



Jianzhong Construction Development Limited
建中建設發展有限公司

(Incorporated in the Cayman Islands with limited liability)

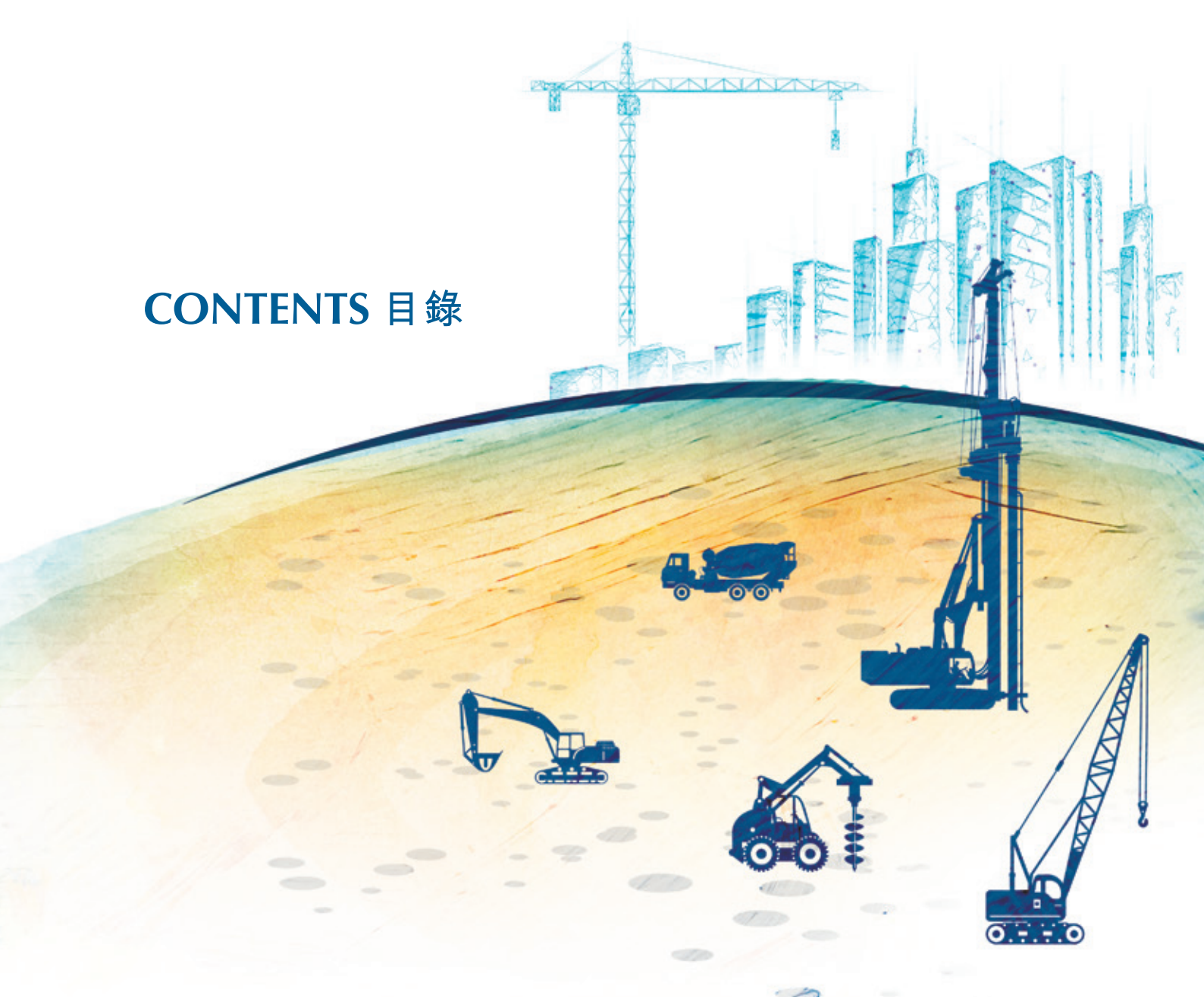
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 589

Annual Report
2020 年報



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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Xun Minghong (*Chairman*)
Mr. He Wenlin
Ms. Zheng Ping

Non-executive Directors

Mr. Yang Kaifa
Mr. Zeng Guohua
Mr. Xun Liangbao

Independent Non-executive Directors

Mr. Sze Irons, B.B.S., J.P.
Mr. Wong Kun Kau
Mr. Zhu Diwu

JOINT COMPANY SECRETARY

Mr. Chan Sun Kwong
Ms. Feng Rongmei (resigned on 26 August 2020)
Mr. Ma Chun Kei (appointed on 26 August 2020)

AUDIT COMMITTEE

Mr. Wong Kun Kau (*Chairman*)
Mr. Sze Irons, B.B.S., J.P.
Mr. Zhu Diwu

REMUNERATION COMMITTEE

Mr. Zhu Diwu (*Chairman*)
Mr. Wong Kun Kau
Mr. Sze Irons, B.B.S., J.P.
Mr. Xun Minghong

NOMINATION COMMITTEE

Mr. Sze Irons, B.B.S., J.P. (*Chairman*)
Mr. Wong Kun Kau
Mr. Zhu Diwu
Mr. Xun Minghong

RISK MANAGEMENT REVIEW COMMITTEE

Mr. Xun Minghong (*Chairman*)
Mr. Wong Kun Kau
Mr. Xun Liangbao
Mr. Ma Chun Kei

REGISTERED OFFICE

Suite #4-210, Governors Square
23 Lime Tree Bay Avenue
PO Box 32311, Grand Cayman
KYI-1209, Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

2002, Jinlan Building
No. 33 Zhaoqiang Road
Mawei District, Fuzhou City
Fujian Province
China

董事

執行董事

荀名紅先生 (*主席*)
何文林先生
鄭萍女士

非執行董事

楊開發先生
曾國華先生
荀良寶先生

獨立非執行董事

施榮懷先生 (銅紫荊星章, 太平紳士)
黃灌球先生
朱地武先生

聯席公司秘書

陳晨光先生
奉榮美女士 (於2020年8月26日辭任)
馬濬琦先生 (於2020年8月26日獲委任)

審核委員會

黃灌球先生 (*主席*)
施榮懷先生 (銅紫荊星章, 太平紳士)
朱地武先生

薪酬委員會

朱地武先生 (*主席*)
黃灌球先生
施榮懷先生 (銅紫荊星章, 太平紳士)
荀名紅先生

提名委員會

施榮懷先生 (銅紫荊星章, 太平紳士) (*主席*)
黃灌球先生
朱地武先生
荀名紅先生

風險管理審核委員會

荀名紅先生 (*主席*)
黃灌球先生
荀良寶先生
馬濬琦先生

註冊辦事處

Suite #4-210, Governors Square
23 Lime Tree Bay Avenue
PO Box 32311, Grand Cayman
KYI-1209, Cayman Islands

中國總部及主要營業地點

中國
福建省
福州市馬尾區
兆鏘路33號
金瀾大廈2002室

Corporate Information

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANY ORDINANCE

Room No. 1818, 18/F
Beverly Commercial Centre
87-105 Chatham Road South
Tsim Sha Tsui
Kowloon
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

Deacons

COMPLIANCE ADVISER

VMS Securities Limited

AUDITOR

KPMG
(Public Interest Entity Auditor registered in accordance with the
Financial Reporting Council Ordinance)

PRINCIPAL BANKS

China Construction Bank (Fuzhou City North Branch)
Xiamen International Bank (Fuzhou Branch)
Quanzhou Bank Co., Ltd. (Fuzhou City Taijiang Branch)
China Everbright Bank (Fuzhou City Hudong Branch)
Industrial Bank Co., Ltd.
(Pilot Free Pilot Zone, Fuzhou City Branch)
Bank of Dongguan Co., Ltd. (Changsha Branch)

CAYMAN ISLANDS PRINCIPAL SHARE REGISTERED AND TRANSFER OFFICE

Osiris International Cayman Limited
Suite #4-210, Governors Square
23 Lime Tree Bay Avenue
PO Box 32311, Grand Cayman
KYI-1209, Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

589

WEBSITE

www.fjjzjkj.com

根據公司條例第16部登記之 香港主要營業地點

香港
九龍
尖沙咀
漆咸道南87-105號
百利商業中心
18樓1818室

有關香港法律的法律顧問

的近律師行

合規顧問

鼎珮證券有限公司

核數師

畢馬威會計師事務所
(於《財務匯報局條例》下的註冊公眾利益實體
核數師)

