集團作為承租人(續)

(b) 租賃負債

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (APPLICABLE FROM 1 JANUARY 2019) (Continued)

Group as a lessee (Continued)

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

The Group applies the short-term lease recognition exemption to its short-term leases of plants and buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

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

Group as a lessor

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

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

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

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

2.4 主要會計政策概要(續)

租賃(自2019年1月1日起適用)(續)

本集團作為承租人(續)

(c) *短期租賃及低價值資產的租賃*

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

短期租賃及低價值資產的租賃的租賃付款於租賃期內按直線法確認為開支。

本集團作為出租人

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (APPLICABLE BEFORE 1 JANUARY 2019)

Finance leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

When the Group is a lessor under finance leases, an amount representing the minimum lease payment receivables and initial direct costs is included in the consolidated statement of financial position as loan receivables. Any unguaranteed residual value is also recognised at the inception of the lease. The difference between the sum of the minimum lease payment receivables, initial direct costs, the unguaranteed residual value and their present value is recognised as unearned finance income. Unearned finance income is recognised over the period of the lease using the effective interest rate method.

2.4 主要會計政策概要(續)

租賃(於2019年1月1日前適用)

融資租賃

凡將資產擁有權(法定業權除外)的大部分回報與風險轉讓至本集團的租賃均列為融資租賃。於融資租賃生效時，租賃資產之成本乃按最低租金款項之現值資本化，並連同債務(不包括利息部分)一併入賬，以反映購買及融資狀況。根據資本化融資租賃持有的資產(包括融資租賃之預付土地租賃款)乃計入物業、廠房及設備，並按租期與資產的估計可用年期兩者中的較短者計算折舊。該等租賃的融資成本乃在損益內扣除，以於租期內作出定期定額扣減。

透過融資性質的租購合約收購的資產乃列為融資租賃，並按其估計可用年期計算折舊。

倘本集團為融資租賃的出租人，應收最低租金款項及初始直接成本的款項於綜合財務狀況表內列作應收借款。於租賃生效時亦會確認未擔保剩餘價值。應收最低租金款項、初始直接成本及未擔保剩餘價值之總和與其現值之間的差額乃確認為未實現融資收益。未實現融資收益乃於租期內使用實際利率法確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (APPLICABLE BEFORE 1 JANUARY 2019) (Continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

INVESTMENTS AND OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

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

2.4 主要會計政策概要(續)

租賃(於2019年1月1日前適用)(續)

經營租賃

資產擁有權的絕大部分回報與風險仍歸於出租人的租賃列作經營租賃。倘本集團為出租人，則本集團根據經營租賃所出租的資產計入非流動資產，而經營租賃的應收租金則按照租期以直線法計入損益內。倘本集團為承租人，則經營租賃的應付租金按照租期以直線法在損益內扣除。

經營租賃下的預付土地租賃款初始按成本入賬，而隨後於租期內按直線法確認。

投資及其他金融資產

初始確認及計量

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

Initial recognition and measurement (Continued)

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

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

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

Subsequent measurement

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

Financial assets at amortised cost

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

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

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

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

其後計量

金融資產的其後計量視乎下述分類而定：

按攤銷成本列賬的金融資產

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

Subsequent measurement (Continued)

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

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

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

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

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量(續)

按公允價值計入其他全面收益的金融資產(債務工具)

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

指定為按公允價值計入其他全面收益的金融資產(股本工具)

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

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

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

DERECOGNITION OF FINANCIAL ASSETS

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量(續)

按公允價值計入損益之金融資產

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

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

終止確認金融資產

只有當收取資產現金流量之合約權利屆滿時，或將其金融資產及該等資產擁有權之絕大部分風險及回報轉移予另一實體時，本集團方會終止確認金融資產。倘本集團並未轉移亦無保留擁有權之絕大部分風險及回報，並繼續控制已轉移資產，則本集團繼續按持續參與之幅度將資產確認入賬並確認相關負債。倘本集團仍保留已轉移金融資產擁有權之絕大部分風險及回報，本集團將繼續確認該金融資產以及將已收所得款項確認為有抵押借貸。

於終止確認全部金融資產時，該項資產賬面值與已收及應收代價及於其他全面收益確認並於權益累計之盈虧總和間之差額會於損益確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DERECOGNITION OF FINANCIAL ASSETS (Continued)

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

IMPAIRMENT OF FINANCIAL ASSETS

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

General approach

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

2.4 主要會計政策概要(續)

終止確認金融資產(續)

除全面終止確認外，於終止確認金融資產時，本集團將金融資產之過往賬面值在其仍確認為繼續參與之部分及不再確認之部分之間，按照該兩者於轉讓日期之相對公允價值作出分配。不再確認部分獲分配之賬面值與該部分已收代價及其已於其他全面收益確認獲分配之任何累計利益或虧損總和之間差額，乃於損益內確認。已於其他全面收益確認之累計利益或虧損乃按繼續確認部分及不再確認部分之相對公允價值在該兩者間作出分配。

金融資產減值

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

一般方法

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMPAIRMENT OF FINANCIAL ASSETS (Continued)

General approach (Continued)

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

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

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

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

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方法(續)

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Simplified approach

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

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

FINANCIAL LIABILITIES

Initial recognition and measurement

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

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

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

2.4 主要會計政策概要(續)

金融資產減值(續)

簡化方法

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

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

金融負債

初始確認及計量

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL LIABILITIES (Continued)

Subsequent measurement

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

Financial liabilities at fair value through profit or loss
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

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

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

Financial liabilities designated upon initial recognition as at FVTPL are designated at the date of initial recognition and only if the criteria in HKFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

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

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

2.4 主要會計政策概要(續)

金融負債(續)

其後計量

金融負債的其後計量視乎下述分類而定：

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

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL LIABILITIES (Continued)

Subsequent measurement (Continued)

Convertible loans

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

DERECOGNITION OF FINANCIAL LIABILITIES

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

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

OFFSETTING OF FINANCIAL INSTRUMENTS

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

2.4 主要會計政策概要(續)

金融負債(續)

其後計量(續)

可換股貸款

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

終止確認金融負債

金融負債於負債責任獲解除、取消或期滿時終止確認。

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

抵銷金融工具

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Initial recognition and subsequent measurement

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

Embedded derivatives

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

INVENTORIES

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

Manufacturing and trading

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

Property development

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

CASH AND CASH EQUIVALENTS

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

2.4 主要會計政策概要(續)

衍生金融工具

初始確認及其後計量

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

嵌入式衍生工具

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

存貨

存貨按成本與可變現淨值兩者中的較低者入賬。

製造和貿易

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

物業發展

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

現金及現金等價物

現金及現金等價物包括現金、活期存款及可隨時轉換為已知數額現金、價值變動風險極低及一般自購入後三個月內到期的短期高流動性投資，但須扣減應要求即時償還及構成現金管理組成部分的銀行透支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需要有資源流出以償還債務，則確認撥備，但必須能可靠估計有關債務金額。

倘折現的影響重大，則就撥備確認的金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額會計入損益內的融資成本。

於保修期間，本集團就銷售若干工業產品及提供建築服務發生的缺陷提供一般維修的擔保。本集團提供該等保證型擔保乃根據銷量以及過往維修及退貨程度經驗確認，並貼現至其現值(如適當)。

所得稅

所得稅包括即期及遞延稅項。與並非於損益賬確認的項目有關的所得稅會在並非損益賬的其他全面收益內或直接在權益內確認。

即期稅項資產及負債按預期獲稅務機構退回或向稅務機構支付的款項計量。計量的基準為報告期末已實行或已實際執行的稅率(及稅法)，亦考慮本集團經營所在國家現行的詮釋及慣例。

遞延稅項乃採用負債法就報告期末資產及負債的稅基與其用作財務呈報的賬面值之間的所有暫時差額作出撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAX (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中，初始確認商譽或資產或負債時產生的遞延稅項負債；及
- 就與於附屬公司、合營企業及聯營公司的投資有關的應課稅暫時差額而言，暫時差額的撥回時間可以控制，且該等暫時差額於可見將來可能不會被撥回。

遞延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免和任何未動用稅項虧損的結轉而確認。倘日後很可能有應課稅溢利可供抵銷可扣稅暫時差額、未動用稅項抵免和未動用稅項虧損的結轉，則會確認遞延稅項資產，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中，初始確認資產或負債時產生與可扣除暫時差額有關的遞延稅項資產；及
- 就與於附屬公司、合營企業及聯營公司的投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回且應課稅溢利將可用以抵銷暫時差額的情況下，方予確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAX (Continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值於各報告期末作出檢討，並在不再有足夠應課稅溢利以供對銷全部或部分遞延稅項資產時予以扣減。未確認的遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間的稅率計量，並以報告期末已實行或已實際執行的稅率(及稅法)為基準。

遞延稅項資產與遞延稅項負債僅可在以下情況對銷：本集團依法有強制執行權可以將即期稅項資產與即期稅項負債對銷；而且遞延稅項資產與遞延稅項負債是關於同一稅務機關所徵收的所得稅，不論是對同一應課稅實體或不同應課稅實體徵收的所得稅，也不論應課稅實體計劃於各段未來期間(期間預期將結清或收回大額的遞延稅項負債或資產)以淨額基準結算即期稅項負債及資產或同時實現資產及結清負債。

政府補助

政府補助於可合理確定將可收取補助並且符合所有附帶條件時，按公允價值確認入賬。該項補助如與開支項目有關，則於該項補助擬補貼的成本開銷期間有系統地確認為收益。該項補助如與資產有關，則按公允價值計入遞延收益賬項，再於有關資產的預計可使用年內按等額每年分期計入損益內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

2.4 主要會計政策概要(續)

收入確認

來自客戶合約的收入

來自客戶合約的收入於貨品或服務的控制權以反映本集團預期就提供該等貨品或服務而有權獲得的代價金額向客戶轉讓時確認。

當合約中的代價包括可變金額時，代價將估算為本集團向客戶轉讓貨品或服務而有權獲得的金額。可變代價在合約生效時作出估計並受其約束，直至其後與可變代價相關的不確定性消除時確認的累計收入金額極有可能不會發生收入大幅撥回。

當合約包含融資部分，就向客戶轉讓貨品或服務而為客戶提供重大融資利益超過一年時，收入按應收金額的現值計量，並按合約生效時在本集團與客戶之間訂立的獨立融資交易中反映的貼現率貼現。當合約包含為本集團提供超過一年重大融資利益的融資部分時，根據合約確認的收入包括根據實際利率法計算的合約負債所附加的利息開支。對於客戶付款與承諾轉讓貨品或服務之間的期限為一年或不足一年的合約，交易價格不會根據採用香港財務報告準則第15號的可行權宜方法就重大融資部分的影響作出調整。

(a) *銷售貨品*

銷售貨品收入於向客戶轉移資產控制權時(一般於交貨時)確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION (Continued)

Revenue from contracts with customers (Continued)

(b) *Construction services*

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

(c) *Provision of sewage, hazardous waste treatment and related environmental protection services*

Revenue from the provision of sewage, hazardous waste treatment and related environmental protection services is recognised when the relevant services have been rendered.

2.4 主要會計政策概要(續)

收入確認(續)

來自客戶合約的收入(續)

(b) *建築服務*

提供建築服務的收入隨時間推移確認，且使用投入法對完成履行服務的進度計量，乃由於本集團於履行服務時創造或改良客戶在資產被創造或改良時已控制的資產。投入法根據所產生實際成本佔履行建築服務總估計成本的比例確認收入。

向客戶申索是本集團尋求向客戶收取作為原有建築合約中未包括的工程範圍的成本及差額的補償。申索以可變代價入賬並受其約束，直至其後與可變代價相關的不確定性消除時確認的累計收入金額極有可能不會發生收入大幅撥回。本集團使用預期價值法估計申索金額，乃由於此方法最有效預測本集團將有權獲得的可變代價金額。

(c) *提供污水、危險廢品處理及相關環保服務*

提供污水、危險廢品處理及相關環保服務的收入於提供相關服務時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION (Continued)

Revenue from other sources

Income from financial services including:

- (i) handling fee income from factoring services and supply-chain financing services which is recognised when the relevant services have been rendered;
- (ii) finance lease income which is recognised over the period of lease, as further explained in the accounting policy “Leases” above; and
- (iii) interest income which is recognised on an accrual basis using the effective interest method as explained below.

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders’ right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

2.4 主要會計政策概要(續)

收入確認(續)

其他來源的收入

來自金融服務的收益包括：

- (i) 來自有關保理服務及供應鏈融資服務所得之手續費收益，於提供相關服務時確認；
- (ii) 融資租賃收益於租賃期內確認，詳情於上文會計政策「租賃」內闡釋；及
- (iii) 利息收益以實際利率法按應計基準確認，詳情於下文闡釋。

租金收益按租期的時間比例確認。不倚賴於一個指數或一個利率的可變租賃款在產生之會計期間內確認為收益。

其他收益

利息收益以應計基準用實際利率法確認，所採用利率於金融工具的估計可用年期(或較短期間(如適用))將估計未來現金收入準確折現至金融資產的賬面淨值。

股息收益於股東有權收取款項時確認，本集團可能獲得與股息相關的經濟利益且股息金額能可靠地計量。

合約資產

合約資產為就向客戶轉讓的貨品或服務收取代價的權利。倘本集團於客戶支付代價前或付款到期前向客戶轉讓貨品或服務，則就附帶條件的已賺取代價確認合約資產。合約資產需要進行減值評估，詳情載於金融資產減值的會計政策。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRACT LIABILITIES

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

EMPLOYEE BENEFITS

Pension schemes

In accordance with the relevant laws and regulations, the Group's employees participate in various defined contribution plans and state-management retirement benefit plans in the countries in which the Group operates. Payments to these plans, where the Group's obligations under them are equivalent to a defined contribution plan, are recognised as an expense when employees have rendered service entitling them to the contributions.

Housing benefits, medical insurances and other social insurances

PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plans. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Share-based payments

The Company operates a share option scheme and a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted.

2.4 主要會計政策概要(續)

合約負債

合約負債於本集團轉讓相關貨品或服務前收到客戶付款或付款到期時(以較早者為準)確認。合約負債於本集團根據合約履行(即將相關貨品或服務的控制權轉讓予客戶)時確認為收入。

僱員福利

退休金計劃

本集團根據相關法律及法規為本集團經營所在國家的僱員參加各種界定供款計劃及國家管理退休福利計劃。本集團於該等計劃下所承擔之責任與界定供款計劃相等，且給予該等計劃的供款於僱員提供有權獲得供款的服務時確認為開支。

住房公積金、醫療保險及其他社會保險

本集團的中國僱員有權參與政府規定的若干住房公積金、醫療保險及其他社會保險計劃。本集團根據該等僱員工資的若干百分比按月向該等基金供款。本集團對該等基金的負債以各期間應付的供款為限。住房公積金、醫療保險及其他社會保險的供款於產生時列為開支。

以股份為基礎的支付

本公司設有一項購股權計劃及一項股份獎勵計劃，以向對本集團業務成功有貢獻的合資格參與者提供鼓勵及獎勵。本集團僱員(包括董事)以股份為基礎的支付形式收取薪酬，而僱員則提供服務作為換取股本工具的代價(「以股本付款交易」)。

以股本付款交易的成本乃根據授出當日的公允價值計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EMPLOYEE BENEFITS (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 主要會計政策概要(續)

僱員福利(續)

以股份為基礎的支付(續)

以股本付款交易的成本連同相關權益的增加於達成表現及／或服務條件時在僱員福利開支內確認。於各報告期末確認之截至歸屬日期的以股本付款交易累計開支，反映歸屬期屆滿部分以及本集團對最終將歸屬的股本工具數目的最佳估計。期間在損益扣除或入賬的數額指期初及期末已確認累計開支的變動。

釐定獎勵的授出日期公允價值時，不會計及服務及非市場表現條件，但會評估達成該等條件的可能性，作為本集團對最終將歸屬的股本工具數目的最佳估計。市場表現條件反映於授出日期公允價值內。獎勵所附帶但並無相關服務要求的任何其他條件視為非歸屬條件。除非有服務及／或表現條件，否則非歸屬條件反映於獎勵的公允價值內，並將即時支銷獎勵。

因未能達成非市場表現及／或服務條件而最終並無歸屬的獎勵不會確認開支。倘獎勵包括市場或非歸屬條件，不論市場或非歸屬條件是否達成，交易視為歸屬，惟所有其他表現及／或服務條件須已達成。

於滿足獎勵之原有條款情況下，若修訂以股本付款獎勵的條款，則至少確認假設並無修訂有關條款時的開支。此外，倘修訂導致以股份為基礎的支付交易的總公允價值增加或對僱員有利(就修訂當日計量而言)，則須就修訂確認開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EMPLOYEE BENEFITS (Continued)

Share-based payments (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

DIVIDENDS

Dividends are recognised as a liability and deducted from equity when they are declared and approved by the Company's shareholders in general meetings. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

Interim dividends are deducted from equity when they are declared and approved, and no longer at the discretion of the Company.

2.4 主要會計政策概要(續)

僱員福利(續)

以股份為基礎的支付(續)

倘取消以股本付款獎勵，則有關獎勵將視作於取消當日經已歸屬，而任何未確認的獎勵開支會即時確認。其包括任何本集團或僱員未能達成可控制之非歸屬條件的獎勵。然而，倘有新獎勵取代已取消的獎勵，並於授出日期指定為替代獎勵，則所取消的獎勵及新獎勵將視為對原有獎勵的修訂(如上段所載述)。

借款成本

因收購、建築或生產合資格資產(即需要長時間準備作擬定用途或銷售的資產)而直接產生之借貸成本資本化作該等資產成本的一部分。當該等資產大致上可作擬定用途或銷售時，則停止將借貸成本資本化。特定借款有待用於合資格資產開支期間臨時投資所賺取的投資收入，從合資格撥充資本的借貸成本中扣除。所有其他借貸成本於其產生期間內列作開支。借貸成本包括一間實體在借入資金時所產生的利息及其他成本。

股息

宣派的股息經本公司股東於股東大會上批准後確認為負債，並且從權益中扣除。擬派末期股息將在綜合財務報表附註中披露。

宣派的中期股息自批准，並且本公司不能隨意更改時從權益中扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES

The Company's functional currency is Hong Kong dollars while the Company's presentation currency for the consolidated financial statements is Renminbi. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Renminbi using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

2.4 主要會計政策概要(續)

外幣

本公司的功能貨幣為港元，而本公司綜合財務報表的呈列貨幣則為人民幣。於編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易，按交易當日適用的匯率確認。於各報告期末，以外幣列值之貨幣項目按當日適用的匯率重新換算。以外幣按公允價值計量之非貨幣項目，按釐定公允價值當日之匯率重新換算。以外幣按歷史成本計算之非貨幣項目不會重新換算。

貨幣項目之匯兌差額乃於產生期間內於損益確認，惟以下各項例外：

- 當有關日後生產使用之在建資產之外幣借貸匯兌差額被視為外幣借貸之利息成本之調整時，匯兌差額計入該等資產之成本；
- 對沖若干外幣風險交易之匯兌差額；及
- 應收或應付一項海外業務之貨幣項目匯兌差額，既無計劃結算，發生結算之可能性亦不大，其為海外業務投資淨額之一部分，並初始於其他全面收益確認及於償還貨幣項目時由權益重新分類至損益。

就呈報綜合財務報表而言，本集團海外業務之資產及負債，按各報告期末適用匯率換算為人民幣。收支項目按期內平均匯率換算。所產生匯兌差額(如有)乃於其他全面收益確認，並累計列入權益之匯兌波動儲備項下(按適當情況撥入非控制權益)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES (Continued)

On disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of the operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

JUDGEMENT

Deferred tax liabilities

Deferred income tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of the subsidiaries in the PRC to be repatriated and distributed by way of dividends as the directors consider that the timing of the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future.

If these undistributed earnings of the subsidiaries in the PRC are considered to be repatriated and distributed by way of dividends, the deferred income tax charge and deferred income tax liability would have increased by the same amount of approximately RMB374,897,000 (2018: RMB350,709,000).

ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

2.4 主要會計政策概要(續)

外幣(續)

於出售海外業務時，就本公司擁有人應佔該業務而於權益內累計之所有匯兌差額重新分類至損益。

通過收購海外業務而獲得之可識別資產及承擔之負債之商譽及公允價值調整，均被視為該海外業務之資產及負債，並按各報告期末之適用匯率換算。產生之匯兌差額於其他全面收益確認。

3. 主要會計判斷及估計

編製本集團的綜合財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設影響收入、開支、資產及負債的呈報金額及相關披露，以及或然負債的披露。此等假設及估計的不明朗因素可引致日後需對受影響的資產或負債的賬面值作出重大調整。

判斷

遞延稅項負債

遞延所得稅負債並無就以股息形式匯出及分派的中國附屬公司若干溢利的應付所得稅及預提所得稅計提，原因是董事認為撥回相關暫時差額的時間可被控制以及有關暫時差額將不會於可見將來撥回。

倘該等中國附屬公司的未分派盈利被視為以股息形式匯出及分派，則遞延所得稅開支及遞延所得稅負債將以相同金額約人民幣374,897,000元(2018年：人民幣350,709,000元)增加。

估計不明朗因素

有關於報告期末估計不明朗因素的未來及其他主要來源的主要假設，存在會導致下一個財政年度內資產及負債賬面值出現重大調整的重大風險，於下文有所載述。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

ESTIMATION UNCERTAINTY (Continued)

Impairment of goodwill, brand name and operating concession rights

The Group determines whether goodwill, brand name and operating concession rights with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill, brand name and operating concession rights are allocated. Estimating the value in use requires the Group to make an estimation of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. At the end of the reporting period, the carrying amounts of goodwill, brand name and operating concession rights were RMB398,589,000 (2018: RMB363,133,000), RMB110,520,000 (2018: RMB110,520,000) and RMB24,550,000 (2018: RMB24,550,000), respectively. Further details are disclosed in note 16 to the consolidated financial statements.

Provision of ECL for contract assets, trade and bills receivables, other receivables and loan receivables

The Group uses a provision matrix to calculate ECLs for contract assets, trade and bills receivables, other receivables and loan receivables. The provision rates are based on the invoice date for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

商譽、商號及特許經營權減值

本集團至少每年釐定商譽、具無限可使用年期之商號及特許經營權是否減值。此乃需要估計已分配商譽、商號及特許經營權的現金產生單位的可使用價值。在估計可使用價值時，本集團須估計該現金產生單位預期未來的現金流量，選擇合適的貼現率以計算該等現金流量的現值。於報告期末，商譽、商號及特許經營權的賬面值分別為人民幣398,589,000元(2018年：人民幣363,133,000元)、人民幣110,520,000元(2018年：人民幣110,520,000元)及人民幣24,550,000元(2018年：人民幣24,550,000元)。有關詳情已披露於綜合財務報表附註16。

提供合約資產、貿易應收款項及票據、其他應收款項及應收借款的預期信貸虧損

本集團使用撥備矩陣計算合約資產、貿易應收款項及票據、其他應收款項及應收借款的預期信貸虧損。撥備率就有類似虧損模式的各客戶分部組別(即按地區、產品類型、客戶類型及評級，以及信用證及其他形式的信用保險)的發票日期釐定。

撥備矩陣最初按本集團歷史觀察違約比率釐定。本集團將校準矩陣，以使用前瞻性資料調整歷史信貸虧損經驗。例如，倘預測經濟狀況(即國內生產總值)於來年惡化而可能導致製造業違約數量增加，則調整歷史違約比率。於各報告日期，本集團更新歷史觀察違約比率並分析前瞻性估計的變動。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

ESTIMATION UNCERTAINTY (Continued)

Provision of ECL for contract assets, trade and bills receivables, other receivables and loan receivables (Continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's contract assets, trade and bills receivables, other receivables and loan receivables is disclosed in notes 23, 24, 25 and 20 to the consolidated financial statements, respectively.

Provision for obsolete and slow-moving inventories

The Group reviews the aging analysis of its inventories at the end of each reporting period, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for use/sale. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. At the end of the reporting period, an accumulated provision for obsolescence of RMB196,533,000 (2018: RMB190,842,000) has been recognised for inventories.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

提供合約資產、貿易應收款項及票據、其他應收款項及應收借款的預期信貸虧損(續)

評估歷史觀察違約比率、預測經濟狀況及預期信貸虧損之間的相關性為重要估計。預期信貸虧損的金額受環境變化及預測經濟狀況影響。本集團的歷史觀察違約比率及經濟狀況預測亦可能無法反映客戶日後的實際違約。有關本集團合約資產、貿易應收款項及票據、其他應收款項及應收借款的預期信貸虧損的資料分別於綜合財務報表附註23、24、25及20中披露。

過時及滯銷存貨撥備

本集團於各報告期末檢討其存貨的賬齡分析，並對確認為不宜使用／出售的過時及滯銷存貨項目作出撥備。管理層主要根據最新的發票售價及現時市況估計該等存貨的可變現淨值。於報告期末，人民幣196,533,000元(2018年：人民幣190,842,000元)已確認為存貨之累計過時撥備。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

ESTIMATION UNCERTAINTY (Continued)

Fair value of investment properties

The best evidence of fair value is current prices in an active market for properties in the same location and condition and subject to similar leases and other contracts. In the absence of such information, management determines the amount within a range of reasonable fair value estimates. In making its judgement, management considers information from a variety of sources, including (i) independent valuations; (ii) current prices in an active market for properties of a different nature, condition and location (or subject to different leases or other contracts), adjusted to reflect those differences; (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices; and (iv) discounted cash flow projections, based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rates for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

Details of the judgement and assumptions involved in determining the fair value of the Group's investment properties have been disclosed in note 14 to the consolidated financial statements.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

投資物業公允價值

公允價值之最佳憑證為相同地點及狀況之物業當時於活躍市場之價格，並受類似租約及其他合約規限。在欠缺該等資料之情況下，管理層根據合理公允價值估計範圍釐定有關數額。在作出有關估算時，管理層會考慮不同來源之資料，包括：(i)獨立估值；(ii)性質、狀況或地點不同（或受不同租約或其他合約規限）之物業當時於活躍市場之價格，並加以調整以反映有關差異；(iii)類似物業於較不活躍市場之近期價格（或會作出調整，以反映自按交易之日以來經濟狀況之任何轉變對價格之影響）；及(iv)根據對未來現金流量之可靠估計而預測之貼現現金流量，輔以任何現有租約與其他合約之條款及（如可能）外在憑證（如地點及狀況相同之類似物業之當時市場租金），並採用反映當時市場對現金流量金額及時間之不確定性評估之貼現率計算。

釐定本集團投資物業公允價值時所涉及的判斷及假設之詳情已披露於綜合財務報表附註14。

租賃 — 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似借期與類似抵押品借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的款項，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須對利率作出估計。當可觀察輸入數據（如市場利率）可用時，本集團用此估算增量借款利率，並須作出若干實體特定的估計（如附屬公司的獨立信貸評級）。

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of building materials and interior decoration products; the provision of renovation and installation works, environmental engineering and other related services, financial services and property rental and other related services. For management purposes, the Group's businesses are organised by geographical areas based on the location of the customers and assets are attributable to the geographical unit based on the location of the assets. The Group has eight reportable operating segments as follows:

- (i) Southern China, including Guangdong Province, Guangxi Zhuang Autonomous Region, Hunan Province, Fujian Province and Hainan Province;
- (ii) Southwestern China, including Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province and Xizang (Tibet) Autonomous Region;
- (iii) Central China, including Hubei Province, Jiangxi Province and Henan Province;
- (iv) Eastern China, including Shanghai Municipality, Jiangsu Province, Zhejiang Province and Anhui Province;
- (v) Northern China, including Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province, Inner Mongolia Autonomous Region and Shanxi Province;
- (vi) Northwestern China, including Shaanxi Province, Ningxia Hui Autonomous Region, Qinghai Province, Gansu Province and Xinjiang Uygur Autonomous Region;
- (vii) Northeastern China, including Liaoning Province, Jilin Province and Heilongjiang Province; and
- (viii) Outside China.

4. 經營分部資料

本集團主要從事製造及銷售建材家居產品、提供裝修及安裝工程、環境工程及其他相關服務、金融服務和物業租賃及其他相關服務。就管理目的而言，本集團的業務根據客戶的所在地組成地理分區，且資產按其所在地分配予地域單位。本集團擁有以下八個需匯報經營分部：

- (i) 華南，包括廣東省、廣西壯族自治區、湖南省、福建省及海南省；
- (ii) 西南地區，包括重慶市、四川省、貴州省、雲南省及西藏自治區；
- (iii) 華中，包括湖北省、江西省及河南省；
- (iv) 華東，包括上海市、江蘇省、浙江省及安徽省；
- (v) 華北，包括北京市、天津市、河北省、山東省、內蒙古自治區及山西省；
- (vi) 西北地區，包括陝西省、寧夏回族自治區、青海省、甘肅省及新疆維吾爾自治區；
- (vii) 東北地區，包括遼寧省、吉林省及黑龍江省；及
- (viii) 中國境外。

4. OPERATING SEGMENT INFORMATION (Continued)

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, changes in fair value of investment properties, changes in fair value of financial instruments at FVTPL, gain on disposal of debt instruments at FVTOCI, investment income, loss on fair value changes of derivative financial instruments, (loss)/gain on disposal of subsidiaries, exchange differences, non-lease-related finance costs, share of results of associates and joint ventures and other unallocated income and expenses are excluded from such measurement.

Segment assets exclude interests in associates, interests in joint ventures, other financial assets, deferred tax assets, cash and bank deposits and other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment revenue is eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The Group's revenue from external customers is derived from its operations in China, special administrative regions of PRC and foreign countries.

During the years ended 31 December 2019 and 2018, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

4. 經營分部資料(續)

為制定資源分配決策及表現評估，管理層分別監控其經營分部的業績。分部表現乃按需匯報分部的溢利進行評估，需匯報分部的溢利即經調整除稅前溢利。經調整除稅前溢利乃按本集團除稅前溢利一貫計量，惟利息收益、投資物業公允價值變動、按公允價值計入損益的金融工具公允價值變動、出售按公允價值計入其他全面收益的債務工具利益、投資收益、衍生金融工具公允價值變動虧損、出售附屬公司的(虧損)/利益、匯兌差異、非租賃相關的融資成本、分佔聯營公司及合營企業業績及其他未分配收益及開支並不包括在該等計量內。

鑑於於聯營公司的權益、於合營企業的權益、其他金融資產、遞延稅項資產、現金及銀行存款以及其他未分配總辦事處及公司資產乃按集團基準管理，故分部資產並不包括以上資產。

分部間收入於綜合賬目時抵銷。分部間銷售及轉讓以在當時市價基礎上向第三方作出的銷售價格為參照進行交易。

本集團來自外部客戶的收入乃源於其在中國、中國特別行政區及外國的業務。

截至2019年及2018年12月31日止年度，概無來自與單一外部客戶交易的收入佔本集團總收入的10%或以上。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

4. OPERATING SEGMENT INFORMATION
(Continued)

4. 經營分部資料(續)

OPERATING SEGMENT INFORMATION FOR THE
YEAR ENDED 31 DECEMBER 2019

截至2019年12月31日止年度的經營
分部資料

		Southern China 華南	Southwestern China 西南地區	Central China 華中	Eastern China 華東	Northern China 華北	Northwestern China 西北地區	Northeastern China 東北地區	Outside China 中國境外	Eliminations 抵銷	Consolidated 綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Segment revenue:	分部收入：										
Sale of goods	銷售貨品	13,535,151	2,598,852	3,009,404	1,376,221	1,956,487	1,260,583	696,764	871,766	-	25,305,228
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	439,477	13,349	54,097	62,090	13,983	121	3,418	9,216	-	595,751
Income from environmental engineering and other related services	環境工程及其他相關服務	175,752	13,406	12,993	119,513	1,177	2,768	188	-	-	325,797
Financial service income	金融服務收益	26,084	913	13,626	120	157	-	-	-	-	40,900
Property rental and other related services	物業租賃及其他相關服務	3,773	-	-	126	-	-	-	72,948	-	76,847
Revenue from external customers	外部客戶收入	14,180,237	2,626,520	3,090,120	1,558,070	1,971,804	1,263,472	700,370	953,930	-	26,344,523
Intersegment revenue	分部間收入	3,989,030	430,309	533,746	324,949	450,154	247,667	152,790	826,810	(6,955,455)	-
Total	總計	18,169,267	3,056,829	3,623,866	1,883,019	2,421,958	1,511,139	853,160	1,780,740	(6,955,455)	26,344,523
Segment results:	分部業績：	5,272,730	819,409	1,021,793	496,233	642,678	306,270	178,466	227,538	(1,427,998)	7,537,119
Reconciliations:	對賬：										
Interest income	利息收益										125,320
Gain on fair value changes of investment properties	投資物業公允價值變動利益										147,997
Gain on fair value changes of financial instruments at FVTPL	按公允價值計入損益的金融工具的公允價值變動利益										3,432
Gain on disposal of debt instruments at FVTOCI	出售按公允價值計入其他全面收益的債務工具利益										7,587
Investment income	投資收益										19,693
Loss on fair value changes of derivative financial instruments	衍生金融工具公允價值變動虧損										(7,768)
Loss on disposal of subsidiaries	出售附屬公司的虧損										(8,324)
Exchange gain	匯兌利益										27,084
Finance costs (other than interest on lease liabilities)	融資成本(租賃負債利息除外)										(563,421)
Share of results of associates	分佔聯營公司業績										105,895
Share of result of a joint venture	分佔一間合營企業業績										1,053
Unallocated income and expenses	未分配收益及開支										(3,413,746)
Profit before tax	除稅前溢利										3,981,921
Segment assets:	分部資產：	16,065,801	1,442,760	1,293,721	1,794,605	825,589	686,628	464,689	7,207,506	-	29,781,299
Reconciliations:	對賬：										
Interests in associates	於聯營公司的權益										1,501,137
Interest in a joint venture	於一間合營企業的權益										10,356
Other financial assets	其他金融資產										1,779,483
Deferred tax assets	遞延稅項資產										108,301
Cash and bank deposits	現金及銀行存款										7,604,221
Total assets	資產總額										40,784,797
Other segment information:	其他分部資料：										
Write-down of inventories to net realisable value, net	撇減存貨至可變現淨值淨額	-	-	-	-	-	-	-	5,691	-	5,691
Depreciation and amortisation	折舊及攤銷	659,556	68,317	68,538	51,461	42,104	36,776	20,011	49,988	-	996,751
Impairment of property, plant and equipment	物業、廠房及設備減值	4,826	-	-	-	-	-	-	5,054	-	9,880
Impairment of goodwill	商譽減值	29,100	-	-	-	-	-	-	-	-	29,100
Impairment of loan receivables	應收借貸款項減值	31,177	-	-	-	-	-	-	-	-	31,177
Impairment of contract assets	合約資產減值	3,052	-	-	-	-	-	-	-	-	3,052
Impairment of trade and bills receivables, net	貿易應收款項及票據減值淨額	35,473	47	(96)	3,062	399	85	(961)	(2,523)	-	35,486
Impairment of prepayments	預付款項減值	34,330	-	-	-	-	-	-	-	-	34,330
Impairment of other receivables	其他應收款項減值	38,990	-	-	-	-	-	-	-	-	38,990
Capital expenditure [#]	資本開支 [#]	2,736,680	113,772	256,476	338,397	60,261	32,572	27,780	1,762,678	(53,797)	5,274,819

[#] Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, investment properties and other intangible assets, among which the additions resulted from business combination amount to RMB1,234,240,000.

[#] 資本開支包括添置物業、廠房及設備、使用權資產、投資物業及其他無形資產，其中包括因業務合併而產生的添置為人民幣1,234,240,000元。

4. OPERATING SEGMENT INFORMATION (Continued)

4. 經營分部資料(續)

OPERATING SEGMENT INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2018

截至2018年12月31日止年度的經營 分部資料

		Southern China 華南 RMB'000 人民幣千元	Southwestern China 西南地區 RMB'000 人民幣千元	Central China 華中 RMB'000 人民幣千元	Eastern China 華東 RMB'000 人民幣千元	Northern China 華北 RMB'000 人民幣千元	Northwestern China 西北地區 RMB'000 人民幣千元	Northeastern China 東北地區 RMB'000 人民幣千元	Outside China 中國境外 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Segment revenue:	分部收入：										
Sale of goods	銷售貨品	12,782,004	2,518,896	2,806,527	1,240,391	1,607,400	951,207	581,562	736,285	-	23,224,272
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	184,400	-	-	-	-	-	-	-	-	184,400
Income from environmental engineering and other related services	環境工程及其他相關服務收益	125,990	20,959	11,659	24,594	12	2,937	388	-	-	186,539
Financial service income	金融服務收益	38,197	1,507	25,303	-	181	-	184	-	-	65,372
Property rental and other related services	物業租賃及其他相關服務	5,793	-	-	-	-	-	-	67,141	-	72,934
Revenue from external customers	外部客戶收入	13,136,384	2,541,362	2,843,489	1,264,985	1,607,593	954,144	582,134	803,426	-	23,733,517
Intersegment revenue	分部間收入	3,972,827	441,559	446,347	317,045	393,322	178,059	118,826	760,666	(6,628,651)	-
Total	總計	17,109,211	2,982,921	3,289,836	1,582,030	2,000,915	1,132,203	700,960	1,564,092	(6,628,651)	23,733,517
Segment results:	分部業績：	3,668,555	744,870	847,805	252,485	432,423	218,153	142,826	27,083	(105,751)	6,228,449
Reconciliations:	對賬：										
Interest income	利息收益										111,149
Gain on fair value changes of investment properties	投資物業公允價值變動利益										311,809
Gain on fair value changes of financial instruments at FVTPL	按公允價值計入損益的金融工具的公允價值變動利益										7,098
Investment income	投資收益										32,178
Gain on disposal of subsidiaries	出售附屬公司所得利益										33,273
Exchange loss	匯兌虧損										(15,874)
Finance costs	融資成本										(415,403)
Share of results of associates	分佔聯營公司業績										116,803
Share of results of joint ventures	分佔合營企業業績										616
Unallocated income and expenses	未分配收益及開支										(3,174,559)
Profit before tax	除稅前溢利										3,235,539
Segment assets:	分部資產：	13,235,406	1,376,886	1,311,875	1,518,197	791,056	644,194	487,490	5,446,222	-	24,811,326
Reconciliations:	對賬：										
Interests in associates	於聯營公司的權益										1,375,567
Interests in joint ventures	於合營企業的權益										9,303
Other financial assets	其他金融資產										1,900,160
Deferred tax assets	遞延稅項資產										88,130
Cash and bank deposits	現金及銀行存款										6,451,791
Total assets	資產總額										34,636,277
Other segment information:	其他分部資料：										
Write-back of inventories to net realisable value, net	撥回存貨至可變現淨值淨額	(31,074)	362	(432)	9,521	(1,993)	(516)	(5,858)	16,752	-	(13,238)
Depreciation and amortisation	折舊及攤銷	448,461	67,890	62,533	62,639	44,147	35,381	19,698	17,407	-	758,156
Impairment of property, plant and equipment	物業、廠房及設備減值	-	-	-	-	-	-	-	2,711	-	2,711
Impairment of goodwill	商譽減值	-	-	-	-	-	-	-	372	-	372
Impairment of loan receivables	應收借款減值	159,500	-	-	-	-	-	-	-	-	159,500
Impairment of contract assets	合約資產減值	21,855	-	-	-	-	-	-	-	-	21,855
Impairment of trade and bills receivables, net	貿易應收款項及票據減值淨額	22,503	8	215	2,171	98	7	347	26,387	-	51,736
Capital expenditure [#]	資本開支 [#]	796,332	96,364	70,824	300,836	59,570	24,742	59,689	232,288	(14,740)	1,625,905

[#] Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, investment properties and other intangible assets, among which the additions resulted from business combination amount to RMB150,620,000.

[#] 資本開支包括添置物業、廠房及設備、預付土地租賃款、投資物業及其他無形資產，其中包括因業務合併而產生的添置為人民幣150,620,000元。

5. REVENUE, OTHER REVENUE, INCOME AND GAINS

REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

By revenue nature:

		2019			2018		
		Goods transferred at a point in time 於某一時點轉讓的貨品 RMB'000 人民幣千元	Services transferred over time 隨時間推移轉讓的服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Goods transferred at a point in time 於某一時點轉讓的貨品 RMB'000 人民幣千元	Services transferred over time 隨時間推移轉讓的服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from contracts with customers:	來自客戶合約的收入：						
Sale of goods	銷售貨品	25,305,228	-	25,305,228	23,224,272	-	23,224,272
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	-	595,751	595,751	-	184,400	184,400
Income from environmental engineering and other related services	環境工程及其他相關服務收益	-	325,797	325,797	-	186,539	186,539
Sub-total	小計	25,305,228	921,548	26,226,776	23,224,272	370,939	23,595,211
Financial service income	金融服務收益			40,900			65,372
Property rental and other related services	物業租賃及其他相關服務			76,847			72,934
Total	總計			26,344,523			23,733,517

5. 收入、其他收入、收益及利益

收入

以下載列本集團來自客戶合約的收入分拆及來自客戶合約的收入與分部資料所披露金額的對賬：

按收入性質劃分：

5. REVENUE, OTHER REVENUE, INCOME AND GAINS (Continued)

REVENUE (Continued)

By geographical locations:

		2019			2018		
		Goods transferred at a point in time	Services transferred over time	Total	Goods transferred at a point in time	Services transferred over time	Total
		於某一時點轉讓的貨品	隨時間推移轉讓的服務	總計	於某一時點轉讓的貨品	隨時間推移轉讓的服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from contracts with customers:	來自客戶合約的收入：						
China	中國	24,433,462	912,332	25,345,794	22,487,987	370,939	22,858,926
Outside China	中國境外	871,766	9,216	880,982	736,285	–	736,285
Sub-total	小計	25,305,228	921,548	26,226,776	23,224,272	370,939	23,595,211
Financial service income	金融服務收益			40,900			65,372
Property rental and other related services	物業租賃及其他相關服務			76,847			72,934
Total	總計			26,344,523			23,733,517

5. 收入、其他收入、收益及利益(續)

收入(續)

按地理位置劃分：

5. REVENUE, OTHER REVENUE, INCOME AND GAINS (Continued)

REVENUE (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債的已確認收入：		
Sale of goods	銷售貨品	1,410,214	1,120,169
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	12,373	9,091
Income from environmental engineering and other related services	環境工程及其他相關服務收益	4,240	8,896
		1,426,827	1,138,156

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 360 days from delivery, except for new customers, where payment in advance is normally required.

Renovation, installation and engineering services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

5. 收入、其他收入、收益及利益(續)

收入(續)

下表列示於本報告期內確認於報告期初計入合約負債及於過往期間履約責任所確認的收入：

履約責任

有關本集團履約責任的資料概述如下：

銷售貨品

本集團於交貨時履行責任，付款一般在交貨後30至360天內到期，惟新客戶一般須預先付款。

裝修、安裝及工程服務

履約責任隨提供服務而隨時間推移履行，且付款一般於結算日起30天內到期。客戶保留一定百分比的付款直至保留期結束，乃由於本集團獲取最終付款的權利視乎於客戶按合約規定的一段時間內對服務質素表示滿意後方可作實。

5. REVENUE, OTHER REVENUE, INCOME AND GAINS (Continued)

REVENUE (Continued)

Performance obligations (Continued)

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of reporting period are as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Amounts expected to be recognised as revenue:	預期將確認為收入的金額：		
Not more than 1 year	不多於1年	778,063	356,315
Over 1 year	1年以上	704,246	368,211
		1,482,309	724,526

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised over one year relate to renovation, installation and engineering services. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised not more than one year. The amounts disclosed above do not include variable consideration which is constrained.

5. 收入、其他收入、收益及利益(續)

收入(續)

履約責任(續)

於報告期末，分配至餘下履約責任(未履約或部分未履約)的交易價格的金額如下：

分配至預期將於一年以上確認的餘下履約責任的交易價格的金額涉及裝修、安裝及工程服務。所有其他分配至餘下履約責任的交易價格的金額預期將在不多於一年確認。以上披露的金額不包括受約束的可變代價。

5. REVENUE, OTHER REVENUE, INCOME AND GAINS (Continued)

5. 收入、其他收入、收益及利益(續)

OTHER REVENUE, INCOME AND GAINS

其他收入、收益及利益

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank interest income	銀行利息收益	102,460	105,140
Interest income from other financial assets	其他金融資產的利息收益	22,860	6,009
Total interest income	利息收益總額	125,320	111,149
Government grants and subsidies	政府補助及補貼	55,928	44,628
Gain on fair value changes of investment properties	投資物業公允價值變動利益	147,997	311,809
Gain on fair value changes of financial instruments at FVTPL	按公允價值計入損益的金融工具的公允價值變動利益	3,432	7,098
Gain on disposal of debt instruments at FVTOCI	出售按公允價值計入其他全面收益的債務工具利益	7,587	–
Investment income	投資收益	19,693	32,178
Gain on disposal of subsidiaries	出售附屬公司所得利益	–	33,273
Gain on termination of right-of-use assets	終止使用權資產所得利益	5,992	–
Rental income	租賃收益	27,468	3,115
Exchange gain	匯兌利益	27,084	–
Others	其他	62,889	28,180
		483,390	571,430

Government grants and subsidies mainly represent funding received from government authorities to support certain of the Group's research and development activities. There are no unfulfilled conditions or contingencies related to these grants and subsidies.