主要往來銀行

中國建設銀行(福州城北支行)
廈門國際銀行(福州分行)
泉州銀行股份有限公司(福州台江支行)
中國光大銀行(福州湖東支行)
興業銀行股份有限公司
(福建自貿試驗區福州片區分行)
東莞銀行股份有限公司(長沙分行)

開曼群島股份過戶登記總處

Osiris International Cayman Limited
Suite #4-210, Governors Square
23 Lime Tree Bay Avenue
PO Box 32311, Grand Cayman
KYI-1209, Cayman Islands

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

股份代號

589

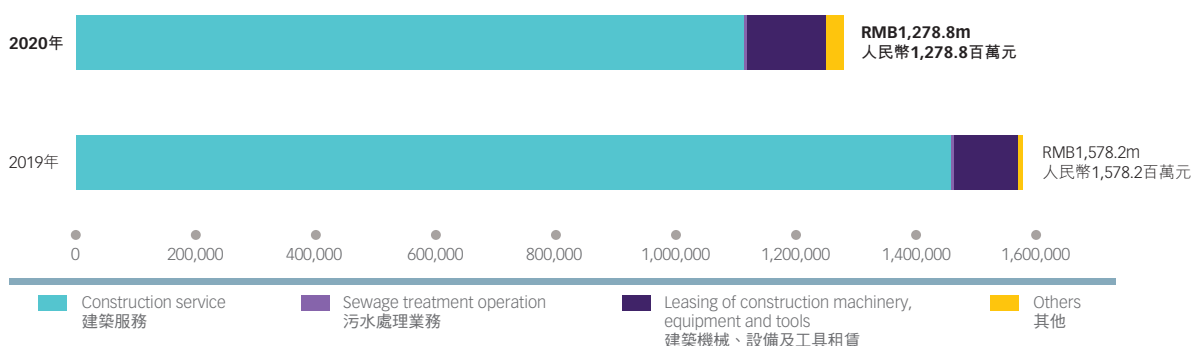
網站

www.fjjzjkj.com

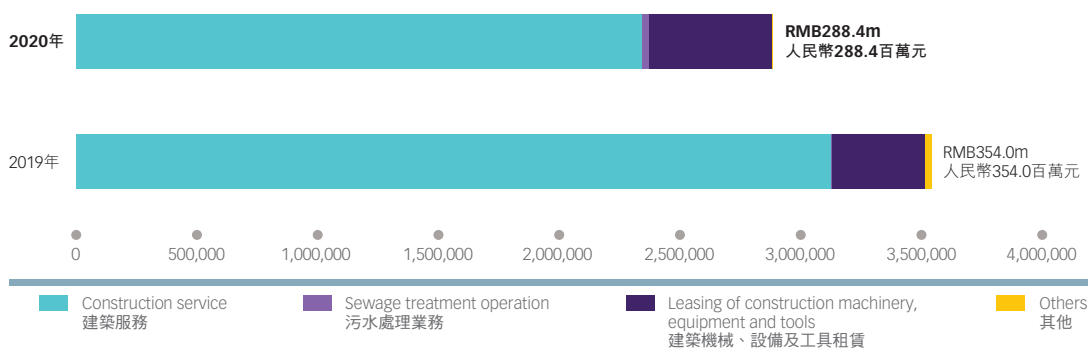
FINANCIAL HIGHLIGHTS

財務摘要

REVENUE 收益



GROSS PROFIT 毛利



GROSS PROFIT MARGINS 毛利率

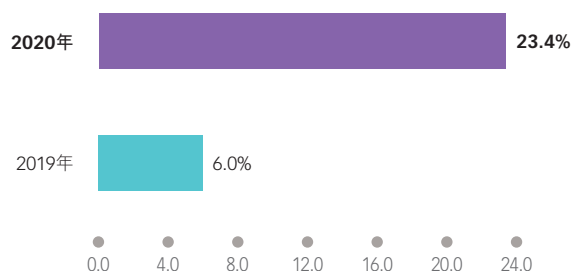
		2020	2019
		2020年	2019年
Construction Service	建築服務	21.0	21.4
Leasing of construction machinery, equipment and tools	建築機械、設備及工具租賃	38.6	35.8
Sewage Treatment Operation	污水處理業務	8.4	13.2
Others	其他	9.2	29.8
Overall	整體	22.6	22.4

Financial Highlights

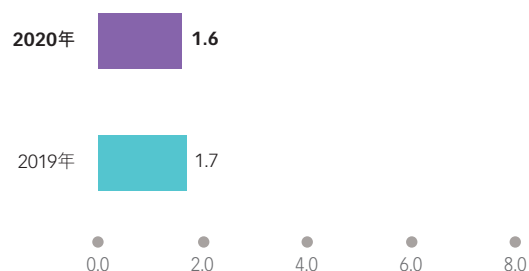
財務摘要

KEY FINANCIAL RATIOS 主要財務比率

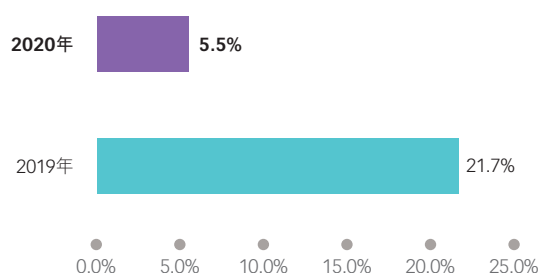
GEARING RATIO 資本負債比率⁽¹⁾



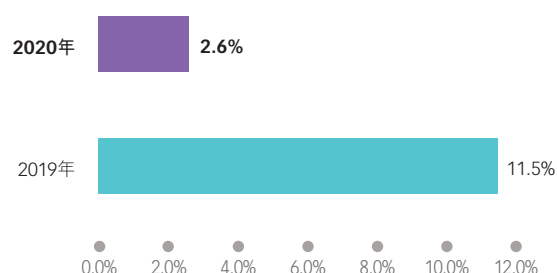
CURRENT RATIO 流動比率⁽²⁾



RETURN ON EQUITY 權益回報率⁽³⁾



RETURN ON TOTAL ASSETS 總資產回報率⁽⁴⁾



Notes:

附註：

- 1) Gearing ratio is calculated based on the net debts (including interest-bearing loans and borrowings, and payables for acquisition of equipment by instalments, less cash and cash equivalents) divided by the equity as at the end of reporting period and multiplied by 100%.
資本負債比率乃按淨負債(包括計息貸款及借款以及以分期付款購入設備的應付款項減現金及現金等價物)除以截至報告期末的權益再乘以100%計算得出。
- 2) Current ratio equals current assets divided by current liabilities.
流動比率等於流動資產除以流動負債。
- 3) Return on equity equals profit for the year divided by the closing balance of total equity and multiplied by 100%.
權益回報率等於年內溢利除以權益總額年終結餘再乘以100%計算得出。
- 4) Return on total assets equals profit for the year divided by the closing balance of total assets and multiplied by 100%.
總資產回報率等於年內溢利除以資產總值年終結餘再乘以100%計算得出。



CHAIRMAN'S STATEMENT

主席報告

Chairman and Executive Director
Mr. Xun Minghong
主席及執行董事
荀名紅先生



Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Jianzhong Construction Development Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”), I am pleased to present the results of the Group for the year ended 31 December 2020.

During the year ended 31 December 2020, we continued to be a leading construction services provider based in Fujian Province of the People’s Republic of China (the “**PRC**”) which specialises in offering one-stop solutions in construction works. Our competitive advantage remains on our ability to manage and execute construction works projects on a timely and reliable manner. With an experienced management team, in-house R&D capabilities, large fleet of construction machinery and equipment and production base, we have established ourselves as a comprehensive service provider in the construction works market in both Fujian Province and the PRC.

各位股東：

本人謹代表建中建設發展有限公司（「**本公司**」）及其附屬公司（統稱「**本集團**」）董事（「**董事**」）會（「**董事會**」）欣然提呈本集團截至2020年12月31日止年度的業績。

截至2020年12月31日止年度，我們繼續成為一家領先建築服務提供商，總部位於中華人民共和國（「**中國**」）福建省，專門提供建築工程的一站式解決方案。我們的競爭優勢仍然源自我們及時妥善地管理及實施建築工程項目的能力。憑藉經驗豐富的管理團隊、卓越的內部研發能力、規模龐大的建築機械設備及生產基地，我們得以在福建省及中國的建築工程市場均成為綜合服務提供商。

Chairman's Statement 主席報告

The shares of the Company were successfully listed (the “**Listing**”) on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 March 2020 (the “**Listing Date**”). The Listing on the Stock Exchange marked a significant milestone in our strategic development and was a significant recognition of the Company's solid track record. The Listing also strengthened our capital structure and provided the Company with an efficient platform for capital raising. With the proceeds from the Listing, the Company will be able to capture greater opportunities in its future development and bring value to the shareholders.