政府補助及補貼主要指政府機構授予以供支持本集團若干研發活動的資金，並無任何與該等補助及補貼有關的未達成條件或或有情況。

6. FINANCE COSTS

6. 融資成本

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expenses on bank and other loans	銀行及其他貸款的利息開支	569,271	415,725
Interest expenses on lease liabilities	租賃負債的利息開支	13,773	–
		583,044	415,725
Less: Interest capitalised	減：資本化利息	(5,850)	(322)
		577,194	415,403

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/
(crediting):

7. 除稅前溢利

本集團的除稅前溢利乃經扣除／(計入)下列
各項後達致：

		Note 附註	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本		18,134,201	17,177,238
Direct cost of renovation and installation works	裝修及安裝工程直接成本		465,227	150,595
Direct cost of environmental engineering and other related services	環境工程及其他相關服務直接成本		174,463	129,008
Direct cost of financial services	金融服務直接成本		685	1,265
Direct cost of property rental and other related services	物業租賃及其他相關服務直接成本		27,137	60,200
Write-down/(write-back) of inventories to net realisable value, net	撇減／(撥回)存貨至可變現淨值淨額		5,691	(13,238)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12	880,279	714,784
Depreciation of right-of-use assets	使用權資產折舊	13B	99,695	–
Amortisation of prepaid land lease payments	預付土地租賃款攤銷	13A	–	31,035
Amortisation of other intangible assets	其他無形資產攤銷	15(B)	16,777	12,337
Total depreciation and amortisation	折舊及攤銷總額		996,751	758,156
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃的最低租金		–	67,546
Lease payments not included in the measurement of lease liabilities	不包括在租賃負債計量中的租賃付款		32,949	–
Auditor's remuneration	核數師酬金		9,370	7,255
Employee benefit expense (including directors' remuneration (note 8)):	僱員福利開支(包括董事薪酬(附註8)):			
Wages and salaries	工資及薪金		1,104,192	851,692
Pension scheme contributions	退休金計劃供款		96,284	92,403
Staff welfare and other expenses	員工福利及其他開支		77,950	74,225
			1,278,426	1,018,320
Research and development costs	研發成本		856,202	758,284
Loss on disposal of items of other intangible assets and property, plant and equipment	出售其他無形資產和物業、廠房及設備項目的虧損		14,575	40,838
Impairment of property, plant and equipment	物業、廠房及設備減值	12	9,880	2,711
Changes in fair value of investment properties	投資物業公允價值的變動	14	(147,997)	(311,809)
Gain on fair value changes of financial instruments at FVTPL	按公允價值計入損益的金融工具的公允價值變動利益		(3,432)	(7,098)
Loss on fair value changes of derivative financial instruments	衍生金融工具公允價值變動虧損		7,768	–
Loss/(gain) on disposal of subsidiaries	出售附屬公司虧損／(利益)		8,324	(33,273)
Gain on termination of right-of-use assets	終止使用權資產所得利益		(5,992)	–
Impairment of goodwill	商譽減值	15(A)	29,100	372
Impairment of loan receivables	應收借款減值		31,177	159,500
Impairment of contract assets	合約資產減值	23	3,052	21,855
Impairment of trade and bills receivables, net	貿易應收款項及票據減值淨額	24	35,486	51,736
Impairment of prepayments	預付款減值		34,330	–
Impairment of other receivables	其他應收款項減值		38,990	–
Foreign exchange differences, net	匯兌差異淨額		(27,084)	15,874

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(A) DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fees	袍金	9,027	3,105
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	5,521	4,826
Performance related bonuses	表現掛鈎花紅	4,471	5,359
Pension scheme contributions	退休金計劃供款	170	314
		10,162	10,499
		19,189	13,604

8. 董事薪酬及五名最高薪酬僱員

(A) 董事薪酬

根據適用上市規則及香港公司條例披露的年內董事薪酬載列如下：

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(A) DIRECTORS' REMUNERATION (Continued)

The remuneration of each of the directors is set out below:

8. 董事薪酬及五名最高薪酬僱員(續)

(A) 董事薪酬(續)

各董事的薪酬載列如下：

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	表現掛鈎花紅	退休金計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		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
2019						
Executive directors:	執行董事：					
Mr. Wong Luen Hei	黃聯禧先生	-	1,267	493	16	1,776
Mr. Zuo Manlun	左滿倫先生	-	1,250	493	42	1,785
Ms. Zuo Xiaoping	左笑萍女士	-	1,267	493	16	1,776
Mr. Lai Zhiqiang	賴志強先生	1,267	-	493	16	1,776
Mr. Kong Zhaocong	孔兆聰先生	1,267	-	493	16	1,776
Mr. Chen Guonan	陳國南先生	1,267	-	493	16	1,776
Dr. Lin Shaoquan	林少全博士	-	1,737	34	-	1,771
Mr. Huang Guirong	黃貴榮先生	1,267	-	493	16	1,776
Mr. Luo Jianfeng	羅建峰先生	1,267	-	493	16	1,776
Mr. Lin Dewei	林德緯先生	1,267	-	493	16	1,776
		7,602	5,521	4,471	170	17,764
Independent non-executive directors:	獨立非執行董事：					
Mr. Wong Kwok Ho, Jonathan	王國豪先生	285	-	-	-	285
Mr. Cheung Man Yu	張文宇先生	285	-	-	-	285
Ms. Lan Fang	蘭芳女士	285	-	-	-	285
Dr. Tao Zhigang	陶志剛博士	285	-	-	-	285
Mr. Cheng Dickson	鄭迪舜先生	285	-	-	-	285
		1,425	-	-	-	1,425
		9,027	5,521	4,471	170	19,189

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

8. 董事薪酬及五名最高薪酬僱員(續)

(A) DIRECTORS' REMUNERATION (Continued)

(A) 董事薪酬(續)

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	袍金	薪金、津貼及實物福利	表現掛鈎花紅	退休金計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2018	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors:					
執行董事：					
Mr. Wong Luen Hei	–	609	591	15	1,215
Mr. Zuo Manlun	–	601	599	31	1,231
Ms. Zuo Xiaoping	–	609	591	15	1,215
Mr. Lai Zhiqiang	–	600	600	41	1,241
Mr. Kong Zhaocong	–	600	600	41	1,241
Mr. Chen Guonan	609	–	591	27	1,227
Dr. Lin Shaoquan	–	1,207	300	17	1,524
Mr. Huang Guirong	–	600	600	112	1,312
Mr. Luo Jianfeng	609	–	591	15	1,215
Mr. Lin Dewei ⁽¹⁾	518	–	296	–	814
	1,736	4,826	5,359	314	12,235
Independent non-executive directors:					
獨立非執行董事：					
Mr. Fung Pui Cheung ⁽²⁾	127	–	–	–	127
Mr. Wong Kwok Ho, Jonathan	275	–	–	–	275
Mr. Cheung Man Yu	275	–	–	–	275
Ms. Lan Fang	275	–	–	–	275
Dr. Tao Zhigang	275	–	–	–	275
Mr. Cheng Dickson ⁽³⁾	142	–	–	–	142
	1,369	–	–	–	1,369
	3,105	4,826	5,359	314	13,604

⁽¹⁾ Re-designated as an executive director from a non-executive director on 11 July 2018

⁽¹⁾ 於2018年7月11日由非執行董事調任為執行董事

⁽²⁾ Resigned as an independent non-executive director on 11 July 2018

⁽²⁾ 於2018年7月11日獲辭任獨立非執行董事

⁽³⁾ Appointed as an independent non-executive director on 11 July 2018

⁽³⁾ 於2018年7月11日獲委任為獨立非執行董事

8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(A) DIRECTORS' REMUNERATION (Continued)

No director waived or agreed to waive any emolument and no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

There were no other emoluments paid or payable to the independent non-executive directors during the year (2018: Nil).

(B) FIVE HIGHEST PAID EMPLOYEES

The Group's five highest paid employees during the year were all directors. Details of the remuneration of these directors during the year are set out in note 8(A) above.

9. INCOME TAX EXPENSE

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Current tax	即期稅項		
PRC	中國	857,319	719,197
Other jurisdictions	其他司法權區	106	1,991
		857,425	721,188
(Over)/under provision in prior years	過往年度(過度)/不足撥備		
PRC	中國	(80,312)	(28,340)
Other jurisdictions	其他司法權區	186	939
		(80,126)	(27,401)
Deferred tax	遞延稅項	176,287	95,528
Total tax charge for the year	年內稅項支出總額	953,586	789,315

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

HONG KONG PROFITS TAX

The statutory rate of Hong Kong profits tax was 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2018: Nil).

8. 董事薪酬及五名最高薪酬僱員(續)

(A) 董事薪酬(續)

概無董事放棄或同意放棄任何酬金，而本集團亦無為鼓勵加盟本集團或在加盟本集團時或作為離職補償而向董事支付任何酬金。

年內概無已付或應付獨立非執行董事的任何其他酬金(2018年：無)。

(B) 五名最高薪酬僱員

年內，本集團五名最高薪酬僱員均為董事。於年內該等董事的薪酬詳情載於上文附註8(A)。

9. 所得稅開支

本集團須就本集團成員公司於身處及經營所在的司法權區所產生或所錄得溢利按實體基準繳納所得稅。

香港利得稅

香港利得稅乃就於香港產生的估計應課稅溢利按法定稅率16.5%(2018年：16.5%)計算。鑑於本集團於年內並無於香港產生任何應課稅溢利，故並無計提香港利得稅撥備(2018年：無)。

9. INCOME TAX EXPENSE (Continued)

PRC CORPORATE INCOME TAX

The Group's income tax provision in respect of its operations in China has been calculated at the applicable tax rates on the taxable profits for both years, based on the existing legislation, interpretations and practices in respect thereof.

Certain of the Group's PRC subsidiaries are qualified as High and New Technology Enterprises and are entitled to a preferential corporate income tax rate of 15% during both years.

INCOME TAX FOR OTHER JURISDICTIONS

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the majority of the Company's subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Profit before tax	除稅前溢利	3,981,921	3,235,539
Tax at the PRC corporate income tax rate of 25%	按中國企業所得稅率25%計算的稅項	995,480	808,885
Effect of tax concessions for certain subsidiaries	若干附屬公司稅項優惠的影響	(341,670)	(258,153)
Share of results of associates	分佔聯營公司業績	(21,642)	(29,201)
Share of results of joint ventures	分佔合營企業業績	(263)	(154)
Income not subject to tax	毋須課稅收益	(34,690)	(27,403)
Expenses not deductible for tax	不可扣稅開支	130,471	83,716
Tax losses utilised from prior years	已動用過往年度稅項虧損	(20,575)	(17,920)
Tax losses not recognised	未確認稅項虧損	158,426	131,082
Adjustments in respect of current tax of prior years	就過往年度的即期稅項的調整	(80,126)	(27,401)
Effect of withholding tax at 5% on the distributable profits of the Company's subsidiaries in PRC	對本公司中國附屬公司可分派溢利按5%徵收預提所得稅的影響	168,175	125,864
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	953,586	789,315

9. 所得稅開支(續)

中國企業所得稅

本集團以相關現有法律、詮釋及慣例為基準，就兩個年度的應課稅溢利按適用稅率計算中國業務的所得稅撥備。

本集團若干中國附屬公司於兩個年度合乎高新技術企業資格，可享15%的優惠企業所得稅率。

其他司法權區的所得稅項

本集團就其他司法權區的稅項撥備已根據本集團經營業務所在的司法權區現行慣例的適用稅率計算。

採用本公司大部分附屬公司所在司法權區法定稅率計算的適用於除稅前溢利的稅項開支與按實際稅率計算的稅項開支的對賬如下：

10. DIVIDENDS

10. 股息

		2019		2018	
		HK\$	HK\$'000	HK\$	HK\$'000
		港元	千港元	港元	千港元
		per share		per share	
		每股		每股	
2019 interim dividend paid (2018: 2018 interim dividend paid)	2019年已付中期股息 (2018年：2018年已付中期股息)	0.12	372,290	0.10	310,242
Less: Dividends for shares held for share award scheme (note 36(B))	減：就股份獎勵計劃所持股份 的股息(附註36(B))	0.12	(2,759)	-	-
			369,531		310,242
2018 final dividend paid (2018: 2017 final dividend paid)	2018年已付末期股息 (2018年：2017年已付末期股息)	0.20	620,484	0.18	558,435
Less: Dividends for shares held for share award scheme (note 36(B))	減：就股份獎勵計劃所持股份 的股息(附註36(B))	0.20	(4,598)	-	-
			615,886		558,435
			985,417		868,677
Equivalent to	等值於		RMB866,871,000 人民幣866,871,000元		RMB715,436,000 人民幣715,436,000元

Subsequent to the end of the reporting period, final dividend of HK28 cents in respect of the year ended 31 December 2019 per ordinary share in aggregate of HK\$862,240,000 has been declared by the Board to the owners of the Company whose names appear on the Company's register of members on 2 June 2020 (2018: final dividend of HK20 cents in respect of the year ended 31 December 2018 per ordinary share amounting to in aggregate of HK\$615,886,000). The amount of final dividend declared for the year ended 31 December 2019 is calculated based on the number of issued shares, less dividends for shares held for the share award scheme, at the date of approval of these consolidated financial statements.

於報告期末後，董事會建議就截至2019年12月31日止年度宣派末期股息每股普通股28港仙，合計862,240,000港元予於2020年6月2日名列本公司股東名冊的本公司擁有人(2018年：就截至2018年12月31日止年度末期股息每股普通股20港仙，合計615,886,000港元)。就截至2019年12月31日止年度宣派的末期股息乃按本綜合財務報表批准日期已發行股份數目，減就股份獎勵計劃所持股份的股息計算。

11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of the basic and the diluted earnings per share are based on:

11. 本公司擁有人應佔每股盈利

根據以下各項計算每股基本及攤薄盈利：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Earnings	盈利		
Profit attributable to owners of the Company used in the basic and diluted earnings per share calculation	計算每股基本及攤薄盈利時用到的本公司擁有人應佔溢利	3,024,701	2,491,774
		Number of Shares 股份數目	
		2019	2018
Shares	股份		
Weighted average number of ordinary shares in issue	已發行普通股加權平均數	3,102,418,400	3,102,418,400
Weighted average number of shares held for the share award scheme	股份獎勵計劃所持股份加權平均數	(21,773,540)	-
Adjusted weighted average number of ordinary shares of the Company in issue used in the basic and diluted earnings per share calculation	計算每股基本及攤薄盈利時用到的本公司已發行普通股經調整加權平均數	3,080,644,860	3,102,418,400

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018 respectively.

本集團於截至2019年及2018年12月31日止年度均無已發行的潛在攤薄普通股。

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture, fixtures and office equipment 家具、裝置及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：							
At 1 January 2018	於2018年1月1日	4,226,528	3,944,251	244,271	191,491	83,481	1,393,763	10,083,785
Additions	添置	70,162	369,228	44,922	17,142	10,974	593,466	1,105,894
Acquisitions of subsidiaries	收購附屬公司	33,574	13,899	231	4,826	-	160	52,690
Transfers	調撥	443,101	198,904	1,572	214	-	(643,791)	-
Disposals	出售	(58,852)	(86,543)	(8,533)	(9,443)	(669)	(32,790)	(196,830)
Disposal of subsidiaries	出售附屬公司	-	(408)	(262)	(565)	(6,789)	(1,117)	(9,141)
Exchange realignment	匯兌調整	831	948	(50)	396	(1,233)	4,391	5,283
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	4,715,344	4,440,279	282,151	204,061	85,764	1,314,082	11,041,681
Additions	添置	168,662	639,679	20,024	17,429	52,541	1,285,733	2,184,068
Acquisitions of subsidiaries (note 37)	收購附屬公司(附註37)	375,371	541,277	2,140	3,081	-	6,309	928,178
Transfers	調撥	429,399	322,388	12,982	3,515	-	(768,284)	-
Disposals	出售	(12,335)	(394,309)	(11,135)	(7,985)	(796)	(100,536)	(527,096)
Disposal of subsidiaries	出售附屬公司	-	-	(107)	-	-	-	(107)
Exchange realignment	匯兌調整	1,999	1,005	509	370	944	6	4,833
At 31 December 2019	於2019年12月31日	5,678,440	5,550,319	306,564	220,471	138,453	1,737,310	13,631,557
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2018	於2018年1月1日	(844,322)	(1,761,654)	(145,635)	(127,383)	(33,190)	(15,467)	(2,927,651)
Provided for the year	年內撥備	(242,033)	(394,437)	(39,228)	(20,233)	(18,853)	-	(714,784)
Disposals	出售	13,992	51,638	5,653	7,948	470	-	79,701
Impairment	減值	-	(3,677)	(241)	(31)	(1,580)	2,818	(2,711)
Disposal of subsidiaries	出售附屬公司	-	46	162	127	2,490	-	2,825
Exchange realignment	匯兌調整	(285)	(203)	-	(386)	578	-	(296)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	(1,072,648)	(2,108,287)	(179,289)	(139,958)	(50,085)	(12,649)	(3,562,916)
Provided for the year	年內撥備	(266,647)	(535,836)	(35,432)	(23,218)	(19,146)	-	(880,279)
Disposals	出售	5,251	197,167	8,290	6,943	332	-	217,983
Impairment	減值	-	1,168	187	13	(11,242)	(6)	(9,880)
Disposal of subsidiaries	出售附屬公司	-	-	36	-	-	-	36
Exchange realignment	匯兌調整	(153)	(476)	(276)	(276)	(499)	-	(1,680)
At 31 December 2019	於2019年12月31日	(1,334,197)	(2,446,264)	(206,484)	(156,496)	(80,640)	(12,655)	(4,236,736)
Net carrying amount:	賬面淨值：							
At 31 December 2019	於2019年12月31日	4,344,243	3,104,055	100,080	63,975	57,813	1,724,655	9,394,821
At 31 December 2018	於2018年12月31日	3,642,696	2,331,992	102,862	64,103	35,679	1,301,433	7,478,765

Included in the Group's property, plant and equipment is a freehold land which had a net carrying amount of RMB767,000 (2018: RMB755,000). The freehold land is situated outside Hong Kong.

計入本集團物業、廠房及設備的永久業權土地的賬面淨值為人民幣767,000元(2018年：人民幣755,000元)。該永久業權土地位於香港境外。

13. LEASES

THE GROUP AS A LESSEE

The Group has lease contracts for various items of leasehold land, plants and buildings, motor vehicles and other equipment used in its operations. For leasehold land classified as prepaid land lease payments previously, lump sum payments were made upfront to acquire the leasehold land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. For other leased lands classified as operating lease previously, they generally have lease terms between 20 and 50 years. Lease of plants and buildings generally have lease terms between 1 and 17 years, while motor vehicles and other equipment generally have lease terms between 1 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

A. Prepaid land lease payments (before 1 January 2019)

		2018
	Note	RMB'000
	附註	人民幣千元
At 1 January	於1月1日	1,293,369
Additions	添置	99,468
Acquisitions of subsidiaries	收購附屬公司	6,093
Provided for the year	年內撥備	(31,035)
Exchange realignment	匯兌調整	519
At 31 December	於12月31日	1,368,414
Analysed for reporting purpose as:	就報告目的分析為：	
Non-current assets	非流動資產	1,337,959
Current assets included in prepayments, deposits and other receivables	計入預付款、按金及其他應收款項的流動資產	30,455
	25	30,455
		1,368,414

13. 租賃

本集團作為承租人

本集團擁有多個用於營運的租賃業權土地、廠房及樓宇、汽車及其他設備的租賃合約。對於先前分類為預付土地租賃款的租賃業權土地，向擁有人收購租賃期為50年的土地時，已預先作出一次性付款，且根據該等土地租賃的條款，將不會進行後續付款。對於先前分類為經營租賃的其他租賃土地，其租期通常介乎20年至50年。廠房及樓宇租賃的租期通常介乎1年至17年，而汽車及其他設備的租期通常介乎1年至3年。一般而言，本集團被限制不能於本集團以外轉讓及轉租租賃資產。本集團有幾份包含延期及終止權以及可變租賃付款的租賃合約，下文將作進一步討論。

A. 預付土地租賃款（2019年1月1日前）

13. LEASES (Continued)

THE GROUP AS A LESSEE (Continued)

B. Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leasehold land [#] 租賃業權 土地 [#] RMB'000 人民幣千元	Plants and buildings 廠房及樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Other equipment 其他設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2019	於2019年1月1日	1,384,033	304,179	382	492	1,689,086
Additions	添置	107,203	61,602	810	-	169,615
Acquisitions of subsidiaries (note 37)	收購附屬公司 (附註37)	-	10,238	-	14,837	25,075
Depreciation charge (note 7)	折舊開支(附註7)	(33,637)	(64,637)	(307)	(1,114)	(99,695)
Termination	終止	(3,224)	(169,165)	-	-	(172,389)
Exchange realignment	匯兌調整	(267)	2,914	56	-	2,703
As at 31 December 2019	於2019年12月31日	1,454,108	145,131	941	14,215	1,614,395

[#] The Group has obtained the land use right certificates for all leasehold land except for those under operating lease arrangements with carrying amount of RMB15,343,000 (2018: RMB15,619,000).

C. Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2019 RMB'000 人民幣千元
As at 1 January	於1月1日	368,752
Additions	添置	61,911
Acquisitions of subsidiaries (note 37)	收購附屬公司(附註37)	24,156
Interest expenses	利息開支	13,773
Payments	付款	(92,406)
Termination	終止	(171,174)
Exchange realignment	匯兌調整	1,112
As at 31 December	於12月31日	206,124
Analysed into:	分析為:	
Current portion	流動部分	88,843
Non-current portion	非流動部分	117,281
		206,124

The maturity analysis of lease liabilities is disclosed in note 42 to the consolidated financial statements.

13. 租賃(續)

本集團作為承租人(續)

B. 使用權資產

本集團使用權資產的賬面值及於年內的變動如下:

		Leasehold land [#] 租賃業權 土地 [#] RMB'000 人民幣千元	Plants and buildings 廠房及樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Other equipment 其他設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2019	於2019年1月1日	1,384,033	304,179	382	492	1,689,086
Additions	添置	107,203	61,602	810	-	169,615
Acquisitions of subsidiaries (note 37)	收購附屬公司 (附註37)	-	10,238	-	14,837	25,075
Depreciation charge (note 7)	折舊開支(附註7)	(33,637)	(64,637)	(307)	(1,114)	(99,695)
Termination	終止	(3,224)	(169,165)	-	-	(172,389)
Exchange realignment	匯兌調整	(267)	2,914	56	-	2,703
As at 31 December 2019	於2019年12月31日	1,454,108	145,131	941	14,215	1,614,395

[#] 本集團已取得所有租賃業權土地(賬面值為人民幣15,343,000元(2018年: 人民幣15,619,000元)的經營租賃安排下土地除外)的土地使用權證。

C. 租賃負債

租賃負債的賬面值及於年內的變動如下:

		2019 RMB'000 人民幣千元
As at 1 January	於1月1日	368,752
Additions	添置	61,911
Acquisitions of subsidiaries (note 37)	收購附屬公司(附註37)	24,156
Interest expenses	利息開支	13,773
Payments	付款	(92,406)
Termination	終止	(171,174)
Exchange realignment	匯兌調整	1,112
As at 31 December	於12月31日	206,124
Analysed into:	分析為:	
Current portion	流動部分	88,843
Non-current portion	非流動部分	117,281
		206,124

租賃負債的到期日分析於綜合財務報表附註42內披露。

13. LEASES (Continued)

THE GROUP AS A LESSEE (Continued)

D. The amounts recognised in profit or loss in relation to leases are as follows:

		2019 RMB'000 人民幣千元
Depreciation expense of right-of-use assets	使用權資產折舊開支	99,695
Interest expense on lease liabilities	租賃負債利息開支	13,773
Gain on termination of right-of-use assets	終止使用權資產所得利益	(5,992)
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019	短期租賃及餘下租期於2019年12月31日或之前屆滿的其他租賃的相關開支	26,230
Expense relating to leases of low-value assets	低價值資產租賃的相關開支	6,719
Total amount recognised in profit or loss	於損益內確認的總額	140,425

E. Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. Set out below are the undiscounted potential future rental payments for extension options in which the Group is not reasonably certain to exercise:

13. 租賃(續)

本集團作為承租人(續)

D. 於損益內已確認與租賃有關的金額如下：

		2019 RMB'000 人民幣千元
Depreciation expense of right-of-use assets	使用權資產折舊開支	99,695
Interest expense on lease liabilities	租賃負債利息開支	13,773
Gain on termination of right-of-use assets	終止使用權資產所得利益	(5,992)
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019	短期租賃及餘下租期於2019年12月31日或之前屆滿的其他租賃的相關開支	26,230
Expense relating to leases of low-value assets	低價值資產租賃的相關開支	6,719
Total amount recognised in profit or loss	於損益內確認的總額	140,425

E. 延期及終止權

本集團有幾份包含延期及終止權的租賃合約。該等選擇權由管理層協商，以靈活管理租賃資產組合，並符合本集團的業務需要。下文載列本集團合理確定不行使延期權的未折讓之潛在未來租金：

		Payable within five years 須於五年內 支付 RMB'000 人民幣千元	Payable after five years 須於五年後 支付 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Extension options expected not to be exercised	預期不會行使的 延期權	98,052	44,657	142,709

13. LEASES (Continued)

THE GROUP AS A LESSEE (Continued)

F. Variable lease payments

The Group has lease contracts for land that contain variable payments based on the unit purchase price of rice announced by local government. Management's objective is to align the lease expense with the amount paid in last time. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

		2019		
		Fixed	Variable	Total
		payments	payments	總計
		固定付款	可變付款	
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Fixed rent	固定租金	92,327	–	92,327
Variable rent only	僅可變租金	–	79	79
		92,327	79	92,406

A 5% increase in unit purchase price of rice would increase total lease payments by 5%.

THE GROUP AS A LESSOR

During the year, the Group leases certain commercial properties in Asia, North America and Oceania which were classified as investment properties. The rental income of these properties amounted to RMB76,847,000 (2018: RMB72,934,000) were recognised and included in "Revenue" in profit or loss. Certain office premises, machineries and equipment were classified as property, plant and equipment under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB27,468,000 (2018: RMB3,115,000), details of which are included in note 5 to the consolidated financial statements.

13. 租賃(續)

本集團作為承租人(續)

F. 可變租賃款

本集團有含有按地方政府公布的稻谷收購單價的可變付款的土地租賃合約。管理層的目標為使租賃開支與上次支付的金額保持一致。下文提供有關本集團可變租賃款的資料，包括與固定付款有關的金額：

稻谷收購單價上漲5%會導致總租賃款增加5%。

本集團作為出租人

年內，本集團於亞洲、北美洲及大洋洲租若干分類為投資物業的商業物業。年內該些物業已確認的租賃收益為人民幣76,847,000元(2018年：人民幣72,934,000元)並計入損益的「收入」內。若干辦公室、機器及設備(於經營租賃安排下)分類為物業、廠房及設備。該等租賃的條款通常要求租戶支付保證金，並因應當時市場狀況定期進行租金調整。本集團於年內確認的租賃收益為人民幣27,468,000元(2018年：人民幣3,115,000元)，詳情載於綜合財務報表附註5。

13. LEASES (Continued)

THE GROUP AS A LESSOR (Continued)

At the end of the reporting period, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Not more than 1 year	不多於1年	258,081	26,187
Over 1 year to 2 years	1年以上至2年	44,852	25,705
Over 2 years to 3 years	2年以上至3年	31,643	23,029
Over 3 years to 4 years	3年以上至4年	22,671	14,495
Over 4 years to 5 years	4年以上至5年	19,619	13,749
Over 5 years	5年以上	69,344	38,648
		446,210	141,813

The disaggregation of these office premises, machineries and equipment classified as property, plant and equipment under operating leases and the reconciliation of the carrying amount at the beginning and end of the period are set out as below:

13. 租賃(續)

本集團作為出租人(續)

於報告期末，本集團根據不可撤銷經營租賃於未來期間向其租戶收取的未貼現租賃款如下：

分類為經營租賃項下物業、廠房及設備的辦公室、機器及設備之分拆及期初與期末賬面值的對賬載列如下：

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2019	於2019年1月1日	22,999	412,389	435,388
Additions	添置	–	145,393	145,393
At 31 December 2019	於2019年12月31日	22,999	557,782	580,781
Accumulated depreciation:	累計折舊：			
At 1 January 2019	於2019年1月1日	(5,505)	(47,332)	(52,837)
Provided for the year	年內撥備	(1,069)	(75,313)	(76,382)
At 31 December 2019	於2019年12月31日	(6,574)	(122,645)	(129,219)
Net carrying amount:	賬面淨值：			
At 31 December 2019	於2019年12月31日	16,425	435,137	451,562

14. INVESTMENT PROPERTIES

14. 投資物業

		2019	2018
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
At 1 January	於 1 月 1 日	4,650,423	4,038,900
Adjustment upon application of HKFRS 16	應用香港財務報告準則第 16 號之調整	48,080	-
At 1 January (restated)	於 1 月 1 日 (重列)	4,698,503	4,038,900
Additions	添置	1,676,170	263,984
Acquisitions of subsidiaries	收購附屬公司	196,638	-
Changes in fair value	公允價值變動	147,997	311,809
Exchange realignment	匯兌調整	150,873	35,730
At 31 December	於 12 月 31 日	6,870,181	4,650,423

Further summary details of the Group's investment properties are set out in the section headed "Summary of Major Investment Properties" of this report.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 13 to the consolidated financial statements.