During the year ended 31 December 2020, the operating environment of the Group remained challenging due to the prolonged outbreak of COVID-19. The pandemic has adversely impacted the general economy of the PRC, including the construction sector. Certain customers postponed, slowed down and/or terminated their construction projects and delayed their payments to the Group due to tight liquidity. Additional allowance needs to be made on aged trade receivables. As a result, the Group's revenue and net profit decreased by 19.0% and 66.6% respectively for the year ended 31 December 2020.

本公司股份於2020年3月18日（「上市日期」）於香港聯合交易所有限公司（「聯交所」）主板成功上市（「上市」）。於聯交所上市標誌著我們戰略發展的重要里程碑，是對本公司輝煌往績的極大肯定。上市同時加強了我們的資本架構，為本公司提供一個高效的集資平台。憑藉上市所得款項，本公司將得以於日後發展中把握更多機遇，並為股東帶來價值。

截至2020年12月31日止年度，由於COVID-19疫情仍然持續，本集團的經營環境仍然充滿挑戰。大流行病對中國的整體經濟（包括建築業）造成不利影響。由於流動資金緊張，若干客戶推遲、延緩及／或終止彼等的建築項目，並延遲向本集團付款。需要對賬齡較長的貿易應收款項計提額外撥備。因此，截至2020年12月31日止年度，本集團的收益及純利分別下降19.0%及66.6%。

Chairman's Statement

主席報告

In view of the adverse impact brought by the pandemic, the Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place contingency, such as negotiating with major customers, suppliers and subcontractors about the arrangements for resumption of construction works and reducing unnecessary operating expenses. As far as the Group's businesses are concerned, the Group has adopted a more prudent approach in tendering for new construction projects and has secured more contracts on leasing of construction machinery, equipment and tools, with an aim to balance our income mix and maintain the profit margin of the Group. In September 2020, the Group obtained a second class license of main contractor in general construction works. With the new license we can secure a wider range of construction projects directly from the property developers in addition to the subcontracting works from the main contractor. We believe that it could further diversify the Group's business portfolio and broaden the income stream.

Looking forward, the Group will continue to pay close attention and promptly react to the changes in the market conditions and to maximise shareholders' value.

On behalf of the Board, I would like to express my gratitude to our shareholders, customers, subcontractors and suppliers for their continuous confidence and support. I would also like to take this opportunity to express my sincere thanks to our management and staff members for their hard work to the Group.

Mr. Xun Minghong

Chairman and Executive Director

Fujian, 29 March 2021

鑑於大流行病帶來的不利影響，本集團一直密切監測事態發展對本集團業務發展的影響，並已採取應急措施，例如與主要客戶、供應商及分包商商討恢復建築工程的安排及削減不必要的營運開支。就本集團業務而言，本集團於投標新建項目時更為審慎，並已獲得更多有關租賃建築機械、設備及工具的合同，旨在平衡收入組合及維持本集團的利潤率。於2020年9月，本集團獲得建築工程施工總承包二級牌照。憑藉新牌照，我們可直接從物業開發商獲得更廣泛的建築項目，此外亦可從主承包商獲得分包工程。我們相信，其可進一步擴大本集團的業務組合，並拓闊收入來源。

展望未來，本集團將繼續密切關注並及時回應市場環境的變化，及為股東尋求最大價值。

本人謹代表董事會感謝我們的股東、客戶、分包商及供應商對我們持續的信心及支持，亦希望藉此機會衷心感謝管理層和員工的辛勤工作。

主席及執行董事

荀名紅先生

福建，2021年3月29日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The Group is a leading construction services provider based in Fujian, the PRC. The construction services provided by the Group mainly covers (i) foundation works; (ii) formwork and scaffolding works; (iii) construction of sewage treatment infrastructure; and (iv) other construction works. We also have an extensive fleet of construction machinery and equipment, which enables us to handle complicated and/or sizable construction works, thus allowing us to capture more opportunities in the construction market and engage in construction machinery, equipment and tools leasing services. We also operate a sewage treatment plant and engage in the sales of construction materials and equipment and others. We developed as a regional foundation works service provider in Fujian and have further extended our footprint across a number of other provinces in the PRC.

During the year ended 31 December 2020, the operating environment of the Group remained challenging due to the prolonged outbreak of COVID-19. The pandemic has adversely impacted the general economy of the PRC, including the construction sector. This led to certain construction projects of the Group being postponed, slowed down and/or terminated by the customers. Moreover, the Group has adopted a more prudent approach in tendering for new construction projects. As a result, the Group recorded a drop in revenue from construction services of approximately RMB344.0 million, or 23.6% compared to the year ended 31 December 2019, from approximately RMB1,456.7 million to approximately RMB1,112.7 million.

During the year ended 31 December 2020, the total contract value of new projects (including subsequent variation orders) awarded by the customers was approximately RMB1,264.6 million. As at 31 December 2020, we had 75 projects on hand (including projects in progress and projects which were awarded to us but have yet to commence) with an outstanding contract value to be completed of approximately RMB1,129.4 million.

With the aim to balance the income mix and maintain the profit margin, the Group has secured more leasing contracts during the year ended 31 December 2020. The revenue from leasing of construction machinery, equipment and tools services increased by approximately 23.7% from approximately RMB107.1 million for the year ended 31 December 2019 to approximately RMB132.5 million for the year ended 31 December 2020, represented approximately 10.4% (2019: approximately 6.8%) of the total revenue.

Moreover, in order to broaden the income stream to cover more varieties of construction services, the Group obtained a second class license of main contractor in general construction works in September 2020.

業務回顧

本集團為一家領先建築服務提供商，總部位於中國福建省。我們提供的建築服務主要包括(i)地基工程；(ii)模板及腳手架工程；(iii)污水處理基礎設施建設；及(iv)其他建築工程。我們亦擁有種類齊全的建築機械及設備，能夠處理複雜及／或大型建築工程，有利於搶佔建築市場商機及從事建築機械、設備及工具租賃服務。我們亦經營污水處理廠以及銷售建築材料及設備等。我們發展成為福建省的區域性地基工程服務提供商，並進一步將業務範圍擴展至中國其他多個省份。

截至2020年12月31日止年度，由於COVID-19疫情仍然持續，本集團的經營環境仍然充滿挑戰。大流行病對中國的整體經濟（包括建築業）造成不利影響，導致本集團的若干建設項目被客戶推遲、延緩及／或終止。此外，本集團於投標新建築項目時更為審慎。因此，本集團錄得建築服務收益較截至2019年12月31日止年度的約人民幣1,456.7百萬元減少約人民幣344.0百萬元或23.6%至約人民幣1,112.7百萬元。

截至2020年12月31日止年度，客戶授予的新建築項目（包括後續工程變更指令）總合同價值約人民幣1,264.6百萬元。於2020年12月31日，我們手頭擁有75個項目（包括在建項目及已獲授但尚未動工的項目），尚未結算的合約價值約人民幣1,129.4百萬元。

為平衡收入組合並維持利潤率，本集團於截至2020年12月31日止年度獲得更多的租賃合約。建築機械、設備及工具租賃服務的收益由截至2019年12月31日止年度的約人民幣107.1百萬元增加約23.7%至截至2020年12月31日止年度的約人民幣132.5百萬元，佔總收益的約10.4%（2019年：約6.8%）。

此外，為擴大收入來源以涵蓋更多種類的建築服務，本集團於2020年9月獲得建築工程施工總承包二級牌照。

Management Discussion and Analysis

管理層討論與分析

PROSPECTS

The construction industry in the PRC is highly fragmented and has been supported by various governmental policies over the years. With the Company's solid track record and the enhanced profile after the Listing, the Directors remain optimistic about the development of new business opportunities in the PRC in the long run.

However, the operating environment of our Group remained challenging due to the prolonged outbreak of COVID-19, and to some extent it has impacted the liquidity position of the construction sector. In view of this, we will exercise due care in managing the existing core business, and continue to look for new business opportunities to bring value to our shareholders.