VALUATION PROCESSES

At the end of the reporting period, the Group's investment properties were stated at fair value and were revalued by independent professionally qualified valuers detailed below:

American Appraisal (Thailand) Ltd.:	For properties in Thailand
Sydney Metropolitan Valuations:	For properties in Australia
Metropolitan Valuation Services Inc. & CBRE Valuation & Advisory Services:	For properties in United States
Colliers International Realty Advisors Inc.:	For properties in Canada
廣東京信房地產土地評估有限公司:	For properties in PRC
Knight Frank Asset Appraisal Limited:	For properties in Indonesia
Albawsala Real Estate Valuation:	For properties in Dubai
Suntec Real Estate Consultants Pte Ltd:	For properties in Myanmar

本集團投資物業概要的進一步詳情載於本報告「主要投資物業概要」一節。

根據經營租賃出租予第三方的投資物業的進一步摘要詳情載於綜合財務報表附註 13。

估值程序

於報告期末，本集團的投資物業按公允價值呈列，並由獨立專業的合資格估值師重新估值，詳情如下：

American Appraisal (Thailand) Ltd.:	就泰國物業而言
Sydney Metropolitan Valuations:	就澳洲物業而言
Metropolitan Valuation Services Inc. & CBRE Valuation & Advisory Services:	就美國物業而言
Colliers International Realty Advisors Inc.:	就加拿大物業而言
廣東京信房地產土地評估有限公司:	就中國物業而言
萊坊資產評估有限公司:	就印尼物業而言
Albawsala Real Estate Valuation:	就杜拜物業而言
Suntec Real Estate Consultants Pte Ltd:	就緬甸物業而言

14. INVESTMENT PROPERTIES (Continued)

VALUATION PROCESSES (Continued)

The valuations performed by the valuers for financial reporting purposes were reviewed by management. Management also discussed the valuation processes and results with the valuers. The net fair value gains on revaluation are included in "other revenue, income and gains" in profit or loss.

Management reviewed the valuation results by verifying all major inputs and assumptions and assessing the reasonableness of such valuations.

VALUATION TECHNIQUES AND FAIR VALUE HIERARCHY

The following table shows the valuation techniques used by the valuers in the determination of fair values. There were no significant changes to the valuation techniques during the year.

	Fair value 公允價值		Valuation techniques 估值方法	Unobservable inputs 不可觀察輸入數據
	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元		
Vacant lands and buildings under refurbishment 空置土地及裝修中物業	4,241,189	3,262,555	Direct/sales comparison approach 直接/銷售比較法	Premium (discount) in quality of land 與土地質量相關的溢價(折讓)
Vacant lands 空置土地	1,468,016	377,548	Residual method 剩餘法	Gross development value and estimated construction cost 總發展價值及估計建築成本
Building 物業	254,070	214,875	Income capitalisation approach 收益資本化法	Capitalisation rate and market rent 資本化比率及市場租金
Buildings under refurbishment 裝修中物業	906,906	795,445	Income capitalisation approach 收益資本化法	Capitalisation rate and market rent 資本化比率及市場租金
	6,870,181	4,650,423		

At the end of the reporting period, the Group's investment properties were within Level 3 of the fair value hierarchy as their valuations were arrived at by reference to certain significant unobservable inputs. There were no transfers into or out of Level 3 during the year (2018: Nil).

14. 投資物業(續)

估值程序(續)

管理層負責審閱估值師就財務呈報目的所作估值。管理層亦會與估值師討論估值程序及結果。有關重新估值的公允價值淨利益乃計入損益內的「其他收入、收益及利益」。

管理層已透過驗證所有主要輸入數據及假設的方式審閱該估值結果，並評估該等估值的合理性。

估值方法及公允價值架構

下表列示估值師釐定公允價值時所用的估值方法。年內估值方法概無發生任何重大變動。

於報告期末，經參考若干重大不可觀察輸入數據後，本集團的投資物業釐定為公允價值架構中第三級。年內概無從第三級轉入或轉出(2018年：無)。

15. GOODWILL AND OTHER INTANGIBLE ASSETS

(A) GOODWILL

		Note	2019	2018
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
At 1 January	於1月1日		363,133	85,309
Acquisitions of subsidiaries	收購附屬公司	37	64,556	278,196
Impairment	減值	7	(29,100)	(372)
At 31 December	於12月31日		398,589	363,133

15. 商譽及其他無形資產

(A) 商譽

(B) OTHER INTANGIBLE ASSETS

(B) 其他無形資產

		Trademark	Brand name	Operating concession rights	Patent and proprietary technologies	Computer software and others	Total
		商標	商號	特許經營權	專利及專有技術	電腦軟件及其他	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
Cost:	成本：						
At 1 January 2018	於2018年1月1日	-	110,520	24,550	27,476	68,527	231,073
Additions	添置	87	57	-	-	5,795	5,939
Acquisitions of subsidiaries	收購附屬公司	39,560	-	-	52,250	27	91,837
Disposals	出售	-	-	-	-	(20)	(20)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	(8)	(8)
Exchange realignment	匯兌調整	-	-	-	-	28	28
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	39,647	110,577	24,550	79,726	74,349	328,849
Additions	添置	1,099	-	-	291	9,336	10,726
Acquisitions of subsidiaries (note 37)	收購附屬公司(附註37)	39,138	-	-	41,577	3,634	84,349
Disposals	出售	-	-	-	-	(70)	(70)
Exchange realignment	匯兌調整	1	-	-	-	27	28
At 31 December 2019	於2019年12月31日	79,885	110,577	24,550	121,594	87,276	423,882
Accumulated amortisation:	累計攤銷：						
At 1 January 2018	於2018年1月1日	-	-	-	(6,431)	(52,310)	(58,741)
Provided for the year	年內撥備	(1,297)	(5)	-	(3,637)	(7,398)	(12,337)
Disposals	出售	-	-	-	-	5	5
Disposal of subsidiaries	出售附屬公司	-	-	-	-	7	7
Exchange realignment	匯兌調整	-	-	-	-	4	4
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	(1,297)	(5)	-	(10,068)	(59,692)	(71,062)
Provided for the year	年內撥備	(2,986)	(10)	-	(6,031)	(7,750)	(16,777)
Disposals	出售	-	-	-	-	70	70
Exchange realignment	匯兌調整	(1)	-	-	-	(3)	(4)
At 31 December 2019	於2019年12月31日	(4,284)	(15)	-	(16,099)	(67,375)	(87,773)
Net carrying amount:	賬面淨值：						
At 31 December 2019	於2019年12月31日	75,601	110,562	24,550	105,495	19,901	336,109
At 31 December 2018	於2018年12月31日	38,350	110,572	24,550	69,658	14,657	257,787

16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purpose of impairment testing, goodwill, brand name and operating concession rights with indefinite useful lives set out in note 15 have been allocated to ten individual cash generating units (“CGUs”), comprising subsidiaries engaging in the following businesses:

- provision of environmental engineering services;
- provision of sewage treatment services;
- provision of hazardous waste treatment services;
- provision of product quality inspection and calibration services for warranty instruments;
- manufacturing and sales of valves and automobile accessories;
- provision of installation and engineering services;
- manufacturing and lease of aluminium framework;
- provision of e-commerce services; and
- manufacturing and sales of plastic pipes.

16. 商譽及其他具無限可使用年期的無形資產減值測試

就減值測試而言，附註15所載的商譽、具無限可使用年期的商號及特許經營權已分配至十個個別的現金產生單位（「現金產生單位」），該等單位包括所從事以下業務的附屬公司：

- 提供環境工程服務；
- 提供污水處理服務；
- 提供危險廢品處理服務；
- 提供產品質素檢驗和保修儀器校準服務；
- 製造及銷售閥門及汽車配件；
- 提供安裝及工程服務；
- 製造及租賃鋁框架構；
- 提供電商服務；及
- 製造及銷售塑料管道。

16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

The carrying amounts of goodwill, brand name and operating concession rights at the end of the reporting period allocated to these units are as follows:

16. 商譽及其他具無限可使用年期的無形資產減值測試(續)

於報告期末分配至該等單位的商譽、商號及特許經營權的賬面值如下：

		Goodwill 商譽 RMB'000 人民幣千元	Brand name 商號 RMB'000 人民幣千元	Operating concession rights 特許經營權 RMB'000 人民幣千元
2019				
Guangzhou EP Environmental Engineering Ltd.* and its subsidiary ("GZEP")	廣州市環境保護工程設計院有限公司及其附屬公司(「GZEP」)	–	110,520	23,230
Foshan Shunde Huifengyuan Environmental Management Co., Ltd.* ("Huifengyuan")	佛山市順德區滙豐源環境工程管理有限公司(「滙豐源」)	7,457	–	1,320
Hainan Baolai Industrial & Trading Co., Ltd.* and its subsidiary ("Baolai")	海南寶來工貿有限公司及其附屬公司(「寶來」)	39,997	–	–
Jianghuai Inspection Corporation Services Co., Ltd.* ("Jianghuai inspection")	安徽省江淮質量技術檢測服務有限公司(「江淮檢測」)	8,755	–	–
Jiangsu Yongbao Environmental Technology Co., Ltd.* and its subsidiaries ("Jiangsu Yongbao")	江蘇永葆環保科技有限公司及其附屬公司(「江蘇永葆」)	276,098	–	–
Hunan Huaqing Testing Technology Co., Ltd.* ("Hunan Huaqing")	湖南華清檢測技術有限公司(「湖南華清」)	1,726	–	–
Guangdong Zhongheng Precision Metal Manufacture Co., Ltd.* ("Guangdong Zhongheng")	廣東中恒精密金屬製造有限公司(「廣東中恒」)	1,989	–	–
Guangdong Yitong Technology Co., Ltd.* ("Guangdong Yitong")	廣東一通科技股份有限公司(「廣東一通」)	7,863	–	–
Guangzhou KingHing Construction Technology Ltd.* and its subsidiaries ("Guangzhou KingHing")	廣州景興建築科技有限公司及其附屬公司(「廣州景興」)	37,292	–	–
Guangdong Qicheng Information Technology Co., Ltd.* ("Guangdong Qicheng")	廣東啟橙信息技術有限公司(「廣東啟橙」)	17,412	–	–
		398,589	110,520	24,550

16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

16. 商譽及其他具無限可使用年期的無形資產減值測試(續)

2018		Goodwill 商譽 RMB'000 人民幣千元	Brand name 商號 RMB'000 人民幣千元	Operating concession rights 特許經營權 RMB'000 人民幣千元
	GZEP	29,100	110,520	23,230
	Huifengyuan	7,457	–	1,320
	Baolai	39,997	–	–
	Jianghuai inspection	8,755	–	–
	Jiangsu Yongbao	276,098	–	–
	Hunan Huaqing	1,726	–	–
		363,133	110,520	24,550

Management regarded brand name and operating concession rights acquired through business combinations having indefinite useful lives because they are expected to generate net cash inflows indefinitely.

The recoverable amounts of each CGU have been determined based on value-in-use calculation using cash flow projections which based on financial budgets approved by the management covering a five-year period. The growth rates used to extrapolate cash flows beyond the five-year period is 2% and the pre-tax discount rates applied to cash flow projections are as follows:

管理層認為透過業務合併產生的商號及特許經營權具有無限可使用年期，此乃由於其預期可產生無限的現金流入淨額。

現金產生單位之可收回金額乃基於現金流量預測計算之使用價值釐定，而現金流量預測乃根據管理層審批之五年期財務預算。超出五年期之現金流量使用2%之增長率推算，而現金流量預測所應用的稅前貼現率如下：

		Pre-tax discount rate 稅前貼現率
GZEP	GZEP	15.56%
Huifengyuan	滙豐源	14.62%
Baolai	寶來	12.75%
Jianghuai inspection	江淮檢測	19.15%
Jiangsu Yongbao	江蘇永葆	13.80%
Hunan Huaqing	湖南華清	19.42%
Guangdong Zhongheng	廣東中恒	15.48%
Guangdong Yitong	廣東一通	15.76%
Guangzhou KingHing	廣州景興	16.68%
Guangdong Qicheng	廣東啟橙	15.55%

16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the units' past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of each CGU to exceed their recoverable amounts respectively.

Based on the value in use calculation of GZEP, impairment loss amounting to RMB29,100,000 (2018: Nil) is recognised on the relevant goodwill in respect of the current year, which arose from the expected decline in the demand of environmental engineering services. Except for goodwill of GZEP, there are no impairment of any other CGUs containing goodwill, brand name and operating concession rights with indefinite useful lives (2018: RMB372,000).

17. INTERESTS IN ASSOCIATES

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Share of net assets	分佔資產淨額	1,328,136	1,239,394
Goodwill on acquisitions	收購產生的商譽	173,001	136,173
		1,501,137	1,375,567

16. 商譽及其他具無限可使用年期的無形資產減值測試(續)

計算可使用價值的其他主要假設與包括預算銷售額及毛利率的現金流入／流出的估計有關。有關估計乃基於個別單位的過往表現及管理層對個別市場發展的預算而作出。管理層認為，任何該等假設可能出現的任何合理變動不會導致各現金產生單位各自的賬面值超出其各自的可收回金額。

基於GZEP的使用價值計算，本年度已就相關商譽確認減值虧損人民幣29,100,000元(2018年：無)，此乃環境工程服務需求預期下降所致。除GZEP的商譽外，概無任何其他含有商譽、商號及擁有無限可使用年期的特許經營權的現金產生單位減值(2018年：人民幣372,000元)。

17. 於聯營公司的權益

17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益(續)

Particulars of the associates as at 31 December 2019 are as follows:

於2019年12月31日，聯營公司的詳情如下：

Name 名稱	Registered capital 註冊資本	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Percentage of 所佔百分比			Principal activity 主要業務
			Ownership interest 所有權權益	Voting power 投票權	Profit sharing 應佔溢利	
Xingfa Aluminium Holdings Limited 興發鋁業控股有限公司	RMB3,731,000 人民幣3,731,000元	Cayman Islands 開曼群島	26	26	26	Manufacture and sale of aluminium profiles 製造及銷售鋁型材
Foshan Hechuang Yingke Real Estate Development Co., Ltd.* 佛山市合創盈科房產開發有限公司	RMB180,000,000 人民幣180,000,000元	PRC 中國	38	38	38	Property development 物業發展
Guangdong Liancheng Lesso Commercial Development Co., Ltd.* 廣東連城領尚商業投資有限公司	RMB10,000,000 人民幣10,000,000元	PRC 中國	40	40	40	Property management 物業管理
Guangdong Lianqing Environmental Co., Ltd.* 廣東聯清環境有限公司	RMB100,000,000 人民幣100,000,000元	PRC 中國	35	35	29	Provision of environmental consulting services 提供環境諮詢服務
Guangdong Zlgj Information Technology Co., Ltd.* ⁽³⁾ 廣東智觀管家信息科技有限公司 ⁽³⁾	RMB11,236,000 人民幣11,236,000元	PRC 中國	8	11	11	Provision of household decoration and design services 提供家居裝飾及設計服務
Shanghai Banxin IoT Tech Co., Ltd.* ⁽³⁾ 上海邦芯物聯網科技有限公司 ⁽³⁾	RMB13,173,000 人民幣13,173,000元	PRC 中國	13	13	33	Provision of IoT solution services 提供物聯網解決方案服務
Artaic, LLC ⁽³⁾	US\$2,500,000 2,500,000美元	USA 美國	17	20	11	Manufacture and sale of mosaic tiles 製造及銷售馬賽克瓷磚
Jiangyin Yongqing Water Purifying Agent Co., Ltd.* ⁽¹⁾ 江陰市永清淨水劑有限公司 ⁽¹⁾	RMB5,000,000 人民幣5,000,000元	PRC 中國	20	20	20	Manufacture and sale of chemical products 製造及銷售化工產品
Jiangxi KingHing Aluminium Formwork Manufacturing Co., Ltd.* ⁽²⁾ 江西省景興鋁模製造有限公司 ⁽²⁾	RMB5,000,000 人民幣5,000,000元	PRC 中國	20	20	20	Manufacture and sale of aluminium formwork 製造及銷售鋁模板
Guangdong Jingyu Construction Technology Co., Ltd.* ⁽²⁾ 廣東景宇建築科技有限公司 ⁽²⁾	RMB10,000,000 人民幣10,000,000元	PRC 中國	20	20	20	Manufacture and sale of building formwork 製造及銷售建築模板
Guangzhou Huicheng Information Technology Co., Ltd.* ⁽²⁾ 廣州市薈橙信息技術有限公司 ⁽²⁾	RMB3,000,000 人民幣3,000,000元	PRC 中國	49	49	49	Provision of e-commerce services 提供電商服務

17. INTERESTS IN ASSOCIATES (Continued)

Note:

- ⁽¹⁾ During current year, the Group acquired 20% equity interest of Jiangyin Yongqing Water Purifying Agent Co., Ltd. from independent third parties at total consideration of RMB2,160,000.
- ⁽²⁾ During the current year, the Group acquired these associates through business combinations. Further details are disclosed in note 37 to the consolidated financial statements.
- ⁽³⁾ It is considered that the Group has significant influence over these companies because the Group has a director in the board of directors of these companies.

Xingfa Aluminium Holdings Limited (“Xingfa Aluminium”) and Foshan Hechuang Yingke Real Estate Development Co., Ltd. (“Hechuang Yingke”), which are considered material associates of the Group, are engaged in the manufacture and sale of aluminium profiles and property development, respectively, and are accounted for using the equity method.

17. 於聯營公司的權益(續)

附註：

- ⁽¹⁾ 於本年度內，本集團向獨立第三方收購江陰市永清淨水劑有限公司20%的股權，總代價為人民幣2,160,000元。
- ⁽²⁾ 於本年度內，本集團透過業務合併收購該等聯營公司。有關詳情已披露於綜合財務報表附註37。
- ⁽³⁾ 本集團於該些公司董事會擁有一名董事，故本集團認為本集團對該公司擁有重大影響力。

興發鋁業控股有限公司(「興發鋁業」)及佛山市合創盈科房產開發有限公司(「合創盈科」)均被視為本集團的重大聯營公司，分別從事製造及銷售鋁型材以及物業發展業務，並按權益法入賬。

17. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements at the end of the reporting period are as follows:

17. 於聯營公司的權益(續)

有關重大聯營公司於報告期末的財務資料概要(該等資料已就會計政策的任何差異作出調整並與綜合財務報表的賬面值進行對賬)如下:

		Xingfa Aluminium 興發鋁業 RMB'000 人民幣千元	Hechuang Yingke 合創盈科 RMB'000 人民幣千元
Current assets	流動資產	3,215,983	670,555
Non-current assets, excluding goodwill	非流動資產(不包括商譽)	5,714,127	653,600
Goodwill on acquisition of the associates	收購聯營公司產生的商譽	124,590	48,411
Current liabilities	流動負債	(4,581,674)	(231,002)
Non-current liabilities	非流動負債	(560,978)	(340,769)
Net assets	資產淨額	3,912,048	800,795
Net assets, excluding goodwill	資產淨額(不包括商譽)	3,787,458	752,384
Reconciliation to the Group's interests in the associates:	與本集團於聯營公司的權益的對賬:		
Proportion to the Group's ownership	所佔本集團所有權比例	26.28%	38%
Group's share of net assets of the associate, excluding goodwill	本集團分佔聯營公司的資產淨額(不包括商譽)	995,344	285,906
Goodwill on acquisitions	收購產生的商譽	124,590	48,411
Carrying amount of the investments	投資賬面值	1,119,934	334,317
Revenue	收入	11,280,848	117,701
Profit/(loss) for the year	年內溢利/(虧損)	542,305	(92,536)
Other comprehensive expense	其他全面開支	(744)	-
Total comprehensive income/(expense) for the year	年內全面收益/(開支)總額	541,561	(92,536)
Fair value of the Group's investments	本集團投資公允價值	808,807	N/A 不適用

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

下表呈列本集團的非個別重大聯營公司的總體財務資料:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Share of the associates:	分佔聯營公司:		
Loss for the year	年度虧損	(1,459)	(7,315)
Other comprehensive income	其他全面收益	-	-
Total comprehensive expense	全面開支總額	(1,459)	(7,315)
Aggregate carrying amount of the Group's investments in the associates	本集團投資於聯營公司的總賬面值	46,886	41,543

18. INTERESTS IN JOINT VENTURES

18. 於合營企業的權益

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Share of net assets	分佔資產淨額	10,356	9,303

Particulars of the joint venture are as follows:

合營企業的詳情如下：

Name 名稱	Registered capital 註冊資本	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Percentage of 所佔百分比			Principal activity 主要業務
			Ownership interest 所有權權益	Voting power 投票權	Profit sharing 應佔溢利	
Guangdong Lesso EPCO Residential Equipment Design Services Co., Ltd.*	RMB10,000,000	PRC	50	50	50	Provision of household decoration design work and maintenance services
廣東聯塑艾博科住宅設備設計服務有限公司	人民幣 10,000,000 元	中國	50	50	50	提供家居裝飾設計及維修服務

The following table illustrates the information of the Group's interests in joint ventures:

下表呈列本集團於合營企業的權益的資料：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Share of the joint ventures:	分佔合營企業：		
Profit from continuing operations	持續經營業務溢利	1,053	616
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	全面收益總額	1,053	616
Aggregate carrying amount of the Group's investments in the joint ventures	本集團投資於合營企業的總賬面值	10,356	9,303

19. OTHER FINANCIAL ASSETS

19. 其他金融資產

		Note	2019	2018
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current	非流動			
Debt instruments at FVTOCI:	按公允價值計入其他全面收益的債務工具：	(i)		
Debt securities listed in Hong Kong	於香港上市債務證券		46,923	50,376
Debt securities listed in PRC	於中國上市債務證券		509,647	204,723
			556,570	255,099
Equity instruments at FVTOCI:	按公允價值計入其他全面收益的股本工具：			
Equity securities listed in PRC	於中國上市股本證券		231,536	247,573
Equity securities listed in Hong Kong	於香港上市股本證券		394,811	482,293
Non-cumulative redeemable preference shares listed in Hong Kong	於香港上市非累計可贖回優先股		–	34,474
Perpetual capital securities listed in Hong Kong	於香港上市永久資本證券		8,780	8,391
Unlisted equity securities	非上市股本證券		501,153	770,795
			1,136,280	1,543,526
Equity instruments at FVTPL:	按公允價值計入損益的股本工具：	(ii)		
Unlisted equity securities	非上市股本證券		56,344	53,886
Funds at FVTPL:	按公允價值計入損益的基金：			
Stock funds	股票型基金		21,926	–
			78,270	53,886
			1,771,120	1,852,511
Current	流動			
Debt instruments at FVTOCI:	按公允價值計入其他全面收益的債務工具：	(i)		
Debt securities listed in Hong Kong	於香港上市債務證券		8,363	–
Debt instruments at FVTPL	按公允價值計入損益的債務工具		–	47,649
			8,363	47,649
			1,779,483	1,900,160

Note:

- (i) The debt securities carry fixed interest at rates ranging from 5.65% to 8.40% (2018: 5.65% to 8.40%) per annum, payable semi-annually or annually in arrears and will mature from January 2020 to January 2023 (2018: January 2020 to January 2023).
- (ii) The equity securities contained a puttable option were classified as equity instruments at FVTPL.
- (iii) At the end of the reporting period, no other financial assets were pledged. At 31 December 2018, certain of the Group's other financial assets with an aggregate net carrying amount of RMB34,474,000 were pledged to a bank to secure the banking facility granted and the Group has not utilised this banking facility.