展望

多年來，中國建築行業高度分散，並得到各類政府政策的支持。憑藉本公司良好的往績記錄及上市後的知名度提升，董事對長遠而言在中國發展新商機保持樂觀。

然而，由於COVID-19疫情仍然持續，本集團的經營環境仍然充滿挑戰，並對建築部門的流動資金狀況造成一定程度的影響。有鑑於此，我們將謹慎管理現有核心業務，並繼續尋找新商機，為股東帶來價值。



Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Segment Information

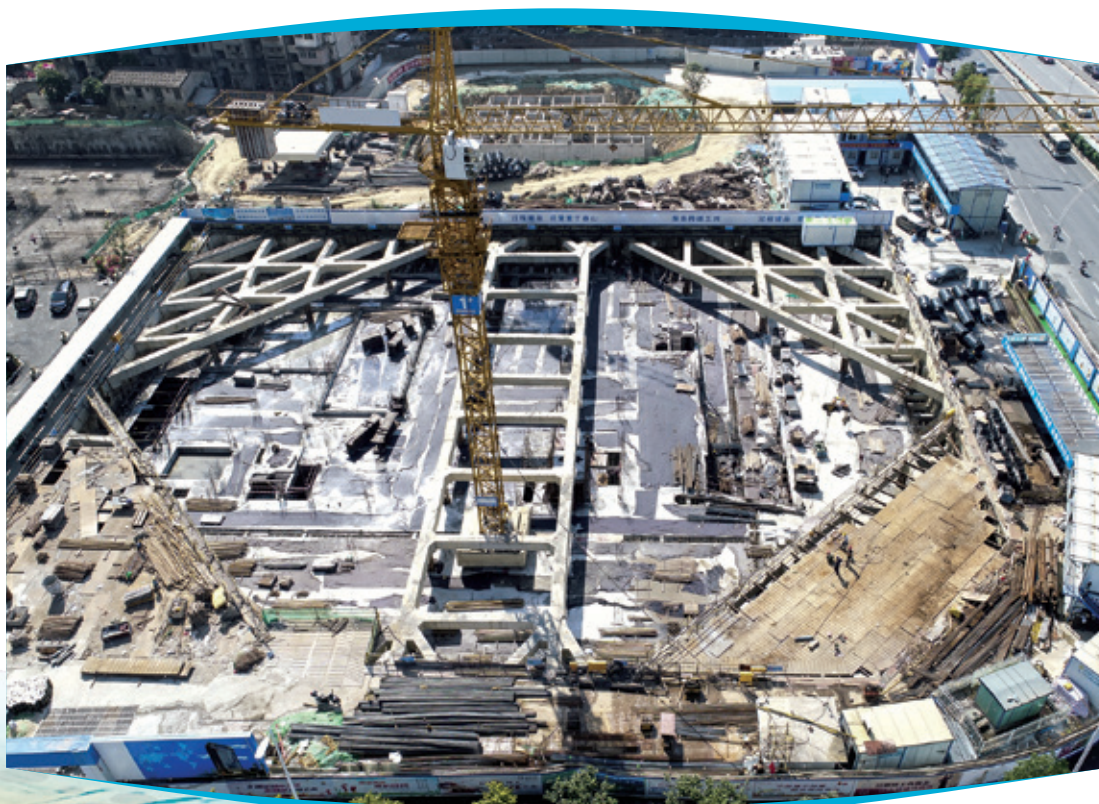
The Group's reportable and operating segments are as follows:

- | | |
|---|--|
| i) Provision of construction service (" Construction service "); | i) 提供建築服務(「 建築服務 」); |
| ii) Provision of leasing services of construction machinery, equipment and tools (" Leasing of construction machinery, equipment and tools "); | ii) 提供建築機械、設備及工具租賃服務(「 建築機械、設備及工具租賃 」); |
| iii) Provision of sewage treatment service (" Sewage treatment operation "); and | iii) 提供污水處理服務(「 污水處理業務 」); 及 |
| iv) Sales of construction materials and equipment and others (" Others "). | iv) 建築材料及設備銷售以及其他(「 其他 」)。 |

財務回顧

分部資料

本集團的可呈報及經營分部如下：



Management Discussion and Analysis

管理層討論與分析

Revenue

收益

For the year ended 31 December
截至12月31日止年度

		2020 2020年		2019 2019年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
Construction service	建築服務	1,112,662	87.0	1,456,680	92.3
Leasing of construction machinery, equipment and tools	建築機械、設備及工具 租賃	132,469	10.4	107,119	6.8
Sewage treatment operation	污水處理業務	4,255	0.3	5,213	0.3
Others	其他	29,383	2.3	9,206	0.6
		1,278,769	100	1,578,218	100

During the year ended 31 December 2020, the overall revenue of the Group has decreased by approximately RMB299.4 million, or approximately 19.0% compared to the year ended 31 December 2019, from approximately RMB1,578.2 million to approximately RMB1,278.8 million. The Construction service segment continued to be the largest business segment of the Group in terms of revenue during the years under review. However, with the aim to balance the income mix and maintain the profit margin, the Group has secured more leasing contracts during the year ended 31 December 2020, which led to the increase in proportion of revenue from Leasing of construction machinery, equipment and tools.

本集團的總體收益由截至2019年12月31日止年度的約人民幣1,578.2百萬元減少約人民幣299.4百萬元或約19.0%至截至2020年12月31日止年度的約人民幣1,278.8百萬元。於回顧年度，就收益而言，建築服務分部仍為本集團最大的業務分部。然而，為平衡收入組合並維持利潤率，本集團於截至2020年12月31日止年度獲得更多租賃合約，導致建築機械、設備及工具租賃收益的比例增加。

Cost of sales

Cost of sales mainly comprises of material cost, labour subcontracting fee, depreciation and others. The overall decrease in cost of sales was in line with the trend of the turnover. During the year ended 31 December 2020, the overall cost of sales of the Group has decrease by approximately RMB233.9 million, or approximately 19.1% compared to the year ended 31 December 2019, from approximately RMB1,224.2 million to approximately RMB990.3 million.

銷售成本

銷售成本主要包括材料成本、勞務分包費、折舊及其他。銷售成本的整體下跌與營業額趨勢一致。截至2020年12月31日止年度，本集團的總體銷售成本較截至2019年12月31日止年度的約人民幣1,224.2百萬元減少約人民幣233.9百萬元或約19.1%至約人民幣990.3百萬元。

Management Discussion and Analysis

管理層討論與分析

Gross profit and gross profit margin

Set out below is the breakdown of the gross profit and gross profit margins of our Group by business segment and work type during the year under review and the corresponding period in 2019:

毛利及毛利率

於回顧年度及2019年同期按業務分部及工程類型分類的本集團毛利及毛利率詳情載列如下：

		For the year ended 31 December 截至12月31日止年度			
		2020 2020年		2019 2019年	
		RMB'000 人民幣千元	GP % 毛利率%	RMB'000 人民幣千元	GP % 毛利率%
Construction service	建築服務	234,181	21.0	312,269	21.4
Leasing of construction machinery, equipment and tools	建築機械、設備及工具租賃	51,189	38.6	38,318	35.8
Sewage treatment operation	污水處理業務	358	8.4	689	13.2
Others	其他	2,703	9.2	2,747	29.8
		288,431	22.6	354,023	22.4

During the years ended 31 December 2020 and 2019, our Group's overall gross profit margin was fairly stable. We recorded gross profit margin of approximately 22.6% for the year ended 31 December 2020 (year ended 31 December 2019: 22.4%). As a result of change in income mix, the decrease in gross profit margin of Construction service was off-set by the increase in gross profit of Leasing of construction machinery, equipment and tools, which shared a higher proportion of revenue during the year ended 31 December 2020.

截至2020年及2019年12月31日止年度，本集團總體毛利率相當穩定。我們於截至2020年12月31日止年度錄得的毛利率約為22.6%（截至2019年12月31日止年度：22.4%）。由於收入組合變化，建築服務毛利率下降由截至2020年12月31日止年度佔收益比例較高的建築機械、設備及工具租賃的毛利增加所抵銷。

Other net income

The other net income mainly represented government grants, interest income and gain on disposal of property, plant and equipment. During the year ended 31 December 2020, the other net income has decreased by approximately RMB5.4 million, or approximately 34.6% compared to the year ended 31 December 2019, from approximately RMB15.6 million to approximately RMB10.2 million. The decrease in other net income mainly attributable to the decrease in government grants during the year.