附註：

- (i) 債務證券的利息按固定年利率介乎5.65%至8.40% (2018年：5.65%至8.40%) 計算，每半年或每年支付及將於2020年1月至2023年1月到期(2018年：2020年1月至2023年1月)。
- (ii) 分類為按公允價值計入損益的股本工具的股本證券包含一個認沽期權。
- (iii) 於報告期末，並無其他金融資產被抵押。於2018年12月31日，本集團總賬面淨值為人民幣34,474,000元的若干其他金融資產已向銀行抵押作為獲授銀行融資的擔保及本集團概無動用該銀行融資。

20. LOAN RECEIVABLES

20. 應收借款

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current	非流動		
Finance lease receivables	融資租賃服務應收款項	11,613	163,422
Current	流動		
Finance lease receivables	融資租賃服務應收款項	165,339	100,421
Factoring receivables	保理服務應收款項	260,491	334,379
Receivables from supply-chain financing services	供應鏈融資服務應收款項	129,520	80,170
		555,350	514,970
Less: Provision for impairment	減：減值撥備	(190,677)	(159,500)
		364,673	355,470
		376,286	518,892

(A) FINANCE LEASE RECEIVABLES

(A) 融資租賃服務應收款項

		Minimum lease receivables		Present value of minimum lease receivables	
		最低租賃服務應收款項		最低租賃服務應收款項現值	
		2019	2018	2019	2018
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Not more than 1 year	不多於1年	191,748	116,208	165,339	100,421
Over 1 year but within 5 years	1年以上5年以內	14,131	182,104	11,613	163,422
		205,879	298,312	176,952	263,843
Less: Unearned finance income	減：未實現融資收益	(28,927)	(34,469)		
Present value of minimum lease receivables	最低租賃服務應收款項現值	176,952	263,843		

The Group's finance lease receivables are denominated in Renminbi. The effective interest rates of the receivables ranged from 5.89% to 13.19% (2018: 5.89% to 12.70%) per annum. There are no unguaranteed residual values of assets leased under finance leases and no contingent rent arrangements that needed to be recognised (2018: Nil).

本集團的融資租賃服務應收款項以人民幣計值。該應收款項的實際年利率介乎5.89%至13.19%（2018年：5.89%至12.70%）。概無任何融資租賃資產的未擔保剩餘價值，亦無任何須予確認的或然租賃安排（2018年：無）。

20. LOAN RECEIVABLES (Continued)

(A) FINANCE LEASE RECEIVABLES (Continued)

The following is a credit quality analysis of these finance lease receivables:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Not past due	未逾期	21,731	263,843
Overdue	已逾期	155,221	-
		176,952	263,843

The receivables are secured by assets leased under finance leases and cash deposits (where applicable).

Cash deposits from finance lease customers are collected upfront based on certain percentage of the entire value of the lease contracts. When the lease contracts expire and all related liabilities and obligations are fulfilled by the customers, the cash deposit will be returned in full. The balance of the cash deposit can also be used to settle any outstanding lease receivables for the corresponding lease contract. The collected cash deposits of RMB21,310,000 (2018: RMB25,613,000) have been included in "other long-term payables" in the consolidated statement of financial position.

At the end of the reporting period, RMB31,177,000 of the Group's finance lease receivables was impaired (2018: Nil).

(B) FACTORING RECEIVABLES

The Group's factoring receivables arise from the provision of factoring services to companies located in PRC. The credit period granted to each customer is generally within 365 days.

Factoring receivables are secured by receivables and/or commercial bills originally owned by the customers. These receivables carry interest at rates ranging from 4.00% to 7.20% (2018: 4.00% to 6.50%) per annum.

20. 應收借款(續)

(A) 融資租賃服務應收款項(續)

以下為融資租賃服務應收款項的信貨質素分析：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Not past due	未逾期	21,731	263,843
Overdue	已逾期	155,221	-
		176,952	263,843

該應收款項以融資租賃資產及現金按金(如適用)作為抵押。

融資租賃服務客戶現金按金乃基於租賃合約全部價值的若干百分比預先收取。於租賃合約屆滿以及客戶履行所有相關責任及義務後，該現金按金將會全部退還。現金按金結餘亦可用於結算相應租賃合約的任何尚未收取的租賃服務應收款項。已收取的現金按金人民幣21,310,000元(2018年：人民幣25,613,000元)已計入綜合財務狀況表的「其他長期應付款項」內。

於報告期末，人民幣31,177,000元的本集團的融資租賃服務應收款項已減值(2018年：無)。

(B) 保理服務應收款項

本集團的保理服務應收款項來自向中國公司提供保理服務。授予各客戶的信用期限一般為365天內。

保理服務應收款項以原來由客戶擁有的應收款項及／或商業匯票抵押。該等應收款項按介乎4.00%至7.20%(2018年：4.00%至6.50%)的年利率計息。

20. LOAN RECEIVABLES (Continued)

(B) FACTORING RECEIVABLES (Continued)

The maturity profile of the factoring receivables at the end of the reporting period is as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	15,778	65,079
Over 3 months to 6 months	3個月以上至6個月	46,713	109,800
Over 6 months to 12 months	6個月以上至12個月	38,500	–
Overdue	已逾期	159,500	159,500
		260,491	334,379

At the end of the reporting period, RMB159,500,000 of the Group's factoring receivables was impaired (2018: RMB159,500,000).

(C) RECEIVABLES FROM SUPPLY-CHAIN FINANCING SERVICES

The Group's receivables from supply-chain financing services arise from the provision of supply-chain financing services to companies located in PRC. The credit period for each customer is generally within 365 days.

These receivables carry interest at rates ranging from 4.75% to 10.80% per annum (2018: 5.40% to 10.80%).

Certain receivables from supply-chain financing services, amounting to RMB129,520,000 (2018: RMB80,170,000) are secured by certain interests of companies and personal guarantees.

20. 應收借款(續)

(B) 保理服務應收款項(續)

於報告期末，保理服務應收款項的到期情況如下：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	15,778	65,079
Over 3 months to 6 months	3個月以上至6個月	46,713	109,800
Over 6 months to 12 months	6個月以上至12個月	38,500	–
Overdue	已逾期	159,500	159,500
		260,491	334,379

於報告期末，人民幣159,500,000元的本集團的保理服務應收款項已減值(2018年：人民幣159,500,000元)。

(C) 供應鏈融資服務應收款項

本集團的供應鏈融資服務應收款項來自向中國公司提供供應鏈融資服務。各客戶的信用期限一般為365天內。

該等應收款項按介乎4.75%至10.80%的年利率(2018年：5.40%至10.80%)計息。

若干供應鏈融資服務應收款項人民幣129,520,000元(2018年：人民幣80,170,000元)以若干公司權益及個人擔保作抵押。

20. LOAN RECEIVABLES (Continued)

(C) RECEIVABLES FROM SUPPLY-CHAIN FINANCING SERVICES (Continued)

The maturity profile of the receivables from supply-chain financing services at the end of the reporting period is as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	79,478	57,050
Over 3 months to 6 months	3個月以上至6個月	32,390	19,900
Over 6 months to 12 months	6個月以上至12個月	17,652	3,220
		129,520	80,170

At the end of the reporting period, none of the Group's receivables from supply-chain financing services was either past due or impaired (2018: Nil).

An impairment analysis is performed at each reporting date by considering the probability of default of those companies with financial conditions, historical loss experience, coverage by letters of credit or other forms of credit insurance. At the end of the reporting period, the loss given default for the remaining balance of loan receivables was not material and has no impact on the Group's consolidated financial statements.

21. OTHER NON-CURRENT ASSETS

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Other long-term receivables	其他長期應收款項	4,093	5,804
Value-added tax recoverable	待抵扣增值稅	38,323	–
Prepayment for acquisition of a subsidiary	預付收購一間附屬公司款項	–	354,293
Prepayment for acquisition of non-controlling interests	預付收購非控制權益	23,868	–
Prepayment for acquisition of equity investment	預付收購股本投資	4,500	–
		70,784	360,097

20. 應收借款(續)

(C) 供應鏈融資服務應收款項(續)

於報告期末，供應鏈融資服務應收款項的到期情況如下：

於報告期末，本集團的供應鏈融資服務的應收款項概無逾期或減值(2018年：無)。

透過財務狀況、歷史虧損經驗、信用證或其他形式的信用保險考慮該等公司的違約或然率，於各報告日期進行減值分析。於報告期末，餘下的應收借款違約的虧損並不重要及對本集團的綜合財務報表並無影響。

21. 其他非流動資產

22. INVENTORIES

22. 存貨

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Manufacturing and trading	製造及貿易	3,660,365	3,271,853
Property development	物業發展	305,683	249,361
		3,966,048	3,521,214

(A) MANUFACTURING AND TRADING

(A) 製造及貿易

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	1,332,697	1,401,893
Work in progress	在產品	351,332	327,273
Finished goods	產成品	1,976,336	1,542,687
		3,660,365	3,271,853

(B) PROPERTY DEVELOPMENT

(B) 物業發展

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Property under development	發展中物業	305,683	249,361

The property under development is expected to be completed in more than twelve months after the end of the reporting period.

該發展中物業預計於報告期末後多於十二個月完成。

23. CONTRACT ASSETS/CONTRACT LIABILITIES

23. 合約資產／合約負債

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract assets	合約資產		
Non-current:	非流動：		
Concession operating right	特許經營權	81,571	84,651
Current:	流動：		
Renovation and installation works	裝修及安裝工程	201,485	258,812
Environmental engineering services	環境工程服務	78,660	86,440
Concession operating right	特許經營權	3,882	3,882
		284,027	349,134
Less: Impairment	減：減值	(4,584)	(21,855)
		279,443	327,279
		361,014	411,930
Contract liabilities	合約負債		
Current:	流動：		
Renovation and installation works	裝修及安裝工程	112,517	50,094
Environmental engineering services	環境工程服務	7,832	22,686
Advances from customers	客戶墊款	1,604,951	1,410,214
		1,725,300	1,482,994

The Group's contract assets represent the Group's rights to consideration for work completed but not yet billed to customers at the end of the reporting period. The contract assets will be transferred to trade and bills receivables when the rights become unconditional, that is, when the Group issue progress billings to customers based on the certified amount agreed with customers.

At the end of the reporting period, RMB4,584,000 (2018: RMB21,855,000) was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 24 to the consolidated financial statements.

The Group's contract liabilities represent the Group's obligations to transfer goods or services to customers for which the Group has received consideration, or for which an amount of consideration is due from the customers.

本集團的合約資產指本集團於報告期末已完工但尚未向客戶就工程收取代價的權利。當該權利成為無條件時，合約資產將會轉移至貿易應收款項及票據，即本集團基於與客戶協定的核證金額向客戶發出進度計費。

於報告期末，人民幣4,584,000元（2018年：人民幣21,855,000元）確認為合約資產預期信貸虧損撥備。本集團與客戶的貿易條款及信貸政策披露於綜合財務報表附註24。

本集團的合約負債指本集團向客戶轉讓本集團已收取代價或應收客戶代價金額的貨品或服務的責任。

23. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

The expected timing of recovery or settlement for contract assets at the end of the reporting period is as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Not more than 1 year	不多於1年	279,443	327,279
Over 1 year	1年以上	81,571	84,651
		361,014	411,930

The movements in the loss allowance for impairment of contract assets are as follows:

		Note	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
At 1 January	於1月1日		21,855	-
Impairment losses recognised	已確認減值虧損	7	3,052	21,855
Amounts written off as uncollectible	撇銷為不可收回的金額		(20,323)	-
At 31 December	於12月31日		4,584	21,855

For the contract assets arising from renovation and installation works and environmental engineering services, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets are based on the invoice date of trade and bills receivables for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

23. 合約資產／合約負債(續)

於報告期末，收回或結算合約資產的預計時間如下：

合約資產減值的虧損撥備變動如下：

就裝修及安裝工程以及環境工程服務所產生的合約資產而言，本集團於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損。計量合約資產的預期信貸虧損的撥備率乃按貿易應收款項及票據的預期信貸虧損釐定，乃由於合約資產和貿易應收款項及票據來自同一個客戶基礎。合約資產的撥備率就有類似虧損模式的各應收貿易款項及票據的客戶分部組別(即按地區、產品類型、客戶類型及評級，以及信用證及其他形式的信用保險)的發票日期釐定。該計算反映或然率加權的結果、貨幣時間值以及於報告日期可獲得有關過往事件、現況及未來經濟狀況預測的合理支持資料。

23. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Expected credit loss rate	預期信貸虧損率	1.64%	6.33%
Gross carrying amount	賬面總值	280,145	345,252
Expected credit losses	預期信貸虧損	4,584	21,855

For the contract assets arising from concession operating right, since the party to concession agreements are local government authorities in PRC, the Group considers the credit risk is low as at the end of the reporting period. The Group does not hold any collateral over the balance.

24. TRADE AND BILLS RECEIVABLES

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Trade receivables	貿易應收款項	2,734,678	2,036,323
Bills receivable	應收票據	762,004	537,617
Less: Provision for impairment	減：減值撥備	(237,226)	(194,493)
		3,259,456	2,379,447

The Group's major customers are independent distributors, civil contractors, property developers, utility companies and municipalities in China. Depending on the market condition, marketing tactics and relationships with the customers, the Group's trading terms with its independent distributors may change from settlement on an advance receipt basis to giving a credit period of generally one month or more, if appropriate. The Group does not have a standardised and universal credit period granted to the non-distributor customers. The credit period of an individual non-distributor customer is considered on a case-by-case basis and is set out in the sales contracts, as appropriate. Sales to small, new, or short-term customers are normally expected to be settled on an advance receipt basis or shortly after the goods delivery. No credit term period is set by the Group for small, new and short-term customers.

23. 合約資產／合約負債(續)

以下載列有關本集團使用撥備矩陣計算的合約資產的信貸風險資料：

就特許經營權所產生的合約資產而言，鑑於特許協議方為中國地方政府機關，本集團認為於報告期末的信貸風險為低。本集團並無就結餘持有任何抵押品。

24. 貿易應收款項及票據

本集團的主要客戶為中國的獨立分銷商、土木工程承建商、房地產開發商、公用事業公司及市政部門。本集團視乎市況、市場策略及與客戶的關係，可將其與獨立分銷商的貿易條款由按預付方式結算更改為授予一般一個月或多個月的信用期限(如適當)。本集團並無統一向非分銷商客戶授予標準的信用期限。個別非分銷商客戶的信用期限視乎個別情況而定，並在銷售合約中列明(如適當)。對小規模、新或短期客戶的銷售一般預期以預付方式或於交貨後短期內結算。本集團並無為小規模、新或短期客戶設立信用期限。

24. TRADE AND BILLS RECEIVABLES (Continued)

Trade and bills receivables are unsecured and interest-free.

An ageing analysis of the Group's trade and bills receivables at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Not more than 3 months	不多於3個月	1,385,281	1,326,856
Over 3 months to 6 months	3個月以上至6個月	523,083	339,304
Over 6 months to 12 months	6個月以上至12個月	916,406	347,898
Over 1 year to 2 years	1年以上至2年	351,848	314,239
Over 2 years to 3 years	2年以上至3年	71,784	42,684
Over 3 years	3年以上	11,054	8,466
		3,259,456	2,379,447

The movements in the loss allowance for impairment of the Group's trade and bills receivables are as follows:

		Note 附註	2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
At 1 January	於1月1日		194,493	145,061
Acquisitions of subsidiaries	收購附屬公司		14,416	-
Impairment losses recognised	已確認減值虧損	7	35,486	51,736
Amounts written off as uncollectible	撇銷為不可收回的金額		(7,169)	(2,304)
At 31 December	於12月31日		237,226	194,493

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the invoice date for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

24. 貿易應收款項及票據(續)

貿易應收款項及票據均為無抵押及免息。

於報告期末，本集團的貿易應收款項及票據按發票日期並扣除虧損撥備後的賬齡分析如下：

本集團貿易應收款項及票據減值的虧損撥備變動如下：

本集團於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損。撥備率就有類似虧損模式的各客戶分部組別(即按地區、產品類型、客戶類型及評級，以及信用證及其他形式的信用保險)的發票日期釐定。該計算反映或然率加權的結果、貨幣時間值以及於報告日期可獲得有關過往事件、現況及未來經濟狀況預測的合理支持資料。

24. TRADE AND BILLS RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

24. 貿易應收款項及票據(續)

以下載列有關本集團使用撥備矩陣計算的貿易應收款項及票據的信貸風險資料：

		2019				
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	2 to 3 years 2至3年 RMB'000 人民幣千元	Over 3 years 3年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Expected credit loss rate	預期信貸虧損率	0.79%	6.21%	20.07%	94.01%	6.78%
Gross carrying amount	賬面總值	2,847,360	375,125	89,806	184,391	3,496,682
Expected credit losses	預期信貸虧損	(22,590)	(23,277)	(18,022)	(173,337)	(237,226)
		2,824,770	351,848	71,784	11,054	3,259,456

		2018				
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	2 to 3 years 2至3年 RMB'000 人民幣千元	Over 3 years 3年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Expected credit loss rate	預期信貸虧損率	0.67%	7.62%	19.67%	94.46%	7.56%
Gross carrying amount	賬面總值	2,027,713	340,168	53,135	152,924	2,573,940
Expected credit losses	預期信貸虧損	(13,655)	(25,929)	(10,451)	(144,458)	(194,493)
		2,014,058	314,239	42,684	8,466	2,379,447

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

25. 預付款、按金及其他應收款項

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayments	預付款	1,561,497	1,057,008
Current portion of prepaid land lease payments (note)	預付土地租賃款的流動部分(附註)	–	30,455
Value-added tax recoverable	待抵扣增值稅	477,717	332,344
Corporate income tax recoverable	待抵扣企業所得稅	8,556	1,188
Deposits	按金	105,707	85,743
Other receivables	其他應收款項	83,824	138,267
Loan receivables from third parties	來自第三方借款	100,177	170,500
		2,337,478	1,815,505
Less: Provision for impairment	減：減值撥備	(88,348)	(15,028)
		2,249,130	1,800,477

The financial assets included in the above balances are unsecured, interest-free and receivable on demand.

計入上述結餘的金融資產乃無抵押、免息及按要求收款。

Note:

附註：

Upon application of HKFRS 16, current portion of prepaid land lease payments was reclassified to right-of-use assets.

於應用香港財務報告準則第16號後，預付土地租賃款的流動部分重新歸類為使用權資產。

26. CASH AND BANK DEPOSITS

26. 現金及銀行存款

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Restricted cash:	受限制現金：		
Guarantee deposits for banking facilities	作為銀行融資的擔保按金	1,241,777	1,057,955
Cash and cash equivalents:	現金及現金等價物：		
Time deposits with original maturity of three months or less when acquired	定期存款(於獲取時原有限為三個月或以下)	454,916	8,440
Cash and bank balances	現金及銀行結餘	5,907,528	5,385,396
		6,362,444	5,393,836
Cash and bank deposits	現金及銀行存款	7,604,221	6,451,791

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and twelve months and earn interest at the respective short-term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

存放於銀行的現金按每日銀行存款利率的浮動利率賺取利息。短期定期存款的期限介乎一天至十二個月不等並按各短期定期存款利率賺取利息。銀行結餘及受限制現金存放於近期無違約記錄且信譽良好的銀行。

27. TRADE AND BILLS PAYABLES

27. 貿易應付款項及票據

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	1,276,393	889,123
Bills payable	應付票據	4,553,141	3,388,200
		5,829,534	4,277,323

The trade payables are interest-free and are normally settled on terms of 30 to 90 days.

貿易應付款項乃免息，結算期限通常為30至90天。

An aging analysis of the Group's trade and bills payables at the end of the reporting period, based on the invoice date, is as follows:

於報告期末，本集團的貿易應付款項及票據按發票日期的賬齡分析如下：

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Not more than 3 months	不多於3個月	3,467,192	2,568,152
Over 3 months to 6 months	3個月以上至6個月	2,032,336	1,527,285
Over 6 months to 12 months	6個月以上至12個月	255,306	132,857
Over 1 year to 2 years	1年以上至2年	36,791	13,300
Over 2 years to 3 years	2年以上至3年	10,498	11,287
Over 3 years	3年以上	27,411	24,442
		5,829,534	4,277,323

28. OTHER PAYABLES AND ACCRUALS

28. 其他應付款項及應計費用

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Accruals	應計費用	171,923	75,422
Salaries and welfare payables	應付薪金及福利	191,177	118,856
Other payables	其他應付款項	818,692	733,204
		1,181,792	927,482

The financial liabilities included in the above balances are interest-free and repayable on demand.

計入上述結餘的金融負債乃免息及按要求還款。

29. BORROWINGS

29. 借款

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Current	流動		
Unsecured bank loans	無抵押銀行貸款	5,841,586	5,800,738
Current portion of long-term unsecured bank loans	長期無抵押銀行貸款的流動部分	104,575	340,568
Current portion of long-term unsecured syndicated bank loans	長期無抵押銀團貸款的流動部分	5,381,133	–
Current portion of long-term secured bank loans	長期有抵押銀行貸款的流動部分	15,605	3,186
Current portion of long-term unsecured other loans	長期無抵押其他貸款的流動部分	28,330	–
Secured bank loans	有抵押銀行貸款	40,090	–
		11,411,319	6,144,492
Non-current	非流動		
Unsecured bank loans	無抵押銀行貸款	1,045,107	280,845
Unsecured syndicated loans	無抵押銀團貸款	–	5,246,043
Unsecured other loans	無抵押其他貸款	28,330	–
Secured bank loans	有抵押銀行貸款	193,624	59,678
		1,267,061	5,586,566
		12,678,380	11,731,058
Analysed into borrowings repayable:	須償還借款：		
Within one year or on demand	一年內或按要求時	11,411,319	6,144,492
In the second year	第二年內	757,069	5,355,245
In the third to fifth years, inclusive	第三年至第五年內(包括首尾兩年)	486,490	201,462
More than five years	多於五年	23,502	29,859
		12,678,380	11,731,058

Note:

- (a) The effective interest rates of the Group's borrowings range from 2.38% to 7.60% (2018: 3.22% to 5.39%) per annum.
- (b) At the end of the reporting period, the secured bank loans were secured by the investment property of a subsidiary, time deposit of a subsidiary, loan receivables of a subsidiary, concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary.
- At 31 December 2018, the secured bank loans were secured by the concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary.
- (c) At the end of the reporting period, the Group's borrowings are denominated in US dollar, HK dollar, Renminbi, Australian dollar and Canadian dollar are equivalent to RMB6,460,926,000 (2018: RMB6,466,723,000), RMB2,788,805,000 (2018: RMB2,477,101,000), RMB2,793,140,000 (2018: RMB2,251,568,000), RMB481,169,000 (2018: RMB364,372,000), and RMB154,340,000 (2018: RMB171,294,000) respectively.

附註：

- (a) 本集團借款的實際年利率介乎2.38%至7.60%不等(2018年：3.22%至5.39%)。
- (b) 於報告期末，有抵押銀行貸款乃以一間附屬公司的投資物業、一間附屬公司的定期存款、一間附屬公司的應收借款、一間附屬公司的特許經營權及其一名股東的個人擔保作抵押。
- 於2018年12月31日，有抵押銀行貸款乃以一間附屬公司的特許經營權及其一名股東的個人擔保作抵押。
- (c) 於報告期末，本集團以美元、港元、人民幣、澳元及加元計值的借款分別等值於人民幣6,460,926,000元(2018年：人民幣6,466,723,000元)、人民幣2,788,805,000元(2018年：人民幣2,477,101,000元)、人民幣2,793,140,000元(2018年：人民幣2,251,568,000元)、人民幣481,169,000元(2018年：人民幣364,372,000元)及人民幣154,340,000元(2018年：人民幣171,294,000元)。

30. CONVERTIBLE LOANS

At the end of the reporting period, the convertible loans were recognised as a debt component and equity component as follows:

		Debt component 債務部分 RMB'000 人民幣千元	Equity component 權益部分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At the date of issue	於發行日期	640,113	27,605	667,718
Interest expenses	利息開支	22,655	–	22,655
Increase in interest payable	應付利息增加	(10,728)	–	(10,728)
Interest paid	已付利息	(6,297)	–	(6,297)
Exchange realignment	匯兌調整	6,852	–	6,852
		652,595	27,605	680,200

Note:

- (a) On 6 May 2019, the Group's wholly owned subsidiary entered into a convertible loan facilities agreement with ICBC International Investment Management Limited in the aggregate principal amount of US\$100,000,000 (approximately equivalent to RMB684,025,000) (the "Convertible Loans"). The Convertible Loans bear interest at the rate of 3.4% plus LIBOR per annum. The Group drew down US\$60,000,000 (approximately equivalent to RMB410,415,000) on 22 May 2019 and US\$40,000,000 (approximately equivalent to RMB279,489,000) on 29 November 2019. The maturity date is 21 May 2022 and 28 November 2022, respectively.
- (b) The convertible loans contain two components, a debt and equity components. The initial fair value of the two components was determined based on gross proceeds at drawdown. The initial fair value less allocated transaction costs of the debt component were estimated to be US\$55,799,000 (approximately equivalent to RMB381,681,000) and US\$36,982,000 (approximately equivalent to RMB258,432,000) as at the drawdown date of using the Monte Carlo Model and Binomial Option Pricing Model, taking into account the terms and conditions of the convertible loans. In subsequent periods, the debt component is measured at amortised cost using effective interest rate method. The effective interest rate of the debt component is 7.70% per annum. The residual amount less allocated transaction costs representing the value of the equity component of US\$4,001,000 (approximately equivalent to RMB27,605,000), is included in convertible loans equity reserve.

30. 可換股貸款

於報告期末，可換股貸款確認為債務部分及權益部分，如下所示：

附註：

- (a) 於2019年5月6日，本集團的全資附屬公司與工銀國際投資管理有限公司訂立可換股貸款融資協議，本金總額為100,000,000美元（相當於約人民幣684,025,000元）（「可換股貸款」）。該等可換股貸款按年利率3.4%加倫敦銀行同業拆借利率計息。於2019年5月22日，本集團提取60,000,000美元（相當於約人民幣410,415,000元），並於2019年11月29日提取40,000,000美元（相當於約人民幣279,489,000元）。到期日分別為2022年5月21日及2022年11月28日。
- (b) 可換股貸款包含債務及權益兩個部分。兩個部分的初始公允價值乃按提取時的所得款項總額釐定。債務部分之初始公允價值減已分配交易成本乃經考慮可換股貸款的條款及條件後，於提取日期根據蒙特卡羅定價模式及二項式期權定價模型估算為55,799,000美元（相當於約人民幣381,681,000元）及36,982,000美元（相當於約人民幣258,432,000元）。於其後期間，債務部分採用實際利率法按攤銷成本計量。債務部分的實際年利率為7.70%。餘下金額減已分配交易成本（即權益部分的價值）為4,001,000美元（相當於約人民幣27,605,000元）計入可換股貸款權益儲備。

31. DERIVATIVE FINANCIAL INSTRUMENTS

31. 衍生金融工具

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Put option	認沽期權	14,360	6,592

The Group's derivative financial instruments are managed and the performances are evaluated on fair value basis. Any changes in fair value was recognised in profit or loss.

The fair value of the put option has been estimated using valuation technique with unobservable inputs. Management has reviewed the valuation result by verifying all major inputs and assumptions as well as assessing the reasonableness of such valuation.

The Group entered into a sale and purchase agreement to acquire 70% equity interest in Jiangsu Yongbao during 2018. Pursuant to the agreement, the minority shareholder has the right to sell the remaining 30% equity interest to the Group after three years from the date of acquisition.

本集團之衍生金融工具及其表現乃按公允價值為基準管理及評估。任何公允價值變動均於損益內確認。

認沽期權的公允價值已採用估值方法以不可觀察輸入數據估計。管理層已透過核實所有主要輸入數據及假設及評估該估值之合理性以審閱該估值結果。

本集團於2018年訂立一份買賣協議以收購江蘇永葆70%的股本權益。根據協議，少數股東自收購日期起三年後有權向本集團出售剩餘的30%股本權益。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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32. DEFERRED TAX

The major deferred tax assets/(liabilities) recognised and their movements during the current and prior years are as follows:

32. 遞延稅項

於本年度及過往年度已確認的主要遞延稅項資產／(負債)及其變動如下：

		Fair value adjustments arising from investment properties	Provision for impairment of assets	Accelerated tax depreciation	Fair value adjustments arising from acquisitions of subsidiaries	Withholding tax on distributable profits of subsidiaries in the PRC	Loss available for offsetting against future taxable profit	Deferred income	Total
		投資物業所產生的公允價值調整	資產的減值撥備	加速稅項折舊	收購附屬公司所產生的公允價值調整	中國附屬公司可分派溢利的預提所得稅	可用作抵銷日後應課稅溢利的虧損	遞延收益	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
At 1 January 2018	於2018年1月1日	(81,691)	61,911	311	(48,328)	(314,621)	-	7,686	(374,732)
Acquisition of subsidiaries	收購附屬公司	-	229	194	(14,803)	-	-	-	(14,380)
Credited/(charged) to profit or loss for the year (note 9)	計入/(扣自)年度損益(附註9)	(66,585)	9,516	3,745	1,742	(48,484) [#]	-	4,538	(95,528)
Exchange realignment	匯兌調整	(197)	-	-	-	-	-	-	(197)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	(148,473)	71,656	4,250	(61,389)	(363,105)	-	12,224	(484,837)
Acquisition of subsidiaries (Note 37)	收購附屬公司(附註37)	-	1,862	-	(18,594)	-	-	-	(16,732)
Credited/(charged) to profit or loss for the year (note 9)	計入/(扣自)年度損益(附註9)	(110,435)	13,044	(102)	856	(84,933) [#]	1,587	3,696	(176,287)
Exchange realignment	匯兌調整	(2,598)	-	-	-	-	84	-	(2,514)
At 31 December 2019	於2019年12月31日	(261,506)	86,562	4,148	(79,127)	(448,038)	1,671	15,920	(680,370)

[#] The amount represented the deferred tax provision of RMB168,175,000 (2018: RMB125,864,000) on the distributable profits of the Company's subsidiaries in the PRC after offsetting the realised deferred tax liabilities of RMB83,242,000 (2018: RMB77,380,000) arising from dividends declared by these subsidiaries to their foreign investors during the year.

[#] 該金額為本公司就中國附屬公司可分派溢利作出的遞延稅項撥備人民幣168,175,000元(2018年：人民幣125,864,000元)並經抵銷該等附屬公司於年內向海外投資者宣派股息而產生的已實現遞延稅項負債人民幣83,242,000元(2018年：人民幣77,380,000元)。

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Gross deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表內確認的遞延稅項資產總額	108,301	88,130
Gross deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表內確認的遞延稅項負債總額	(788,671)	(572,967)
		(680,370)	(484,837)

32. DEFERRED TAX (Continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdictions of the foreign investors. The applicable rate for the Group is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in China in respect of their earnings generated from 1 January 2008.

At the end of the reporting period, the Group has not recognised deferred tax liabilities of RMB374,897,000 (2018: RMB350,709,000) in respect of temporary differences relating to the undistributed profits of subsidiaries, amounting to RMB7,497,947,000 (2018: RMB7,014,180,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

33. DEFERRED INCOME

Deferred income represents government grants received by the Group as financial subsidies for the construction of new factory premises in Changchun, Daqing, Hubei and Hunan and rental income received in advance from certain of the Group's employees for leasing the staff quarters.

The government grants are released to profit or loss over the expected useful lives of the relevant premises by equal annual instalments, while rental income received in advance is recognised on the straight-line basis over the respective lease terms.

32. 遞延稅項(續)

根據中國企業所得稅法，在中國成立的外資企業向外國投資者宣派的股息須繳納10%的預提所得稅。該規定自2008年1月1日起生效，適用於自2007年12月31日起獲得的盈利。倘中國與該外國投資者所在司法權區有簽訂稅務條約，則可按較低稅率繳納預提所得稅。本集團的適用稅率為5%。因此，就該等於中國成立的附屬公司就2008年1月1日起所得盈利而分派的股息而言，本集團須繳納預提所得稅。

於報告期末，由於本公司控制該等附屬公司的股息政策，且該等溢利於可見將來分派的可能性不大，故本集團並無確認該等附屬公司未分派溢利暫時差異為人民幣7,497,947,000元(2018年：人民幣7,014,180,000元)的遞延稅項負債為(須於分派該等保留溢利時支付)人民幣374,897,000元(2018年：人民幣350,709,000元)。

33. 遞延收益

遞延收益指本集團收取的政府補助，作為其在長春、大慶、湖北及湖南興建新工廠物業的財政補貼，以及自本集團向若干僱員預先收取的租賃員工宿舍租金收入。

政府補助於有關房產預期可使用年限內按年以等額撥入損益內確認，而預先收取的租金收入則按各自的租期以直線法確認。

34. SHARE CAPITAL

34. 股本

Shares	股份	2019	2018
Authorised:	法定：		
20,000,000,000 (2018: 20,000,000,000) ordinary shares of HK\$0.05 each	20,000,000,000 (2018年：20,000,000,000) 股 每股面值0.05港元的普通股	HK\$1,000,000,000 1,000,000,000 港元	HK\$1,000,000,000 1,000,000,000 港元
Issued and fully paid:	已發行及繳足：		
3,102,418,400 (2018: 3,102,418,400) ordinary shares of HK\$0.05 each	3,102,418,400 (2018年：3,102,418,400) 股 每股面值0.05港元的普通股	HK\$155,120,920 155,120,920 港元	HK\$155,120,920 155,120,920 港元
Equivalent to	等值於	RMB135,344,000 人民幣 135,344,000 元	RMB135,344,000 人民幣 135,344,000 元

35. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries which are established in PRC has been transferred to reserve funds which are restricted for use.

35. 儲備

本集團本年度及過往年度的儲備金額及其變動已於綜合權益變動表內呈列。

根據適用於中外合營企業的相關法律及法規，本集團在中國成立的附屬公司的部分溢利已轉撥至用途受限制的儲備基金。

36. SHARE-BASED PAYMENTS

(A) SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 14 May 2010 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

No share options have been granted under the Share Option Scheme since the adoption.

(B) SHARE AWARD SCHEME

On 28 August 2018, the Company adopted a share award scheme (the "Share Award Scheme") to recognise the contributions by certain eligible persons to the Group and to offer suitable incentives to attract and retain targeted talent and personnel for the continual operation and future development of the Group.

36. 以股份為基礎的支付

(A) 購股權計劃

於2010年5月14日，為激勵及獎勵對本集團的成功經營作出貢獻的合資格參與人，本公司採納一項購股權計劃（「購股權計劃」）。

本公司自採納購股權計劃以來，並無根據購股權計劃授出購股權。

(B) 股份獎勵計劃

本公司於2018年8月28日採納股份獎勵計劃（「股份獎勵計劃」），以肯定若干合資格人士對本集團所作出的貢獻及給予適當激勵，藉此吸引及挽留目標人才及人員以促進本集團的持續經營及未來發展。

36. SHARE-BASED PAYMENTS (Continued)

(B) SHARE AWARD SCHEME (Continued)

The total amount of the funds contributed to the Scheme by the Company shall not exceed HK\$750,000,000 and the Board shall at its absolute discretions to determine the amount of fund contributed to the Share Award Scheme for each financial year of the Company.

The Company shall not make any further grant of award which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding award shares that have been forfeited in accordance with the Share Award Scheme) to exceed 5% of the issued share capital of the Company without shareholders' approval. The total number of non-vested award shares granted to a selected participant under the Share Award Scheme shall not exceed 1% of the total number of issued shares at all time.

During the year, 22,991,000 ordinary shares of the Group on the Stock Exchange were purchased at a total cost (including related transaction costs) of HK\$99,980,000 (equivalent to RMB85,440,000) for the Share Award Scheme (2018: Nil).

No shares have been awarded under the Share Award Scheme since the adoption.

36. 以股份為基礎的支付(續)

(B) 股份獎勵計劃(續)

本公司對該計劃出資的資金總額不得超過750,000,000港元，而本公司董事會將全權酌情釐定本公司在各財政年度對股份獎勵計劃出資的資金金額。

倘本公司根據股份獎勵計劃授出的所有相關股份(不包括根據股份獎勵計劃已沒收的獎勵股份)總數將超過本公司已發行股本的5%且未經股東批准，則不得再授出任何獎勵。每名選定參與人根據股份獎勵計劃可獲授的尚未歸屬獎勵股份總數，不得超過不時已發行股份總數的1%。

年內，本集團已於聯交所購買22,991,000股普通股用於股份獎勵計劃，總成本(包括相關交易成本)為99,980,000港元(相當於人民幣85,440,000元)(2018年：無)。

本公司自採納股份獎勵計劃以來，並無根據股份獎勵計劃授出股份。

37. BUSINESS COMBINATION

During the year, the Group entered into sale and purchase agreements to acquire equity interests in the following companies:

37. 業務合併

年內，本集團訂立買賣協議，收購以下公司的股本權益：

Acquisition date	Company name	Percentage of share	Consideration RMB	Principal activities
收購日期	公司名稱	佔有比率	代價 人民幣	主要業務
8 April 2019	Guangdong Zhongheng	100%	20,500,000	Manufacturing and sales of valves and automobile accessories
2019年4月8日	廣東中恒	100%	20,500,000	製造及銷售閥門及汽車配件
27 May 2019	Foshan Lesso Municipal Engineering Installation Co., Ltd. ("Lesso Municipal")	100%	30,000,000	Provision of installation and engineering service
2019年5月27日	佛山市聯塑市政工程安裝有限公司(「聯塑市政」)	100%	30,000,000	提供安裝及工程服務
31 July 2019	Guangdong Qicheng	51%	39,218,000	Provision of e-commerce services
2019年7月31日	廣東啟橙	51%	39,218,000	提供電商服務
2 August 2019	Heshan Linghe Electric Technology Co., Ltd. ("Heshan Linghe")	100%	620,386,000	Property leasing
2019年8月2日	鶴山市領合電氣科技有限公司(「鶴山領合」)	100%	620,386,000	物業租賃
4 September 2019	Guangdong Yitong	95.1%	24,480,000	Manufacturing and sales of metal pipes
2019年9月4日	廣東一通	95.1%	24,480,000	製造及銷售金屬管道
9 July 2019	Guangzhou KingHing	70%	490,230,000 [#]	Manufacturing and lease of aluminium framework
2019年7月9日	廣州景興	70%	490,230,000 [#]	製造及租賃鋁框架構

The above acquisitions allow the Group to further diversify its businesses.

上述收購讓本集團進一步拓展其業務。

The total consideration included cash consideration amounted to RMB244,851,000 and consideration settled by loan amounted to RMB245,379,000. The loan was lent to Guangzhou King Hing before the acquisition. As at the date of the acquisition, the outstanding loan was deemed to have been fully settled by Guangzhou King Hing and constituted part of the consideration.

總代價包括現金代價人民幣244,851,000元及以貸款結清的代價人民幣245,379,000元。該貸款乃於收購前借出予廣州景興。於收購日期，未償還之貸款被視為由廣州景興全數結清，並構成代價之一部分。

37. BUSINESS COMBINATION (Continued)

The fair values of the identifiable assets and liabilities of the above companies acquired at the dates of acquisitions assumed by the Group are as follows:

	Guangdong Zhongheng 廣東中恒 RMB'000 人民幣千元	Lesso Municipal 聯塑市政 RMB'000 人民幣千元	Guangdong Qicheng 廣東啟程 RMB'000 人民幣千元	Heshan Linghe 鶴山領合 RMB'000 人民幣千元	Guangdong Yitong 廣東一通 RMB'000 人民幣千元	Guangzhou KingHing 廣州景興 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
Property, plant and equipment	物業、廠房及設備	528	1,754	399	372,512	6,055	546,930	928,178
Right-of-use assets	使用權資產	-	-	587	-	-	24,488	25,075
Investment properties	投資物業	-	-	-	196,638	-	-	196,638
Deposits paid for purchase of land, property, plant and equipment	購買土地、物業、廠房及 設備所支付的按金	-	-	101	-	-	-	101
Other intangible assets	其他無形資產	-	185	41,953	-	8,218	33,993	84,349
Investment in associates	於聯營公司的投資	-	-	3,660	-	-	5,105	8,765
Other financial assets	其他金融資產	-	-	-	-	-	841	841
Deferred tax assets	遞延稅項資產	-	-	-	-	-	1,862	1,862
Inventories	存貨	10,483	3,152	-	-	3,729	147,440	164,804
Contract assets	合約資產	-	220	-	-	-	6,421	6,641
Trade and bills receivables	貿易應收款項及票據	6,756	13,362	101	-	17,431	248,598	286,248
Prepayments, deposits and other receivables	預付款、按金及其他 應收款項	575	66,244	263	51,222	2,698	131,056	252,058
Cash and bank deposits	現金及銀行存款	2,856	15,730	4,616	100	1,610	37,084	61,996
Contract liabilities	合約負債	-	(90)	(1,587)	-	(872)	(69,695)	(72,244)
Trade and bills payables	貿易應付款項及票據	(1,920)	(6,057)	-	-	(559)	(327,895)	(336,431)
Other payables and accruals	其他應付款項及應計費用	(767)	(3,184)	(4,074)	(86)	(1,028)	(97,251)	(106,390)
Tax payables	應付稅項	-	(1,057)	-	-	-	(4,297)	(5,354)
Borrowings — current	借款 — 流動	-	(60,000)	-	-	(4,700)	(41,157)	(105,857)
Lease liabilities — current	租賃負債 — 流動	-	-	(341)	-	-	(13,646)	(13,987)
Borrowings — non-current	借款 — 非流動	-	-	-	-	-	(65,660)	(65,660)
Lease liabilities — non-current	租賃負債 — 非流動	-	-	(269)	-	-	(9,900)	(10,169)
Deferred tax liabilities	遞延稅項負債	-	-	(6,168)	-	-	(12,426)	(18,594)
Total identifiable net assets at fair value	可識別資產淨值總額 (按公允價值)	18,511	30,259	39,241	620,386	32,582	541,891	1,282,870
Non-controlling interests	非控制權益	-	(259)	(17,435)	-	(15,965)	(88,953)	(122,612)
Goodwill arising on acquisitions	收購產生的商譽	1,989	-	17,412	-	7,863	37,292	64,556
Total consideration satisfied by cash	以現金支付代價總額	20,500	30,000	39,218	620,386	24,480	490,230	1,224,814

Acquisition-related cost incurred in relation to the above acquisition is insignificant and have been excluded from the cost of acquisition and have been recognised directly as expense for the year and are included in "other expenses" in profit or loss.

The aggregate fair values of the trade and bills receivables and other receivables at the date of acquisition amounted to RMB286,248,000 and RMB252,058,000 respectively, which approximate to the gross contractual amounts of the corresponding balances acquired by the Group. At the dates of acquisitions, management considered that the contractual cash flows not expected to be collected were insignificant.

37. 業務合併(續)

於收購日，本集團收購上述公司的可識別資產及負債的公允價值如下：

就上述收購產生的收購相關成本並不重大及已被剔除出收購成本之外，且已於年內直接確認為開支並計入損益的「其他開支」內。

於收購日，貿易應收款項及票據和其他應收款項的公允價值總額分別為人民幣286,248,000元及人民幣252,058,000元，與本集團收購該等相應結餘的合約金額總值相若。於收購日，管理層認為預期無法收回的合約現金流量並不重大。

37. BUSINESS COMBINATION (Continued)

None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition is as follows:

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	1,224,814
Less: Cash and cash equivalents acquired	減：已收購現金及現金等價物	(61,996)
Net outflow of cash and cash equivalents included in investing activities	投資活動包括的現金及現金等價物流出淨額	1,162,818

Since the acquisitions, these subsidiaries contributed RMB201,121,000 to the Group's revenue and recognised a loss of RMB18,941,000 in profit or loss for the year.

Had the combinations taken place at the beginning of the year, the Group's revenue and profit for the year would have been RMB26,894,755,000 and RMB3,047,024,000, respectively.

38. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities (2018: Nil).

37. 業務合併(續)

就計繳所得稅而言，所有已確認的商譽皆不可扣稅。

有關該收購的現金流量分析如下：

自收購以來，該等附屬公司為本集團收入貢獻人民幣201,121,000元，並於本年度的損益內確認虧損人民幣18,941,000元。

倘該合併於年初進行，本集團於本年度的收入及溢利將分別為人民幣26,894,755,000元及人民幣3,047,024,000元。

38. 或然負債

於報告期末，本集團並無任何重大或然負債(2018年：無)。

39. COMMITMENTS

(A) The Group had the following capital commitments at the end of the reporting period:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但尚未撥備：		
Property, plant and equipment and investment properties	物業、廠房及設備和投資物業	738,811	982,063
Investment in a joint venture	於一間合營企業的投資	23,520	23,520
		762,331	1,005,583

(B) OPERATING LEASE COMMITMENTS AS AT 31 DECEMBER 2018

The Group leased certain of its office premises, production plants, warehouses and equipment under operating lease arrangements. Leases were negotiated for terms ranging from one to seventeen years.

As at 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		RMB'000 人民幣千元
Not more than 1 year	不多於1年	95,461
Over 1 year to 5 years	1年以上至5年	220,608
Over 5 years	5年以上	33,792
		349,861

39. 承擔

(A) 於報告期末，本集團擁有以下資本承擔：

(B) 於2018年12月31日的經營租賃承擔

本集團根據經營租賃安排租用若干其辦公室、生產廠房、倉庫及設備。經協商之租約年期介乎一至十七年。

於2018年12月31日，本集團根據以下期間到期之不可撤銷經營租約之未來最低租金總額如下：

40. RELATED PARTY TRANSACTIONS AND BALANCES

40. 關聯人士交易及結餘

(A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR

(A) 年內本集團與關聯人士的重大交易

		Note	2019	2018
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Connected transactions	關連交易			
Transactions with companies under the common control of a director:	於多間共同受一位董事控制的公司的交易：			
Sales of goods and services	銷售貨品及服務	(i)#	21,260	8,642
Consumption of utilities	耗用公用事業	(ii)#	225	1,044
Rental expenses	租金開支	(iii)#	4,047	4,421
Purchase of materials	採購材料	(iv)#	8,424	13,773
Purchase of machinery and/or equipment	採購機器及／或設備	(v)	114,170	124,592
Purchase of electronic accessories	採購電子配件	(v)#	109	69
Purchase of other intangible assets	採購其他無形資產	(v)#	553	2,678
Licensing trademarks	授予商標	(vi)#	642	303
Hotel expenses	酒店費用	(vii)#	3,169	4,392
Rental expenses paid to directors	向董事支付的租金開支	(viii)#	1,839	2,068
Non-connected transactions	非關連交易			
Advisory services from a company under the significant influence of directors	於董事具重大影響力的一間公司所提供的諮詢服務	(ix)	–	1,887
Purchase of goods and/or equipment from associates	聯營公司採購貨品及／或設備	(x)	168,485	–
Design and maintenance services from a joint venture	合營企業提供的設計及維修服務	(xi)	3,600	3,600

40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR (Continued)

Note:

- (i) Sale of goods and services to related companies were made with reference to the prices and conditions offered by the Group to third-party customers.
- (ii) Utilities were provided by related companies at cost.
- (iii) Rental expenses were based on mutually agreed terms.
- (iv) Purchase of materials from related companies were made based on mutually agreed terms.
- (v) Purchase of machinery, equipment and electronic accessories and other intangible assets from related companies were made with reference to the prices and conditions offered by the related companies to their third-party customers.
- (vi) Licensing trademarks to related companies were conducted based on mutually agreed terms.
- (vii) Hotel expenses were based on mutually agreed terms.
- (viii) Properties including office premises, cafeteria, workshops, warehouses and yacht were leased to the Group based on mutually agreed terms.
- (ix) Advisory services were provided by related companies based on mutually agreed terms.
- (x) Purchase of goods and equipment from associates were made on normal commercial terms negotiated on an arm's length basis by the parties with reference to the prevailing market prices.
- (xi) Services were provided by a joint venture based on mutually agreed terms.

These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules but are exempted from complying with the disclosure requirements under the Listing Rules.