其他淨收入

其他淨收入主要指政府補助、利息收入以及出售物業、廠房及設備的收益。截至2020年12月31日止年度，其他淨收入較截至2019年12月31日止年度的約人民幣15.6百萬元減少約人民幣5.4百萬元或約34.6%至約人民幣10.2百萬元。其他淨收入的減少主要歸因於年內政府補助減少。

Management Discussion and Analysis

管理層討論與分析

Administrative expenses

Our administrative expenses mainly include (i) research and development costs; (ii) salaries and other benefits; and (iii) listing expenses. The administrative expenses decreased by approximately 21.6% from RMB118.9 million for the year ended 31 December 2019 to RMB93.2 million for the year ended 31 December 2020. The decrease in administrative expenses was mainly due to the reduction in research and development costs, as part of the cost control measures, in view of the decrease in revenue during the year.

Impairment losses on assets arising from contracts with customers

The impairment losses on assets arising from contracts with customers mainly represent an increase in the loss allowance for expected credit losses ("ECLs") in respect of trade receivables, bills receivable and contract assets during the year, which has primarily arisen from the Group's contracts with the customers.

As part of the ordinary course of business, the Group enters into contracts with its customers in connection to (a) Construction service; and (b) Leasing services of construction machinery, equipment and tools. Such customers are mainly real estate companies or main contractors in mainland China. According to the payment terms in the contracts, the Group is entitled to request for progress payments that are usually measured by reference to a prescribed percentage of the certified amount of work completed. Retention money may be retained by the customers in order to secure the due performance under the contract.

The pandemic has severely affected the progress and cash flow of projects of customers. In order to preserve more cash to combat the adverse impact of the pandemic, the property developers and project owners slowed down their payment to the Group's customers which, in turn, delayed their payment to the Group. The delay in payment from customers resulting in more long-aged trade receivables of the Group being recorded as at 31 December 2020. When there is an increased risk that the customer fails to settle the progress payment or retention money as and when it became past due, in accordance with the "Hong Kong Financial Reporting Standard ("HKFRS") 9 — *Financial Instruments*", this affects the loss allowance that the Group recognised for ECLs on trade and bills receivables, and contract assets in the statement of financial position, and the movement thereof is recognised as an impairment gain or loss during the year in the statement of profit and loss.

As a result, the amount of impairment losses on assets arising from contracts with customers increased significantly from approximately RMB20.8 million in the year ended 31 December 2019 to approximately RMB114.8 million in the year ended 31 December 2020, which was particularly due to (a) delay in payment from the Group's customers, which increased the amounts of trade receivables, bills receivable and contract assets recorded as at 31 December 2020; and (b) a higher loss expectations having considered COVID-19 was a more severe development than what was reflected in the historical data.

行政開支

我們的行政開支主要包括(i)研發費用；(ii)薪金及其他福利；及(iii)上市費用。行政開支由截至2019年12月31日止年度的人民幣118.9百萬元減少約21.6%至截至2020年12月31日止年度的人民幣93.2百萬元。行政開支減少主要由於考慮到本年度收入減少，而作為成本控制措施的一部分降低研發成本。

與客戶合約所產生的資產減值虧損

與客戶合約所產生資產的減值虧損主要指年內貿易應收款項、應收票據及合約資產預期信貸損失（「預期信貸損失」）的損失準備增加，乃主要來自本集團與客戶的合約。

作為日常業務的一部分，本集團就(a)建築服務；及(b)建築機械、設備及工具租賃服務與客戶訂立合約。有關客戶主要為中國內地的房地產公司或總承包商。根據合約的支付條款，本集團有權要求支付進度款，通常參考經核證已完工工程金額的特定百分比計量。保留金可由客戶保留，以確保妥為履行合約項下的責任。

大流行病已嚴重影響客戶項目的進度及現金流量。為保留更多現金以抵禦大流行病的不利影響，物業開發商及項目所有人延緩對本集團客戶的付款，從而導致向本集團的付款延遲。客戶延遲付款導致本集團於2020年12月31日錄得更多賬齡較長的貿易應收款項。倘客戶於到期時未能支付進度款或保留金，則風險增加，根據「香港財務報告準則」（「香港財務報告準則」）第9號 — *金融工具*，此影響本集團於財務狀況表內就貿易應收款項及應收票據以及合約資產預期信貸損失確認的損失準備，並於損益表內確認其變動為年內減值收益或虧損。

因此，與客戶合約所產生的資產減值虧損金額由截至2019年12月31日止年度的約人民幣20.8百萬元大幅增加至截至2020年12月31日止年度的約人民幣114.8百萬元，乃主要由於(a)本集團客戶延遲付款，從而增加於2020年12月31日錄得的貿易應收款項、應收票據及合約資產金額；及(b)考慮到COVID-19較歷史數據所反映的情況更為嚴重，故虧損預期更高。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2020, approximately RMB104.0 million of the trade and bills receivables were aged more than 12 months (31 December 2019: approximately RMB18.8 million), in which approximately RMB83.4 million, or 80.2% were due from state-owned enterprises. The Group is now following up with customers for payment and taking appropriate legal actions against certain customers to safeguard its legal rights.

Despite the increase in loss allowance for ECLs in respect of trade receivables, bills receivable and contract assets made as at 31 December 2020, during the period from 1 January 2021 to the date of this annual report, the settlement of the trade and bills receivables was amounted to approximately RMB461.7 million, represented 55.1% of the trade and bills receivables balance as at 31 December 2020. All of the subsequent settlements were in cash. As the loss allowance on trade and bills receivables, and contract assets only reflects the Group's credit risk as at the reporting date, the above subsequent settlement cannot be used as proof to reduce the amount of the loss allowance on trade and bills receivables, and contract assets as at 31 December 2020. Nonetheless, based on the above subsequent settlement, the Directors are of the opinion that there is no change in business relationship with the major customers subsequent to the year-end date, and believe that a considerable amount of the trade receivables and contract assets can be recovered.

For further details of method and basis used in determining the amount of the ECLs, please see notes 1(i)(i) and 26(a) to the consolidated financial statements.

Finance costs

Our finance costs mainly represented (i) interests on bank loans; (ii) interest on acquisition of equipment by instalments; and (iii) finance charges on sale and leaseback transactions.

Our finance costs increased by RMB1.1 million from RMB17.4 million to RMB18.5 million for the year ended 31 December 2020 when comparing with that for the year ended 31 December 2019. This was mainly due to that our bank borrowings increased during the year.

Income tax expenses

As a result of the decrease in profit before taxation of the Group, the income tax expenses has decreased by approximately RMB19.8 million, or approximately 68.0% compared to the year ended 31 December 2019, from approximately RMB29.1 million in 2019 to approximately RMB9.3 million in 2020.

On 7 January 2020, Fujian Jianzhong Construction Technology Co., Ltd. ("**Jianzhong Construction Technology**"), an indirect wholly-owned subsidiary of the Company, obtained the state-level approval for its application of High-tech Enterprise qualification and was granted the qualification with effect from 2 December 2019. In accordance with the PRC Corporate Income Tax Law ("**CIT Law**"), the High-tech Enterprise qualification will be valid for a period of three years from 2019 to 2021 and entitles Jianzhong Construction Technology to a reduced tax rate at 15% during this period.

於2020年12月31日，約人民幣104.0百萬元之貿易應收款項及應收票據之賬齡超過12個月（2019年12月31日：約人民幣18.8百萬元），其中約人民幣83.4百萬元或80.2%為應收國有企業之款項。本集團現正跟進客戶付款，並針對若干客戶採取適當的法律行動，以維護其合法權益。

儘管於2020年12月31日就貿易應收款項、應收票據及合約資產計提預期信貸損失之損失準備增加，於2021年1月1日至本年報日期期間，已回收之貿易應收款項及應收票據約為人民幣461.7百萬元，相當於2020年12月31日貿易應收款項及應收票據結餘之55.1%。全部後續收款均以現金結算。由於貿易應收款項及應收票據以及合約資產之損失準備僅反映本集團於報告日期之信貸風險，故上述後續收款不能用作減少於2020年12月31日貿易應收款項及應收票據以及合約資產之損失準備金額之憑證。儘管如此，基於上述後續收款，董事認為，年結日後與主要客戶之業務關係並無改變，並認為可收回大量貿易應收款項及合約資產。

有關釐定預期信貸損失金額之方法及依據之進一步詳情，請參閱綜合財務報告附註1(i)(i)及26(a)。

融資成本

我們的融資成本主要指(i)銀行貸款利息；(ii)以分期付款購入設備產生的利息；及(iii)售後租回交易的財務支出。

我們於截至2020年12月31日止年度的融資成本較截至2019年12月31日止年度的人民幣17.4百萬元增加人民幣1.1百萬元至人民幣18.5百萬元，主要由於我們於年內的銀行借款增加所致。

所得稅開支

由於本集團除稅前溢利減少，所得稅開支較截至2019年12月31日止年度減少約人民幣19.8百萬元或約68.0%，由2019年的約人民幣29.1百萬元減少至2020年的約人民幣9.3百萬元。

本公司的間接全資附屬公司福建建中建設科技有限責任公司（「**建中建設科技**」）申請高新技術企業資格並於2020年1月7日獲得國家級批准，其獲得的資格於2019年12月2日起生效。根據《中華人民共和國企業所得稅法》（「**企業所得稅法**」），高新技術企業資格的有效期為三年（即從2019年至2021年），建中建設科技於期內享受減按15%的稅率。

Management Discussion and Analysis

管理層討論與分析

In December 2020, Fujian Jinghai Engineering Service Co., Ltd. ("Jinghai Engineering"), another indirect wholly-owned subsidiary of the Company, obtained the state-level approval for its application of High-tech Enterprise qualification and was granted the qualification with effect from 1 December 2020. In accordance with the CIT Law, the High-tech Enterprise qualification will be valid for a period of three years from 2020 to 2022 and entitles Jinghai Engineering to a reduced tax rate at 15% during this period.

The Group's other subsidiaries in mainland China is subject to PRC statutory corporate income tax of 25%.

Profit for the year and earnings per share

As a result of the foregoing, particularly the significant increase in impairment losses on assets arising from contracts with customers from approximately RMB20.8 million in the year ended 31 December 2019 to approximately RMB114.8 million in the year ended 31 December 2020, the net profit for the year of the Group decreased by approximately RMB119.4 million, or approximately 66.6%, from approximately RMB179.2 million for the year ended 31 December 2019 to approximately RMB59.8 million for the year ended 31 December 2020. Basic and diluted earnings per share for the year ended 31 December 2020 were RMB0.1 (2019: RMB0.38).

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The shares of the Company were listed on the Stock Exchange on 18 March 2020.

The Group maintained a sound financial position as at 31 December 2020. During the year ended 31 December 2020, the Group's operation and capital requirements were financed principally through a combination of cash flows generated from the operating activities, proceeds from the Listing and bank borrowings. As at 31 December 2020, the Group had cash and cash equivalent of approximately RMB200.9 million (31 December 2019: approximately RMB103.0 million) in which approximately RMB14.8 million (31 December 2019: RMB79,000) equivalent cash were denominated in Hong Kong dollar. As at 31 December 2020, the Group had net current asset of approximately RMB671.7 million, representing an increase of approximately RMB219.5 million as compared to that of approximately RMB452.2 million as at 31 December 2019.

As at 31 December 2020, the gearing ratio of the Group, calculated based on the net debts (including interest-bearing loans and borrowings, and payables for acquisition of equipment by instalments, less cash and cash equivalents) divided by the equity as at the end of reporting period and multiplied by 100%, was approximately 23.4% (31 December 2019: approximately 6.0%).

All the Group's loans and borrowings were denominated in Renminbi. As of 31 December 2020, included in loans and borrowings and other payables of approximately RMB321.1 million were fixed rate borrowings (31 December 2019: approximately RMB81.2 million). Particulars of loans and borrowings of the Group are set out in note 21 to the consolidated financial statements.

本公司的另一家間接全資附屬公司福建省晶海工程服務有限公司(「晶海工程」)申請高新技術企業資格並於2020年12月獲得國家級批准，其獲得的資格於2020年12月1日起生效。根據企業所得稅法，高新技術企業資格的有效期為三年(即從2020年至2022年)，晶海工程於期內享受減按15%的稅率。

本集團於中國內地的其他附屬公司須按25%的法定稅率繳納中國企業所得稅。

年內溢利及每股盈利

由於上文所述原因，尤其是客戶合約所產生的資產減值虧損金額由截至2019年12月31日止年度的約人民幣20.8百萬元大幅增加至截至2020年12月31日止年度的約人民幣114.8百萬元，本集團年內純利由截至2019年12月31日止年度的約人民幣179.2百萬元減少約人民幣119.4百萬元或約66.6%至截至2020年12月31日止年度的約人民幣59.8百萬元。截至2020年12月31日止年度，每股基本及攤薄盈利為人民幣0.1元(2019年：人民幣0.38元)。

流動資金、財務資源及資本架構

本公司股份已於2020年3月18日在聯交所上市。

本集團於2020年12月31日維持穩健的財務狀況。截至2020年12月31日止年度，本集團的營運及資本需求主要透過經營活動所得現金流量、上市所得款項及銀行借款撥付。於2020年12月31日，本集團的現金及現金等價物約為人民幣200.9百萬元(2019年12月31日：約人民幣103.0百萬元)，其中約人民幣14.8百萬元(2019年12月31日：人民幣79,000元)等額現金以港元計值。於2020年12月31日，本集團的流動資產淨值約為人民幣671.7百萬元，較2019年12月31日的約人民幣452.2百萬元增加約人民幣219.5百萬元。

於2020年12月31日，本集團資本負債比率約為23.4%(2019年12月31日：約6.0%)，乃按淨負債(包括計息貸款及借款以及以分期付款購入設備的應付款項減現金及現金等價物)除以截至報告期末的權益再乘以100%計算得出。

本集團的所有貸款及借款均以人民幣計值。截至2020年12月31日，固定利率借款計入貸款及借款以及其他應付款項約人民幣321.1百萬元(2019年12月31日：約人民幣81.2百萬元)。本集團貸款及借款的詳情載於綜合財務報表附註21。

Management Discussion and Analysis

管理層討論與分析

CAPITAL COMMITMENTS

As at 31 December 2020, the Group had capital commitments in respect of purchase of property, plant and equipment, which had been contracted but not provided for in the financial statements, in the total amount of approximately RMB10.0 million (31 December 2019: approximately RMB8.1 million).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2020 (31 December 2019: Nil).

TREASURY MANAGEMENT

The Group has a sufficient level of cash and banking facilities for the conduct of its trade in the normal course of business. The management of the Group closely reviews trade receivable balances and any overdue balances on an ongoing basis and only trade with creditworthy parties. The management of the Group closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements to manage liquidity risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group has a total of 554 full-time employees (31 December 2019: 473). The Group has developed its human resources policies and procedures to determine the individual remuneration with reference to factors such as performance, qualification, responsibilities of each individual, market conditions, etc. Remuneration packages are normally reviewed on a regular basis. Apart from salary payments, other staff benefits including provident fund contributions, medical insurance coverage, annual leave and options which may be granted under the share option scheme were adopted by the Company on 18 February 2020. The total staff costs (excluding Directors' remuneration) incurred by the Group during the year ended 31 December 2020 was approximately RMB57.3 million (year ended 31 December 2019: approximately RMB51.9 million).

FOREIGN EXCHANGE EXPOSURE

During the years ended 31 December 2020 and 2019, the Group had a minimal exposure to foreign currency risk as most of its business transactions were conducted in the PRC in RMB. Moreover, the Group's assets and liabilities are principally denominated in RMB. As such, the Directors believe that the Group's risk in foreign exchange is insignificant.

PLEDGE OF ASSETS

As at 31 December 2020, the carrying amounts of the machinery and equipment pledged for the sale and leaseback transactions as disclosed on note 10 of the consolidated financial statements were RMB92.6 million (31 December 2019: RMB14.8 million); machinery and equipment of RMB71.6 million (31 December 2019: nil) was pledged as security of certain bank borrowings; and bank deposits of RMB17.0 million (31 December 2019: RMB2.7 million) were pledged to banks as security for bills payable.