40. 關聯人士交易及結餘(續)

(A) 年內本集團與關聯人士的重大交易(續)

附註：

- (i) 向關聯公司銷售貨品及服務乃以本集團向第三方客戶開出的價格及條件為參照進行。
- (ii) 公用事業乃按成本由關聯公司提供。
- (iii) 租金開支乃按雙方協定的條款計算。
- (iv) 材料乃按雙方協定的條款向關聯公司購買。
- (v) 機器、設備及電子配件和其他無形資產乃經參考關聯公司向第三方客戶開出的價格及條件後向關聯公司購買。
- (vi) 授予關聯公司的商標乃按雙方協定的條款進行。
- (vii) 酒店費用乃按雙方協定的條款計算。
- (viii) 物業包括辦公室、食堂、車間、倉庫及遊艇，乃按雙方協定的條款租予本集團。
- (ix) 關聯公司乃按雙方協定的條款提供諮詢服務。
- (x) 貨品及設備乃按雙方參考當前市場價格經公平磋商協定的正常商業條款向聯營公司購買。
- (xi) 合營企業乃按雙方協定的條款提供服務。

該等關聯人士交易亦構成上市規則第14A章所界定的關連交易或持續關連交易，惟豁免遵守上市規則的披露規定。

40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

40. 關聯人士交易及結餘(續)

(B) BALANCES WITH RELATED PARTIES

(B) 與關聯人士的結餘

			2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Balances with companies under the common control of a director arising from:	於多間共同受一位董事控制的公司的結餘來自：			
Deposits paid for the purchases of machinery and/or equipment	購買機器及／或設備所支付的按金	(i)	109,205	109,415
Purchase of machinery and/or equipment	採購機器及／或設備	(ii)	50,033	59,192
Balances with associates arising from:	於聯營公司的結餘來自：			
Purchase of goods and/or equipment	購買貨品及／或設備	(ii)	36,598	—

Note:

- (i) The balances are included in the Group's deposits paid for the purchase of land, property, plant and equipment.
- (ii) The balances are included in the Group's trade payables and other payables and accruals.

附註：

- (i) 結餘計入本集團購買土地、物業、廠房及設備所支付的按金。
- (ii) 結餘計入本集團的貿易應付款項和其他應付款項及應計費用。

(C) COMMITMENTS WITH RELATED PARTIES

Certain of the Group's subsidiaries have entered into lease agreements with a director and a company under the common control of a director to lease properties for operations, and sale and purchase agreements with a company under the common control of a director to purchase machinery and/or equipment for production. The operating lease commitments as at 31 December 2018 was RMB8,842,000 with lease terms of three years and the capital commitments of RMB115,013,000 (2018: RMB70,720,000) have been included in note 39 to the consolidated financial statements.

(C) 與關聯人士的承諾事項

本集團若干附屬公司為租賃物業作經營用途與一名董事及一間共同受一位董事控制的公司訂立租賃協議，並為購買機械及／或設備作生產用途與一間共同受一位董事控制的公司訂立買賣協議。於2018年12月31日，人民幣8,842,000元的經營租賃承擔租期為三年，其與人民幣115,013,000元(2018年：人民幣70,720,000元)的資本承擔分別包含於綜合財務報表附註39。

40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(D) COMPENSATION OF THE GROUP'S KEY MANAGEMENT PERSONNEL

The remuneration of the Company's directors and the senior management was as follows:

		2019	2018
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term employee benefits	短期僱員福利	19,971	14,335
Post-employment benefits	退休後福利	253	396
		20,224	14,731

40. 關聯人士交易及結餘(續)

(D) 本集團主要管理人員薪酬

本公司董事及高級管理層的薪酬如下：

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS 41. 金融工具的公允價值計量

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

(A) 金融工具類別

於報告期末，各類金融工具的賬面值如下：

		Note	2019	2018
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Financial assets	金融資產			
<i>Financial assets at amortised cost:</i>	<i>按攤銷成本列賬的金融資產：</i>			
Loans receivables	應收借款	20	376,286	518,892
Contract assets	合約資產	23	361,014	411,930
Trade and bills receivables	貿易應收款項及票據	24	3,259,456	2,379,447
Financial assets included in other receivables	計入其他應收款項的金融資產		138,299	302,051
Other long-term receivables	其他長期應收款項	21	4,093	5,804
Cash and bank deposits	現金及銀行存款	26	7,604,221	6,451,791
			11,743,369	10,069,915
<i>Financial assets at FVTOCI:</i>	<i>按公允價值計入其他全面收益的金融資產：</i>			
Debt instruments at FVTOCI	按公允價值計入其他全面收益的債務工具	19	564,933	255,099
Equity instruments at FVTOCI	按公允價值計入其他全面收益的股本工具	19	1,136,280	1,543,526
			1,701,213	1,798,625
<i>Financial assets at FVTPL:</i>	<i>按公允價值計入損益的金融資產：</i>			
Debt instruments at FVTPL	按公允價值計入損益的債務工具	19	–	47,649
Equity instruments at FVTPL	按公允價值計入損益的股本工具	19	56,344	53,886
Funds at FVTPL	按公允價值計入損益的基金	19	21,926	–
			78,270	101,535
			13,522,852	11,970,075

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

41. 金融工具的公允價值計量(續)

(A) CATEGORIES OF FINANCIAL INSTRUMENTS (Continued)

(A) 金融工具類別(續)

		Note	2019	2018
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Financial liabilities	金融負債			
<i>Financial liabilities at amortised cost:</i>	<i>按攤銷成本列賬的金融負債：</i>			
Trade and bills payables	貿易應付款項及票據	27	5,829,534	4,277,323
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	28	990,615	808,626
Borrowings	借款	29	12,678,380	11,731,058
Convertible loans	可換股貸款	30	652,595	–
Lease liabilities	租賃負債	13C	206,124	–
Other long-term payables	其他長期應付款項		106,093	109,546
			20,463,341	16,926,553
Derivative financial instruments	衍生金融工具	31	14,360	6,592
			20,477,701	16,933,145

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of the reporting period:

41. 金融工具的公允價值計量(續)

(B) 按公允價值計量的金融工具的公允價值

以下為於報告期末金融工具估值的重大不可觀察輸入數據連同定量敏感度分析的概要：

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察輸入數據	Sensitivity of fair value to the input 公允價值對輸入數據的敏感度
Equity instruments at FVTOCI 按公允價值計入其他全面收益的股本工具	Net asset value approach 資產淨值法	Net assets 資產淨值	N/A 不適用
	Recent transactions approach 最近交易法	Recent transaction prices 最近交易價格	N/A 不適用
Funds at FVTPL 按公允價值計入損益的基金	Net fund value approach 基金淨值法基金	Net asset values of the funds, determined with reference to observable (quoted) prices of underlying investment portfolio 基金的資產淨值(經參考相關投資組合的可觀察報價)	N/A 不適用
Equity instruments at FVTPL 按公允價值計入損益的股本工具	Black-Scholes model and discounted cash flow model 布萊克—舒爾斯模型及貼現現金流量模型	Discount rate of 19% 19%貼現率	1% increase in discount rate would result in decrease in fair value by RMB3,070,000 貼現率上升1%將導致公允價值減少人民幣3,070,000元 1% decrease in discount rate would result in increase in fair value by RMB3,671,000 貼現率下跌1%將導致公允價值增加人民幣3,671,000元
Derivative financial instruments 衍生金融工具	Monte Carlo method and discounted cash flow model 蒙特卡羅方法及貼現現金流量模型	Discount rate of 12.5% 12.5%貼現率	1% increase in discount rate would result in increase in fair value by RMB7,920,000 貼現率上升1%將導致公允價值增加人民幣7,920,000元 1% decrease in discount rate would result in decrease in fair value by RMB6,770,000 貼現率下跌1%將導致公允價值減少人民幣6,770,000元

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE (Continued)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Assets measured at fair value:

		2019			
		Fair value hierarchy			
		公允價值架構			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other financial assets	其他金融資產				
Debt instruments at FVTOCI	按公允價值計入其他全面收益的債務工具	–	564,933	–	564,933
Equity instruments at FVTOCI	按公允價值計入其他全面收益的股本工具	626,347	496,374	13,559	1,136,280
Equity instruments at FVTPL	按公允價值計入損益的股本工具	–	–	56,344	56,344
Funds at FVTPL	按公允價值計入損益的基金	–	21,926	–	21,926
		626,347	1,083,233	69,903	1,779,483

		2018			
		Fair value hierarchy			
		公允價值架構			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Other financial assets	其他金融資產				
Debt instruments at FVTOCI	按公允價值計入其他全面收益的債務工具	–	255,099	–	255,099
Equity instruments at FVTOCI	按公允價值計入其他全面收益的股本工具	729,866	797,665	15,995	1,543,526
Debt instruments at FVTPL	按公允價值計入損益的債務工具	–	21,000	26,649	47,649
Equity instruments at FVTPL	按公允價值計入損益的股本工具	–	–	53,886	53,886
		729,866	1,073,764	96,530	1,900,160

41. 金融工具的公允價值計量(續)

(B) 按公允價值計量的金融工具的公允價值(續)

缺乏市場流動性的折讓乃指本集團所釐定市場參與者會於投資定價時考慮的溢價及折讓金額。

按公允價值計量的資產：

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
At 1 January	於1月1日	96,530	13,577
Additions	添置	2,970	113,976
Unrealised gain recognised in profit or loss	於損益內確認的未實現利益	1,529	7,098
Disposal gain included in profit or loss	損益內之出售利益	(275)	-
Disposal	出售	(32,099)	(40,000)
Exchange realignment	匯兌調整	1,248	1,879
At 31 December	於12月31日	69,903	96,530

41. 金融工具的公允價值計量(續)

(B) 按公允價值計量的金融工具的公允價值(續)

年內第三級內的公允價值計量變動如下：

Liabilities measured at fair value:

按公允價值計量的負債：

		2019 Fair value hierarchy 公允價值架構			
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivative financial instruments	衍生金融工具	-	-	14,360	14,360

		2018 Fair value hierarchy 公允價值架構			
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivative financial instruments	衍生金融工具	-	-	6,592	6,592

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

年內，就金融資產及金融負債公允價值計量而言，第一級與第二級之間並無任何轉撥，且並無轉入或轉出第三級(2018年：無)。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise borrowings and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

INTEREST RATE RISK

In respect of the floating interest rate instruments, the Group is subject to the cash flow interest rate risk, while for the fixed interest rate instruments, the Group is subject to fair value interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax by assuming the floating rate borrowings outstanding at the end of the reporting period were outstanding for the whole year.

		Increase/ (decrease) in basis points 基準點 增加/(減少)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
Year ended 31 December 2019	截至2019年12月31日止年度	50	(52,965)
Year ended 31 December 2019	截至2019年12月31日止年度	(50)	52,965
Year ended 31 December 2018	截至2018年12月31日止年度	50	(50,898)
Year ended 31 December 2018	截至2018年12月31日止年度	(50)	50,898

42. 金融風險管理目標及政策

本集團的主要金融工具包括借款以及現金及短期存款。該等金融工具的主要用途乃為本集團的營運籌集資金。本集團亦有其他由業務直接產生的不同金融資產及負債，例如貿易應收款項及其他應收款項和貿易應付款項及其他應付款項。

本集團金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。由於本集團所承擔的該等風險維持於最低水平，本集團並無使用任何衍生工具及其他工具以作對沖之用。本集團並無持有或發行衍生金融工具以作買賣之用。董事會已審閱並同意該等風險管理的政策，茲概述如下。

利率風險

浮動利率工具將導致本集團面臨現金流量利率風險，而固定利率工具將導致本集團面臨公允價值利率風險。

下表顯示假設於報告期末尚未償還的浮動利率借款於全年仍未償還，且所有其他變數保持不變，本集團除稅前溢利對合理可能的利率變動的敏感度。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**FOREIGN CURRENCY RISK**

The Group's main businesses are located in China and most of the transactions are conducted in Renminbi. Most of the Group's assets and liabilities are denominated in Renminbi, except for certain cash and bank deposits, trade and bills receivables and borrowings denominated in HK dollar and US dollar. The Group has not hedged its foreign exchange rate risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Renminbi against the relevant currencies, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and loans).

42. 金融風險管理目標及政策 (續)**外幣風險**

本集團的主要業務均位於中國，而大部分交易均以人民幣進行。本集團大部分資產及負債以人民幣計值，惟若干現金及銀行存款、貿易應收款項及票據和借款以港元及美元計值。本集團並無為其匯率風險進行對沖。

下表顯示於報告期末，在所有其他變數保持不變的情況下，本集團除稅前溢利對人民幣兌其他有關貨幣匯率的合理可能變動（由於貨幣性資產及貸款的公允價值變動所致）的敏感度。

		Increase/ (decrease) in HK\$/US\$ rate 港元/美元 匯率上升/ (下跌)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
		%	
2019			
If the RMB weakens against the US\$	倘人民幣兌美元貶值	5	8,006
If the RMB strengthens against the US\$	倘人民幣兌美元升值	(5)	(8,006)
If the RMB weakens against the HK\$	倘人民幣兌港元貶值	5	(35,964)
If the RMB strengthens against the HK\$	倘人民幣兌港元升值	(5)	35,964
2018			
If the RMB weakens against the US\$	倘人民幣兌美元貶值	5	14,987
If the RMB strengthens against the US\$	倘人民幣兌美元升值	(5)	(14,987)
If the RMB weakens against the HK\$	倘人民幣兌港元貶值	5	(71,141)
If the RMB strengthens against the HK\$	倘人民幣兌港元升值	(5)	71,141

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk in relation to its trade and bills receivables, contract assets, loan receivables, other receivables, debt instruments at FVTOCI and cash and bank deposits.

The concession operating right of the Group represent sewage treatment service concession financial receivables in respect of Build-operate-transfer (“BOT”) arrangements. Since the parties to BOT arrangements are local government authorities in the PRC, the Group considers the credit risk is low at the end of the reporting period. The Group does not hold any collateral over these balances.

In relation to the Group’s financial services business, the Group has a credit team which is responsible for the evaluation of customers’ credit ratings, financial background and repayment abilities. The Group only provides credit to customers with creditworthiness and collateral is normally required. The risk of default in payment by these customers is considered not significant.

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade and bills receivables and contract assets to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

For other receivables, an impairment analysis is performed by management at the end of each reporting period by considering historical settlement records, past experience and future economic conditions. The directors of the Company believe that there is no material credit risk inherent in the Group’s outstanding balance of other receivables.

42. 金融風險管理目標及政策(續)

信貸風險

信貸風險指因交易對手無法履行其於金融工具或客戶合約項下責任而蒙受財務虧損的風險。本集團所面臨的信貸風險與其貿易應收款項及票據、合約資產、應收借款、其他應收款項、按公允價值計入其他全面收益的債務工具以及現金及銀行存款有關。

本集團的特許經營權指有關建造、營運及移交(「建造、營運及移交」)安排的特許污水處理服務的金融應收款項。於報告期末，鑑於建造、營運及移交安排的訂約方均為中國地方政府機關，故本集團認為信貸風險偏低。本集團並無就有關結餘持有任何抵押品。

有關本集團的金融服務業務，本集團擁有信貸團隊負責評估客戶的信貸評級、財務背景及償還能力。本集團僅向信譽良好的客戶提供信貸及一般須提供抵押品。該等客戶的付款拖欠風險並不重大。

本集團訂有政策以確保向擁有穩健財政實力及可支付適當百分比之首期付款的買方作出銷售，亦設有其他監控程序以確保採取跟進行動收回逾期債務。此外，本集團定期審閱各項個別貿易應收款項及票據和合約資產的可收回金額，以確保就不可收回金額作出足夠的減值虧損。本集團的信貸風險源自多名交易對手及客戶，故並無重大信貸集中風險。

就其他應收款項而言，管理層透過考慮歷史結算記錄、過往經驗及將來經濟狀況於各報告期末進行減值分析。本公司董事認為，本集團其他應收款項的未償還結餘並無重大固有信貸風險。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**CREDIT RISK (Continued)**

The Group's debt instruments at FVTOCI comprised solely of quoted bonds that are graded in the top investment category and, therefore, are considered to be low credit risk investments.

Bank deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions.

The Group considers the probability of default upon initial recognition of financial assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on invoice date unless other information is available without undue cost or effort, and year-end staging classification as at the end of each reporting period. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

42. 金融風險管理目標及政策 (續)**信貸風險 (續)**

本集團按公允價值計入其他全面收益的債務工具僅由獲評為最高投資級別的上市債券組成，因而被視為低信貸風險投資。

銀行存款主要存放於國有金融機構及信譽良好的銀行(均為具有高信貸質素的金融機構)。

本集團於初始確認金融資產時考慮違約或然率，並考慮各報告期內的信貸風險有否持續顯著增加。為評估信貸風險是否顯著增加，本集團將於報告日期資產發生違約的風險與於初始確認日期的違約風險進行比較。本集團考慮可獲得的合理支持性前瞻資料。

最高風險及年末階段分類

下表載列基於本集團信貸政策的信貸質素與最高信貸風險承擔(除非毋須付出不必要成本或努力即可獲得其他資料，否則主要以發票日期為基準)及各報告期末的年末階段分類。所呈列的金額為金融資產的總賬面值及財務擔保合約的信貸風險承擔。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

42. 金融風險管理目標及政策(續)

CREDIT RISK (Continued)

信貸風險(續)

Maximum exposure and year-end staging (Continued)

最高風險及年末階段分類(續)

		2019				
		12-month ECLs	Lifetime ECLs			
		12個月	整個存續期			
		預期信貸虧損	預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	Total
		第一階段	第二階段	第三階段	簡化方法	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
Loan receivables	應收借款	376,286	-	-	-	376,286
Contract assets [#]	合約資產 [#]	-	-	-	361,014	361,014
Trade and bills receivables [#]	貿易應收款項及票據 [#]	-	-	-	3,259,456	3,259,456
		376,286	-	-	3,620,470	3,996,756

		2018				
		12-month ECLs	Lifetime ECLs			
		12個月	整個存續期			
		預期信貸虧損	預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	Total
		第一階段	第二階段	第三階段	簡化方法	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
Loan receivables	應收借款	518,892	-	-	-	518,892
Contract assets [#]	合約資產 [#]	-	-	-	411,930	411,930
Trade and bills receivables [#]	貿易應收款項及票據 [#]	-	-	-	2,379,447	2,379,447
		518,892	-	-	2,791,377	3,310,269

[#] For contract assets and trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 23 and 24 to the consolidated financial statements, respectively.

[#] 就本集團採用簡化方法估算減值的合約資產和貿易應收款項及票據而言，基於撥備矩陣的資料分別披露於綜合財務報表附註23及24。

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) **42. 金融風險管理目標及政策 (續)**

LIQUIDITY RISK

The Group aims to maintain sufficient cash and cash equivalents and available funding through various sources of finances to meet its commitments.

The maturity profile of the Group's financial liabilities at the end of each of the reporting periods, based on the contractual undiscounted payments, is as follows:

流動資金風險

本集團致力維持充裕的現金及現金等價物，並透過不同渠道為其承擔獲得資金。

以合約未折讓付款為基準，本集團於各報告期末的金融負債到期情況如下：

		2019			
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	Over 2 years 2年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及票據	5,829,534	–	–	5,829,534
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	990,615	–	–	990,615
Borrowings	借款	11,665,378	1,255,366	1,257,077	14,177,821
Convertible loans	可換股貸款	20,909	20,909	713,707	755,525
Lease liabilities	租賃負債	88,843	61,103	66,933	216,879
Other long-term payables	其他長期應付款項	–	1,665	104,428	106,093
		18,595,279	1,339,043	2,142,145	22,076,467

		2018			
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	Over 2 years 2年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及票據	4,277,323	–	–	4,277,323
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	808,626	–	–	808,626
Borrowings	借款	6,440,277	5,446,254	240,599	12,127,130
Other long-term payables	其他長期應付款項	–	15,847	93,699	109,546
		11,526,226	5,462,101	334,298	17,322,625

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as going concern and to maintain reasonable capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to optimise the debt and equity balance, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or new debts or the redemption of existing debts. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a net debt to equity ratio, which is net debt divided by capital. Net debt includes borrowings, convertible loans and lease liabilities less cash and bank deposits. Capital represents the total equity.

The Group's strategy is to maintain the net debt to equity ratio at a healthy level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The net debt to equity ratios, at the end of the reporting period are as follows:

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
Borrowings	借款	12,678,380	11,731,058
Convertible loans	可換股貸款	652,595	–
Lease liabilities	租賃負債	206,124	–
Less: Cash and bank deposits	減：現金及銀行存款	(7,604,221)	(6,451,791)
Net debt	債務淨額	5,932,878	5,279,267
Total equity	權益總額	17,094,396	15,072,865
Net debt to equity ratio	債務淨額對權益比率	35%	35%#

42. 金融風險管理目標及政策(續)

資本管理

本集團資本管理的主要目標為保障本集團繼續以持續基準經營的能力，以及維持合理的資本比率支持其業務，以及將股東的價值提升至最高。

本集團根據經濟狀況變動管理其資本架構及作出調整。為優化債務及權益結餘，本集團可調整支付予股東的股息、向股東退回資本、發行新股或新債或贖回現有債務。年內，管理資本的目標、政策或過程並無變動。

本集團以債務淨額對權益比率監控資本，該比率為債務淨額除以資本。債務淨額包括借款、可換股貸款及租賃負債減現金及銀行存款。資本乃指權益總額。

本集團的策略為維持債務淨額對權益比率在健康水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量需求及支付到期債務的能力，保持可用銀行融資在合理水平及調整投資計劃及融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。於報告期末的債務淨額對權益比率如下：

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CAPITAL MANAGEMENT (Continued)

The Group has adopted HKFRS 16 using the modified retrospective approach and the effect of the initial adoption is adjusted against the opening balances as at 1 January 2019 with no adjustments to the comparative amounts as at 31 December 2018. As a result, the Group's net debt increased by RMB368,752,000 to RMB5,648,019,000 and hence the Group's gearing ratio increased from 35% to 37% on 1 January 2019 when compared with the position as at 31 December 2018.

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(A) MAJOR NON-CASH TRANSACTIONS

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB1,689,086,000 and RMB368,752,000, respectively, in respect of lease arrangements (2018: Nil).