資本承擔

於2020年12月31日，本集團就購買物業、廠房及設備作出資本承擔，並已訂約但尚未於財務報表作出撥備，總金額約人民幣10.0百萬元（2019年12月31日：約人民幣8.1百萬元）。

或然負債

本集團於2020年12月31日概無任何重大或然負債（2019年12月31日：無）。

庫務管理

本集團具備充足水平的現金及銀行信貸，以供其在一般業務過程中進行貿易活動。本集團管理層持續密切檢討貿易應收款項結餘及任何逾期結餘，並只會與具信譽的有關人士進行貿易。本集團管理層密切監察本集團的流動資金狀況，以確保本集團的資產、負債及承擔的流動資金架構可滿足其資金需求，以管控流動資金風險。

僱員及薪酬政策

於2020年12月31日，本集團共有554名全職僱員（2019年12月31日：473名）。本集團已制定人力資源政策及程序，以參考個人的表現、資質、責任、市況等因素釐定個人薪酬。薪酬待遇通常會定期檢討。除薪金外，其他員工福利包括公積金供款、醫療保險、年假及根據本公司於2020年2月18日採納的購股權計劃可能授出的購股權。截至2020年12月31日止年度，本集團產生的總員工成本（不包括董事酬金）約為人民幣57.3百萬元（截至2019年12月31日止年度：約人民幣51.9百萬元）。

外匯風險

截至2020年及2019年12月31日止年度，由於其大部分業務交易在中國進行並以人民幣計值，故本集團面對的外匯風險極低。此外，本集團的資產及負債主要以人民幣計值。因此，董事認為本集團的外匯風險微不足道。

資產抵押

於2020年12月31日，如綜合財務報表附註10所披露的售後租回交易抵押的機械及設備的賬面值人民幣92.6百萬元（2019年12月31日：人民幣14.8百萬元）；人民幣71.6百萬元（2019年12月31日：無）的器械及設備已抵押作為若干銀行借款的擔保；及人民幣17.0百萬元（2019年12月31日：人民幣2.7百萬元）的銀行存款已抵押予銀行作為應付票據的擔保。

Management Discussion and Analysis

管理層討論與分析

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company was incorporated in the Cayman Islands on 5 February 2019 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Group completed the group reorganisation (the “**Reorganisation**”) in preparation for the Listing on the Stock Exchange pursuant to which the Company became the holding company of the Group. For further information in relation to the Reorganisation, please refer to the section headed “History, Reorganisation and Corporate Structure” in the prospectus of the Company dated 29 February 2020 (the “**Prospectus**”). Apart from the Reorganisation, there were no significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures during the years ended 31 December 2020 and 2019.

DIVIDEND

The Board recommended the payment of a final dividend of HK2.08 cents (2019: nil) per ordinary share for the financial year. The total dividend payout for the year is approximately HK\$13.0 million (equivalent to approximately RMB10.9 million) (2019: nil) or a dividend payout ratio of 18.2% (2019: nil). Subject to shareholders’ approval at the forthcoming annual general meeting of the Company, the final dividend will be paid in cash on or around 24 June 2021 to shareholders whose names appear on the register of members of the Company on 9 June 2021.

USE OF PROCEEDS

The shares of the Company were listed on the Stock Exchange on 18 March 2020. The net proceeds from the Listing, after deducting the listing-related expenses, were RMB182.7 million (the “**Net Proceeds**”). The table below sets out an adjusted allocation as adjusted in the same manner and same proportions as shown in the Prospectus and the progress of the actual use of the Net Proceeds as at 31 December 2020:

			Planned use of Net Proceeds	Actual use of Net Proceeds from the Listing Date to 31 December 2020 由上市日期至2020年12月31日的所得款項淨額 實際用途	Remaining balance of Net Proceeds	Expected timeline of utilisation of the remaining net proceeds
	Notes 附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	動用餘下所得款項淨額的 預期時間
1) to fund construction projects	1) 撥付建築項目	1	127,892	(76,300)	51,592	Year ending 31 December 2021 截至2021年12月31日止年度
2) to expand fleet of construction machinery and equipment	2) 擴充建築機械及設備	2	36,541	(16,449)	20,092	Year ending 31 December 2021 截至2021年12月31日止年度
3) for working capital and general corporate purposes	3) 用作營運資金及一般企業用途		18,270	(18,270)	—	
			182,703	(111,019)	71,684	

重大投資、重大收購及出售附屬公司、聯營公司及合營企業

本公司於2019年2月5日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。為籌備於聯交所上市，本集團完成集團重組（「**重組**」），據此本公司成為本集團的控股公司。有關重組的進一步資料，請參閱本公司日期為2020年2月29日的招股章程（「**招股章程**」）「歷史、重組及公司架構」一節。除重組外，截至2020年及2019年12月31日止年度並無持有重大投資、重大收購或出售附屬公司、聯營公司及合營企業。

股息

董事會建議就本財政年度派付末期股息每股普通股2.08港仙（2019年：無）。本年度的派息總額約為13.0百萬港元（相當於約人民幣10.9百萬元）（2019年：無）或派息比率為18.2%（2019年：無）。待於本公司應屆股東週年大會上獲得股東批准後，末期股息將於2021年6月24日或前後以現金方式派付予於2021年6月9日名列本公司股東名冊的股東。

所得款項用途

本公司股份於2020年3月18日在聯交所上市。扣除上市相關費用後，上市的所得款項淨額為人民幣182.7百萬元（「**所得款項淨額**」）。下表載列於2020年12月31日的經調整分配，調整方式與招股章程內所示的方式及比例相同，及所得款項淨額的實際使用進度：

Management Discussion and Analysis

管理層討論與分析

Notes:

- 1) As disclosed in the section "Future Plans And Use Of Proceeds" in the Prospectus, the Company planned to apply approximately RMB127.9 million (equivalent to approximately 70% of the Net Proceeds) to fund construction projects. However, due to the prolonged outbreak of COVID-19, some construction projects were either delayed, changed in scope of work or terminated. As a result, approximately RMB51.6 million remained unutilised as at 31 December 2020:

As the construction service segment will continue to be the largest business segment of the Group in the year ending 31 December 2021, the Board estimated that the unutilised Net Proceeds of approximately RMB51.6 million will be allocated to fund the other construction projects of the Group in the year ending 31 December 2021.

- 2) As disclosed in the Prospectus, the Company intended to apply approximately RMB36.5 million (equivalent to approximately 20% of the Net Proceeds) to expand fleet of construction machinery and equipment. As at 31 December 2020, approximately RMB16.4 million had been utilised for the acquisition of tower crane and passage hoist as planned.

Approximately RMB20.1 million had not been used as at 31 December 2020. The postpone of the acquisition was a result of decrease in immediate needs for construction machinery and equipment from our construction projects due to the prolonged outbreak of COVID-19. In view that the utilisation rate and profit margin from leasing of tower crane and passage hoist will be better, the Board intends to use the remaining Net Proceeds of approximately RMB20.1 million to acquire more tower crane and passage hoist in the year ending 31 December 2021. The Board believes that such arrangement to acquire more tower crane and passage hoist will also allow the Group to capture better opportunities in leasing of machinery and equipment market.

The Board considers that the aforesaid adjusted expected timeline of utilisation of Net Proceeds is in the best interest of the Company and its shareholders as a whole and it will not have any material adverse effect on the existing business and operations of the Group.

附註：

- 1) 誠如招股章程「未來計劃及所得款項用途」一節所披露，本公司計劃動用約人民幣127.9百萬元（相當於所得款項淨額約70%）為建築項目提供資金。然而，由於COVID-19疫情持續，若干建築項目出現延誤、工作範圍變更或終止。因此，於2020年12月31日，約人民幣51.6百萬元仍未使用：

由於建築服務分部將於截至2021年12月31日止年度繼續成為本集團最大的業務分部，董事會估計未動用所得款項淨額約人民幣51.6百萬元將用於撥付本集團截至2021年12月31日止年度的其他建築項目。

- 2) 誠如招股章程所披露，本公司擬動用約人民幣36.5百萬元（相當於所得款項淨額約20%）用於擴充建築機械及設備。於2020年12月31日，約人民幣16.4百萬元已按計劃用於收購塔吊及載人吊車。

於2020年12月31日，約人民幣20.1百萬元尚未動用。收購推遲乃由於COVID-19疫情持續導致我們的建築項目對建築機械及設備的迫切需求減少。考慮到租賃塔吊及載人吊車的利用率及利潤率更佳，董事會計劃於截至2021年12月31日止年度動用餘下所得款項淨額約人民幣20.1百萬元購置更多塔吊及載人吊車。董事會認為，有關購置更多塔吊及載人吊車的安排亦將令本集團把握機械及設備租賃市場的良機。

董事會認為，上述所得款項淨額的經調整預期動用時間符合本公司及其股東的整體最佳利益，不會對本集團現有業務及營運造成任何重大不利影響。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. Xun Minghong (“**Mr. Xun MH**”), aged 51, was appointed as a Director of our Company on 5 February 2019 and was redesignated as the Chairman, Chief Executive Officer and an Executive Director on 23 August 2019. Mr. Xun MH is primarily responsible for supervising our overall management and planning our business strategies.