(B) RECONCILIATIONS OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The tables below detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

42. 金融風險管理目標及政策(續)

資本管理(續)

本集團已使用經修訂追溯法採納香港財務報告準則第16號，首次採納的影響已於2019年1月1日的期初結餘作調整，而2018年12月31日的比較金額則不作調整。這導致本集團的債務淨額增加人民幣368,752,000元至人民幣5,648,019,000元，因此，本集團於2019年1月1日的資產負債率與2018年12月31日相比由35%上升至37%。

43. 綜合現金流量表附註

(A) 主要非現金交易

年內，就租賃安排而言，本集團使用權資產及租賃負債的非現金增加分別為人民幣1,689,086,000元及人民幣368,752,000元(2018年：無)。

(B) 融資活動產生的負債對賬

下表詳述本集團融資活動所產生的負債變動(包括現金及非現金變動)。融資活動所產生之負債為現金流量曾於或將於本集團綜合現金流量表內分類為融資活動現金流量的負債。

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) 43. 綜合現金流量表附註(續)

(B) RECONCILIATIONS OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

(B) 融資活動產生的負債對賬(續)

		2019								
				Non-cash changes 非現金變動						
		1 January	Cash flow	Effect of adoption of HKFRS 16 採用香港財務報告準則第16號的影響	Equity component of convertible loans 可換股貸款的權益部分	Lease liabilities 租賃負債	Amortisation of borrowings arrangement fee 借款安排費用攤銷	Foreign exchange movement 外匯變動	Other changes 其他變動	31 December
		1月1日	現金流量	的影響	權益部分	租賃負債	費用攤銷	外匯變動	其他變動	12月31日
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Borrowings	借款	11,731,058	539,178	-	-	-	17,915	219,330	170,899	12,678,380
Lease liabilities	租賃負債	-	(92,406)	368,752	-	(95,490)	-	1,112	24,156	206,124
Convertible loans	可換股貸款	-	667,718	-	(27,605)	-	-	6,852	5,630	652,595
Interest payable	應付利息	4,736	(530,490)	-	-	-	-	-	551,356	25,602
Dividends payable	應付股息	-	(866,871)	-	-	-	-	-	866,871	-
Payables for acquisition of non-controlling interests included in other payables	計入其他應付款項的收購非控制權益應付款項	19,102	(15,058)	-	-	-	-	-	(4,044)	-
Total liabilities from financing activities	融資活動的負債總額	11,754,896	(297,929)	368,752	(27,605)	(95,490)	17,915	227,294	1,614,868	13,562,701

		2018								
				Non-cash changes 非現金變動						
		1 January	Cash flow		Amortisation of borrowings arrangement fee 借款安排費用攤銷	Foreign exchange movement 外匯變動	Other changes 其他變動		31 December	
		1月1日	現金流量		費用攤銷	外匯變動	其他變動		12月31日	
		RMB'000	RMB'000		RMB'000	RMB'000	RMB'000		RMB'000	
		人民幣千元	人民幣千元		人民幣千元	人民幣千元	人民幣千元		人民幣千元	
Borrowings	借款	8,319,375	3,042,012		17,407	364,264	(12,000)		11,731,058	
Interest payable	應付利息	6,149	(397,996)		-	-	396,583		4,736	
Dividends payable	應付股息	-	(715,436)		-	-	715,436		-	
Payables for acquisition of non-controlling interests included in other payables	計入其他應付款項的收購非控制權益應付款項	-	(78,898)		-	-	98,000		19,102	
Total liabilities from financing activities	融資活動的負債總額	8,325,524	1,849,682		17,407	364,264	1,198,019		11,754,896	

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(C) TOTAL CASH OUTFLOW FOR LEASES

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

		2019 RMB'000 人民幣千元
Within operating activities	經營活動內	32,949
Within investing activities	投資活動內	109,425
Within financing activities	融資活動內	92,406
		234,780

43. 綜合現金流量表附註(續)

(C) 租賃現金流出總額

包括在綜合現金流量表的租賃現金流出總額如下：

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊 及營業地點	Issued ordinary share/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 本公司應佔權益比率 直接	Indirect 間接	
Starcorp Investment Holdings Ltd. 星展投資控股有限公司	BVI 英屬維爾京群島	US\$1 1美元	100%	-	Investment holding 投資控股
Great China One Holdings Limited (Formerly known as "Great China International Holdings Ltd.") 華拓第一控股有限公司 (前稱華拓國際控股有限公司)	BVI 英屬維爾京群島	US\$1 1美元	100%	-	Investment holding 投資控股
China Liansu Investment Limited 中國聯塑投資有限公司	BVI 英屬維爾京群島	US\$1 1美元	100%	-	Investment holding 投資控股
Liansu Group Company Limited 聯塑集團有限公司	Hong Kong 香港	HK\$13,000,000 13,000,000港元	-	100%	Investment holding and sale of building materials and interior decoration products 投資控股及銷售建材及家居產品
Guangdong Liansu Technology Industrial Co., Ltd. ^{*(a)} 廣東聯塑科技實業有限公司 ^(a)	PRC 中國	HK\$2,800,000,000 2,800,000,000港元	-	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件
Heshan Lesso Industrial Development Co., Ltd. ^{*(b)} 鶴山聯塑實業發展有限公司 ^(b)	PRC 中國	HK\$269,930,000 269,930,000港元	-	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件

44. 主要附屬公司的詳情

本公司主要附屬公司的詳情如下：

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

44. 主要附屬公司的詳情(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊 及營業地點	Issued ordinary share/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 本公司應佔權益比率 直接	Indirect 間接	
Lesso Technology Development (Wuhan) Co., Ltd. ^{*(b)} 聯塑科技發展(武漢)有限公司 ^(b)	PRC 中國	HK\$111,000,000 111,000,000港元	-	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件
Lesso Technology Development (Guiyang) Co., Ltd. ^{*(b)} 聯塑科技發展(貴陽)有限公司 ^(b)	PRC 中國	HK\$115,000,000 115,000,000港元	-	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件
Nanjing Lesso Technology Industrial Co., Ltd. ^{*(b)} 南京聯塑科技實業有限公司 ^(b)	PRC 中國	US\$26,750,000 26,750,000美元	-	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件
Lesso Municipal Pipe (Hebei) Co., Ltd. ^{*(b)} 聯塑市政管道(河北)有限公司 ^(b)	PRC 中國	US\$32,790,000 32,790,000美元	-	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件
Henan Lesso Industrial Co., Ltd. ^{*(c)} 河南聯塑實業有限公司 ^(c)	PRC 中國	RMB200,000,000 人民幣200,000,000元	-	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件

^(a) Registered as a wholly-foreign-owned enterprise under the laws of PRC

^(a) 根據中國法律註冊為一間外商獨資企業

^(b) Registered as equity joint ventures under the laws of PRC

^(b) 根據中國法律註冊為合資企業

^(c) Registered as a limited liability company under the laws of PRC

^(c) 根據中國法律註冊為一間有限公司

The above table lists the Company's subsidiaries which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the Group's net assets. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

董事認為，上表所載列的本公司附屬公司對本年度的業績具重大影響力或構成本集團資產淨值的重大部分。董事認為倘詳列其他附屬公司的資料，將會使有關資料過於冗長。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

45. STATEMENT OF FINANCIAL POSITION OF
THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period as follows:

45. 本公司財務狀況表

於報告期末，有關本公司財務狀況表的資料如下：

		2019 RMB'000 人民幣千元	2018 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	8,672,337	7,410,742
Other financial assets	其他金融資產	152,763	273,532
Total non-current assets	非流動資產總額	8,825,100	7,684,274
CURRENT ASSETS	流動資產		
Other receivables	其他應收款項	1,164,477	963,785
Other financial assets	其他金融資產	8,363	–
Cash and bank deposits	現金及銀行存款	19,050	10,452
Total current assets	流動資產總額	1,191,890	974,237
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	596,187	5,125
Amount due to subsidiaries	應付附屬公司款項	5,568,158	5,766,663
Borrowings	借款	844,480	210,836
Total current liabilities	流動負債總額	7,008,825	5,982,624
NET CURRENT LIABILITIES	流動負債淨額	(5,816,935)	(5,008,387)
Net assets	資產淨額	3,008,165	2,675,887
EQUITY	權益		
Share capital	股本	135,344	135,344
Reserves (note)	儲備(附註)	2,872,821	2,540,543
Total equity	權益總額	3,008,165	2,675,887

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

45. 本公司財務狀況表(續)

附註：

本公司的儲備概要如下：

		Share premium	Shares held for share award scheme	Fair value revaluation reserve	Exchange fluctuation reserve	Retained profits	Total
		股份溢價	股份獎勵計劃所持股份	公允價值重估儲備	匯率波動儲備	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	1,905,618	-	(14,983)	(82,947)	496,175	2,303,863
Total comprehensive income for the year	年內全面收益總額	-	-	(21,400)	100,616	872,900	952,116
Dividends recognised as distributions to owners	確認為向擁有人分派的股息	-	-	-	-	(715,436)	(715,436)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	1,905,618	-	(36,383)	17,669	653,639	2,540,543
Total comprehensive income for the year	年內全面收益總額	-	-	31,678	5,601	1,247,310	1,284,589
Dividends recognised as distributions to owners	確認為向擁有人分派的股息	-	-	-	-	(866,871)	(866,871)
Transfer of fair value reserve upon the disposal of equity instruments at FVTOCI	出售按公允價值計入其他全面收益的股本工具後轉讓至公允價值儲備	-	-	(20,274)	-	20,274	-
Shares purchased for share award scheme	就股份獎勵計劃購入股份	-	(85,440)	-	-	-	(85,440)
At 31 December 2019	於2019年12月31日	1,905,618	(85,440)	(24,979)	23,270	1,054,352	2,872,821

46. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board on 27 March 2020.

46. 批准綜合財務報表

綜合財務報表於2020年3月27日獲董事會批准及授權刊發。

SUMMARY OF MAJOR INVESTMENT PROPERTIES

主要投資物業概要

As at 31 December 2019

於2019年12月31日

Details of the Group's investment properties at the end of the reporting period are as follows: 於報告期末，本集團投資物業的詳情如下：

Location 地點	Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 sq. ft. 平方呎	Lease term 租期	Group's interest 本集團的權益	Stage of completion 完成階段	
Lots 50, 51 & 52 in Deposited Plan 1144623, Lots 6-10 in Deposited Plan 801210, Lots 163, 168-182 & 216 DP8716, Lots 4, 5 & 6 in Deposited Plan 226294, Lots 2 in Deposited Plan 516449, Lots 218 & 219 in Deposited Plan 457024, Lot 2151 in Deposited Plan 135859, Lot 1 in Deposited Plan 119616 and Lot 7 in Deposited Plan 803359, Augusta Street, Huntingwood East, New South Wales	Australia	IL	2,320,699	Freehold	100%	Planning stage
Lots 50, 51 & 52 in Deposited Plan 1144623, Lots 6-10 in Deposited Plan 801210, Lots 163, 168-182 & 216 DP8716, Lots 4, 5 & 6 in Deposited Plan 226294, Lots 2 in Deposited Plan 516449, Lots 218 & 219 in Deposited Plan 457024, Lot 2151 in Deposited Plan 135859, Lot 1 in Deposited Plan 119616 and Lot 7 in Deposited Plan 803359, Augusta Street, Huntingwood East, New South Wales	澳洲	IL	2,320,699	永久業權	100%	籌劃階段
79-99 St Hilliers Road, Auburn, Cumberland, Sydney, New South Wales	Australia	IB	298,191 [#]	Freehold	100%	Under refurbishment
79-99 St Hilliers Road, Auburn, Cumberland, Sydney, New South Wales	澳洲	IB	298,191 [#]	永久業權	100%	翻新工程進行中
Part of lots 23 & 24, Markham, Concession 3, Part 1 on Plan 65R-30576	Canada	IL	1,994,351	Freehold	100%	Planning stage
Part of lots 23 & 24, Markham, Concession 3, Part 1 on Plan 65R-30576	加拿大	IL	1,994,351	永久業權	100%	籌劃階段

Location 地點		Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 sq. ft. 平方呎	Lease term 租期	Group's interest 本集團的權益	Stage of completion 完成階段
5789, 5933, 5945, 5811, 5951 Steeles Avenue East, Toronto, Ontario	Canada	CL	1,750,241	Freehold	100%	Planning stage
5789, 5933, 5945, 5811, 5951 Steeles Avenue East, Toronto, Ontario	加拿大	CL	1,750,241	永久業權	100%	籌劃階段
5631-5671 Steeles Avenue East, Toronto, Ontario	Canada	CB	139,046 [#]	Freehold	100%	Existing
5631-5671 Steeles Avenue East, Toronto, Ontario	加拿大	CB	139,046 [#]	永久業權	100%	現有
South of Longzhou West Road, East of Dengdong Road, Longjiang town, Shunde District, Foshan City, Guangdong	China	CL	221,825	Leasehold	100%	Under development
廣東省佛山市順德區龍江鎮 龍洲西路南側與登東路東側交叉口	中國	CL	221,825	租賃業權	100%	發展中
West of Foshan-Kaiping highway, North of Longgao Road, Longjiang town, Shunde District, Foshan City, Guangdong	China	CL	1,392,982	Leasehold	100%	Under development
廣東省佛山市順德區龍江鎮 佛開高速以西、龍高路以北	中國	CL	1,392,982	租賃業權	100%	發展中
633 Heshun Road, Heshan Industrial Center, Heshan City, Guangdong	China	IL	1,879,515	Leasehold	100%	Existing
廣東省鶴山市鶴山工業城 和順路633號	中國	IL	1,879,515	租賃業權	100%	現有
SHGB 889, 890, 891, 894, 895, 1317, 1318, 1319, 1321, 1322 J1 Suvarna Sutera Boulevard No 19 Unit B1 Wana Kerta Sindang Jaya - Tangerang, Indonesia 15560	Indonesia	CX	827,368	Freehold	100%	Under development
SHGB 889, 890, 891, 894, 895, 1317, 1318, 1319, 1321, 1322 J1 Suvarna Sutera Boulevard No 19 Unit B1 Wana Kerta Sindang Jaya - Tangerang, Indonesia 15560	印度尼西亞	CX	827,368	永久業權	100%	發展中

SUMMARY OF MAJOR INVESTMENT PROPERTIES

主要投資物業概要

As at 31 December 2019

於2019年12月31日

Location 地點		Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 sq. ft. 平方呎	Lease term 租期	Group's interest 本集團的權益	Stage of completion 完成階段
Plot No 2, 4, 8, 9 Block 59 Zawtika Yeik Mon Housing, Dagon Seikkan Township, Yangon	Myanmar	CX	3,232,762	Leasehold	56%	Under development
Plot No 2, 4, 8, 9 Block 59 Zawtika Yeik Mon Housing, Dagon Seikkan Township, Yangon	緬甸	CX	3,232,762	租賃業權	56%	發展中
120-122, 202, 204, 847, 848, 1413, 1425-1430, Tambol Bang Sao Thong, Amphoe Bang Sao Thong, and 375, Tambol Bang Bo, Amphoe Bang Bo, Samut Prakarn Province	Thailand	CX	3,557,955	Freehold	75%	Under development
120-122, 202, 204, 847, 848, 1413, 1425-1430, Tambol Bang Sao Thong, Amphoe Bang Sao Thong, 及 375, Tambol Bang Bo, Amphoe Bang Bo, Samut Prakarn Province	泰國	CX	3,557,955	永久業權	75%	發展中
Plot 62189674, Warsan First, Dubai	United Arab Emirates	CL	570,487	Freehold	100%	Under development
Plot 62189674, Warsan First, Dubai	阿拉伯聯合 酋長國	CL	570,487	永久業權	100%	發展中
SWC of Highway 380 & FM 26, South side of Highway 380 West of FM 26, Frisco, Texas	United States	CX	3,347,896	Freehold	100%	Planning stage
SWC of Highway 380 & FM 26, South side of Highway 380 West of FM 26, Frisco, Texas	美國	CX	3,347,896	永久業權	100%	籌劃階段

Location 地點	Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 sq. ft. 平方呎	Lease term 租期	Group's interest 本集團的權益	Stage of completion 完成階段	
12071 Belgrave Avenue, Jurupa Valley, California	United States 美國	CX	4,755,918	Freehold 永久業權	100%	Planning stage 籌劃階段
1300 and 1504 Old Country Road, Westbury, Nassau County, Long Island, New York	United States 美國	CB	723,302 [#]	Freehold 永久業權	100%	Under refurbishment 翻新工程進行中
1300 and 1504 Old Country Road, Westbury, Nassau County, Long Island, New York	United States 美國	CB	723,302 [#]	Freehold 永久業權	100%	Under refurbishment 翻新工程進行中
Note: 附註:	CL	Commercial land 商業用地				
	CX	Complex land 綜合用地				
	IL	Industrial land 工業用地				
	CB	Commercial building 商業樓宇				
	IB	Industrial building 工業樓宇				
	#	Represents gross floor area 指該物業總樓面面積				

GLOSSARY

詞彙

“Board” 「董事會」	指	the board of directors of the Company 本公司董事會
“BVI” 「英屬維爾京群島」	指	the British Virgin Islands 英屬維爾京群島
“China” or “PRC” 「中國」	指	the People’s Republic of China, for the purpose of this report, excluding Hong Kong, Macau and Taiwan 中華人民共和國，就本報告而言，並不包括香港、澳門及台灣
“Code” 「守則」	指	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules 上市規則附錄 14 所載的企業管治守則
“Company” or “China Lesso” 「本公司」或「中國聯塑」	指	China Lesso Group Holdings Limited 中國聯塑集團控股有限公司
“Current Ratio” 「流動比率」	指	the ratio of current assets to current liabilities 流動資產除以流動負債的比率
“EBITDA” 「除息稅折攤前盈利」	指	earnings before interest, taxes, depreciation and amortisation 扣除利息、稅項、折舊及攤銷前盈利
“FVTOCI” 「按公允價值計入其他全面收益」	指	fair value through other comprehensive income 按公允價值計入其他全面收益
“FVTPL” 「按公允價值計入損益」	指	fair value through profit or loss 按公允價值計入損益
“Gearing Ratio” 「資產負債率」	指	the total debts divided by the sum of total debts and total equity 按債務總額除以債務總額加上權益總額的總和
“Group” 「本集團」	指	the Company and its subsidiaries 本公司及其附屬公司
“Guangdong Liansu Machinery” 「廣東聯塑機器」	指	Guangdong Liansu Machinery Manufacturing Co., Ltd.*, a company indirectly wholly-owned by Mr. Wong Luen Hei and a connected person of the Company as defined under the Listing Rules 廣東聯塑機器製造有限公司，黃聯禧先生間接全資擁有的公司，並為本公司的關連人士（定義見上市規則）
“HK\$” 「港元」	指	Hong Kong dollar, the lawful currency of Hong Kong 香港之法定貨幣 — 港元
“Hong Kong” or “HK” 「香港」	指	Hong Kong Special Administrative Region of the PRC 中國香港特別行政區

“IoT” 「物聯網」	指	Internet of things 物聯網
“Listing Rules” 「上市規則」	指	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Model Code” 「標準守則」	指	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄10所載的上市發行人董事進行證券交易的標準守則
“New Fortune” 「新富星」	指	New Fortune Star Limited, a company incorporated in the BVI New Fortune Star Limited，一間於英屬維爾京群島註冊成立之公司
“PE” 「PE」	指	polyethylene 聚乙烯
“PP-R” 「PP-R」	指	polypropylene random 無規共聚聚丙烯
“PVC” 「PVC」	指	polyvinyl chloride 聚氯乙烯
“Quick Ratio” 「速動比率」	指	the ratio of current assets less inventories to current liabilities 流動資產減存貨再除以流動負債的比率
“RMB” 「人民幣」	指	Renminbi, the lawful currency of the PRC 中國之法定貨幣 — 人民幣
“SFO” 「證券及期貨條例」	指	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong 香港法例第571章證券及期貨條例
“Share(s)” 「股份」	指	share(s) of a nominal value of HK\$0.05 each in the capital of the Company 本公司股本中每股面值0.05港元的股份
“Shareholder(s)” 「股東」	指	holder(s) of the Share(s) of the Company 本公司股份持有人
“Shunde Liansu Industrial” 「順德聯塑實業」	指	Foshan Shunde Liansu Industrial Co., Ltd.* 佛山市順德區聯塑實業有限公司
“sq.ft.” 「平方呎」	指	square feet 平方英尺
“Stock Exchange” 「聯交所」	指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司

GLOSSARY

詞彙

“tonne(s)” 「噸」	指	a unit measuring weight, equal to 1,000 kilograms 量度重量的單位，相等於1,000公斤
“US” 「美國」	指	the United States of America 美利堅合眾國
“US\$” 「美元」	指	US dollar, the lawful currency of US 美國之法定貨幣 — 美元
“Xi Xi Development” 「西溪發展」	指	Xi Xi Development Limited, a company incorporated in the BVI 西溪發展有限公司，一間於英屬維爾京群島註冊成立之公司
“%” 「%」	指	per cent 百分比

* The English or Chinese translations in this report, where indicated, denote for identification purposes only.

* 本報告的英文或中文翻譯(如註明)僅供識別。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kwok Ho Jonathan
Mr. Cheung Man Yu
Ms. Lan Fang
Dr. Tao Zhigang
Mr. Cheng Dickson

AUDIT COMMITTEE

Dr. Tao Zhigang (*Chairman*)
Mr. Wong Kwok Ho Jonathan
Mr. Cheung Man Yu
Mr. Cheng Dickson

REMUNERATION COMMITTEE

Dr. Tao Zhigang (*Chairman*)
Mr. Wong Luen Hei
Mr. Zuo Manlun
Mr. Wong Kwok Ho Jonathan
Mr. Cheung Man Yu

NOMINATION COMMITTEE

Mr. Wong Luen Hei (*Chairman*)
Mr. Zuo Manlun
Mr. Wong Kwok Ho Jonathan
Ms. Lan Fang
Dr. Tao Zhigang

COMPANY SECRETARY

Mr. Kwan Chi Wai Samuel

AUTHORISED REPRESENTATIVES

Mr. Zuo Manlun
Mr. Kwan Chi Wai Samuel

董事會 執行董事

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

獨立非執行董事

王國豪先生
張文宇先生
蘭芳女士
陶志剛博士
鄭迪舜先生

審核委員會

陶志剛博士 (*主席*)
王國豪先生
張文宇先生
鄭迪舜先生

薪酬委員會

陶志剛博士 (*主席*)
黃聯禧先生
左滿倫先生
王國豪先生
張文宇先生

提名委員會

黃聯禧先生 (*主席*)
左滿倫先生
王國豪先生
蘭芳女士
陶志剛博士

公司秘書

關志偉先生

法定代表

左滿倫先生
關志偉先生

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Liansu Industrial Estate
Longjiang Town
Shunde District
Foshan City
Guangdong Province 528318
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1A, 10th Floor, Tower 2
South Seas Centre
75 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

LISTING INFORMATION

Listing:
The Stock Exchange of Hong Kong Limited

Stock code:
2128

SHARE INFORMATION

As at 31 December 2019:
Share issued 3,102,418,400 shares
Market capitalisation HK\$30,993 million
Board lot size 1,000 shares

2019 DIVIDENDS

Interim dividend HK12 cents per share
Proposed final dividend HK28 cents per share
Dividend payout ratio 36.8%

註冊辦事處

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

中國總部及主要營業地點

中國
廣東省(郵編: 528318)
佛山市
順德區
龍江鎮
聯塑工業村

香港主要營業地點

香港九龍
尖沙咀東部
麼地道75號
南洋中心
第二座10樓1A室

上市資料

上市地點:
香港聯合交易所有限公司

股份代號:
2128

股份資料

於2019年12月31日:
已發行股份數目 3,102,418,400股
市值 309.93億港元
每手買賣單位 1,000股

2019年股息

中期股息 每股12港仙
擬派末期股息 每股28港仙
派息比率 36.8%

FINANCIAL CALENDAR

Annual results announcement:

27 March 2020

CLOSURE OF THE REGISTER OF MEMBERS:

- for determining the entitlement to attend and vote at annual general meeting from 19 to 22 May 2020 (both dates inclusive)
- for determining the entitlement to proposed final dividend from 29 May to 2 June 2020 (both dates inclusive)

2020 annual general meeting:

22 May 2020

Payment of 2019 proposed final dividend*:

on or around 11 June 2020

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited

PO Box 1093

Boundary Hall, Cricket Square

Grand Cayman, KY1-1102

Cayman Islands

BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East, Wanchai

Hong Kong

INVESTOR RELATIONS

iPR Ogilvy & Mather

40th Floor, China Online Centre

333 Lockhart Road, Wan Chai, Hong Kong

Tel: (852) 2136 6185

Fax: (852) 3170 6606

Email: ir@lesso.com

AUDITOR

Ernst & Young

Certified Public Accountants, Hong Kong

財務日誌

年度業績公告：

2020年3月27日

暫停辦理股份過戶登記手續：

- 確定出席股東週年大會並於會上投票的資格由2020年5月19至22日(包括首尾兩天)
- 確定收取擬派末期股息的資格由2020年5月29至6月2日(包括首尾兩天)

2020年股東週年大會：

2020年5月22日

派付2019年擬派末期股息*：

2020年6月11日或相近日子

股份過戶登記總處

Maples Fund Services (Cayman) Limited

PO Box 1093

Boundary Hall, Cricket Square

Grand Cayman, KY1-1102

Cayman Islands

股份過戶登記分處

香港中央證券登記有限公司

香港

灣仔皇后大道東183號

合和中心

17樓1712-1716室

投資者關係

iPR 奧美公關

香港灣仔駱克道333號

中國網絡中心40樓

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電郵：ir@lesso.com

核數師

安永會計師事務所

香港執業會計師

+ Subject to approval by the Shareholders at the 2020 annual general meeting to be held on 22 May 2020.

+ 惟須待股東於2020年5月22日舉行的2020年股東週年大會上批准後，方可作實。

CORPORATE INFORMATION

公司資料

SOLICITOR

Ropes & Gray

PRINCIPAL BANKERS

Agricultural Bank of China Limited
China Merchants Bank Co., Ltd.
CTBC Bank Co., Ltd., Hong Kong Branch
DBS Bank Ltd., Hong Kong Branch
Foshan Shunde Rural Commercial Bank Company Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited
Sumitomo Mitsui Banking Corporation
Taipei Fubon Commercial Bank Co., Ltd., Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

WEBSITE

<http://www.lesso.com>

律師

瑞格律師事務所

主要往來銀行

中國農業銀行股份有限公司
招商銀行股份有限公司
中國信託商業銀行股份有限公司香港分行
星展銀行有限公司香港分行
佛山順德農村商業銀行股份有限公司
恒生銀行有限公司
中國工商銀行(亞洲)有限公司
中國工商銀行股份有限公司
三井住友銀行
台北富邦商業銀行股份有限公司香港分行
香港上海滙豐銀行有限公司

網址

<http://www.lesso.com>

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This report contains forward-looking statements. These forward-looking statements include, without limitation, statements related to revenue and earnings. The words “believe”, “intend”, “expect”, “anticipate”, “forecast”, “estimate”, “predict”, “is confident”, “has confidence” and similar expressions are also intended to represent forward-looking statements. These forward-looking statements are not historical facts. Rather, the forward-looking statements are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of China Lesso about the businesses, industries and markets in which China Lesso operates.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Company’s control and are difficult to predict. Consequently, actual results could differ materially from those expressed, implied or forecasted in the forward-looking statements.

Reliance should not be placed on these forward-looking statements, which reflect only the views of the directors and management of China Lesso as at the date of this report only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after publication of this report.

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LESSO 联塑

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