Mr. Xun MH has over 26 years of experience in the PRC construction industry. He accrued years of industry experience during his employment at Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 914) and is a prominent cement producer and supplier in the PRC. Mr. Xun MH had held various positions at Anhui Conch Cement Company Limited during his tenure of employment from July 1993 to December 2002 and his duties covered sales, marketing and management in different working locations including Fujian Province.

Subsequently, Mr. Xun MH co-established and operated certain construction-related businesses in the PRC. By virtue of his diversified knowledge and experience in the construction industry, Mr. Xun MH also accumulated a variety of business connection with a network of reputable construction enterprises and contractors in Fujian. Equipped with such industry knowledge, experience and strong business networks, Mr. Xun MH founded Jianzhong Construction Technology on 5 December 2012 and engaged in the leasing of construction machinery, equipment and tools in Fujian. Jianzhong Construction Technology had since then diversified its business to include the provision of a wide spectrum of construction works as its core business.

Mr. Xun MH obtained the graduation certificate of specialised studies in law (法律專業) from Anhui Province Higher Education Self-study Examination Committee (安徽省高等教育自學考試委員會) and Anhui University (安徽大學) in the PRC in June 1993.

Mr. Xun MH obtained the Qualification Certificate of Specialty and Technology (專業技術資格證書) from the Ministry of Personnel of the PRC (中華人民共和國人事部) in April 1994, specialising in the area of logistics economics (運輸經濟專業).

執行董事

荀名紅先生(「荀名紅先生」)，51歲，於2019年2月5日獲委任為本公司董事並於2019年8月23日調任為董事長、行政總裁及執行董事。荀名紅先生主要負責監督整體管理及制定業務戰略。

荀名紅先生於中國建築行業擁有逾26年經驗。彼於其受僱於中國著名水泥生產商及供應商安徽海螺水泥股份有限公司(一間股份於聯交所主板上市的公司(股份代號：914))期間積累了多年行業經驗。荀名紅先生於其獲委任期間(1993年7月至2002年12月)在安徽海螺水泥股份有限公司擔任多項職務且其職責包括各工作地點(包括福建省)的銷售、營銷及管理。

隨後，荀名紅先生於中國聯合建立及運營若干建築相關業務公司。憑藉其於建築行業的多元化知識及經驗，荀名紅先生亦於福建省知名建築企業及承包商關係網中積累了大量業務聯繫。憑藉相關行業知識、經驗和強大的商業網絡，荀名紅先生於2012年12月5日成立了建中建設科技，於福建從事建築機械、設備及工具租賃業務。建中建設科技從成立起就發展多元化業務，其核心業務為提供各種建築工程服務。

荀名紅先生於1993年6月取得安徽省高等教育自學考試委員會頒發的中國安徽大學法律專業畢業證書。

荀名紅先生於1994年4月取得由中華人民共和國人事部頒發的專業技術資格證書，專攻運輸經濟專業。

Profile of Directors and Senior Management

董事及高級管理人員履歷

Mr. He Wenlin, aged 51, has been the general manager and a director of Jianzhong Construction Technology since November 2014 and since June 2016, respectively. He was appointed as a Director of our Company upon its incorporation on 5 February 2019 and was redesignated as an Executive Director on 23 August 2019. Mr. He is primarily responsible for overseeing our overall operation and business and technical development. Mr. He also leads our R&D Team.

Mr. He has over 25 years of experience in the construction industry. Mr. He had held various positions at CSCEC Strait Construction and Development Co. Ltd. (中建海峽建設發展有限公司) (previously known as China Construction Seventh Engineering Division Third Construction Co., Ltd (中建七局第三建築有限公司)), with his last position as a department manager.

Mr. He graduated from Shenyang Institute of Construction and Engineering (瀋陽建築工程學院) (currently known as Shenyang Jianzhu University (瀋陽建築大學)), in the PRC in July 1994 and specialised his studies in mechanical design and production (機械設計與製造專業).

Mr. He obtained a qualification certificate as senior engineer (高級工程師資格證書) from China Construction Seventh Engineering Department (中國建築第七工程局) in December 2005.

Ms. Zheng Ping, aged 57, was a director of Jianzhong Construction Technology from December 2012 to October 2015 and subsequently served as the deputy general manager and director of Jianzhong Construction Technology since November 2015 and since June 2016, respectively. She was appointed as a Director of our Company upon its incorporation on 5 February 2019 and was redesignated as an Executive Director on 23 August 2019. Ms. Zheng is primarily responsible for overseeing our overall operation and fixed asset and material management.

Ms. Zheng has over 26 years of experience in the construction industry. From February 1993 to March 2008, Ms. Zheng worked as an assistant general manager of Fujian Province Jianfu Bulk Cement Co., Ltd. (福建省建福散裝水泥有限公司), a then subsidiary of Fujian Cement Inc. (福建水泥股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (SSE Stock Code: 600802). From April 2008 to November 2012, Ms. Zheng worked as a deputy general manager of Ming Xin Construction Material Trading Company Limited, a company principally engaged in the trading of cement.

何文林先生，51歲，自2014年11月及2016年6月起，分別擔任建中建設科技總經理及董事。彼於2019年2月5日本公司註冊成立後獲委任為本公司董事，並於2019年8月23日調任為執行董事。彼主要負責監督我們的整體營運及業務及技術發展且亦領導我們的研發團隊。

何先生在建築行業擁有逾25年經驗。何先生曾於著名建築公司中建海峽建設發展有限公司(前稱中建七局第三建築有限公司)擔任多項職務，最後擔任的職務為部門經理。

何先生於1994年7月畢業於中國瀋陽建築工程學院(現稱瀋陽建築大學)機械設計與製造專業。

何先生於2005年12月取得由中國建築第七工程局頒發的高級工程師資格證書。

鄭萍女士，57歲，於2012年12月至2015年10月擔任建中建設科技董事，其後自2015年11月及2016年6月起分別擔任建中建設科技副總經理及董事。彼於2019年2月5日本公司註冊成立後獲委任為本公司董事，並於2019年8月23日調任為執行董事。鄭女士主要負責監督我們的整體營運及固定資產和物料管理。

鄭女士在建築行業累積逾26年經驗。於1993年2月至2008年3月，鄭女士擔任福建省建福散裝水泥有限公司(福建水泥股份有限公司，一家股份於上海證券交易所上市的公司(上交所證券代碼：600802)，當時的附屬公司)副總經理。於2008年4月至2012年11月，鄭女士擔任福州開發區名信建材貿易有限公司(一家主要從事水泥貿易的公司)副總經理。

Profile of Directors and Senior Management

董事及高級管理人員履歷

Ms. Zheng obtained the graduation certificate of specialised studies in computer application (計算機及應用專業) from Fujian Province Higher and Secondary Professional Education Self-study Examination Steering Committee (福建省高等與中等專業教育自學考試指導委員會), Xiamen University (廈門大學) and Fuzhou University (福州大學) in the PRC in December 1993.

Ms. Zheng obtained the Qualification Certificate of Specialty and Technology (專業技術資格證書) from the Ministry of Personnel of the PRC (中華人民共和國人事部) in December 1996, specialising in materials economics (物資經濟). She also obtained a qualification certificate as an assistant engineer (助理工程師) specialising in industrial and electrical automation (工業電氣自動化) from Fuzhou City Personnel Bureau (福州市人事局) in May 1989.

NON-EXECUTIVE DIRECTORS

Mr. Yang Kaifa, aged 47, was appointed as a Non-executive Director of our Company on 23 August 2019. Mr. Yang has extensive experience in securities management and the PRC capital markets. From July 1996 to July 2017, Mr. Yang worked in Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 914) where he served, among others, as assistant to the officer-in-charge (主任助理), deputy officer-in-charge (副主任) and officer-in-charge (主任) of the secretariat to the board of directors (董事會秘書室), secretary to the board of directors (董事會秘書), as well as deputy officer-in-charge of the regional management committee in Jiangxi Region (江西區域管理委員會副主任). Mr. Yang's major duties in Anhui Conch Cement Company Limited covered areas over company secretarial, securities affairs and general management functions. Since July 2017 and July 2019, Mr. Yang has served as a deputy general manager (副總經理) and general manager (總經理) of Anhui Conch Venture Investment Co. Ltd. ("**Anhui Conch Venture Investment**"), being one of the Pre-IPO Investors.

Mr. Yang obtained a bachelor degree of arts (文學學士) studies specialised in foreign linguistics in English (外語系英語) from Anhui University (安徽大學) in the PRC in July 1996.

Mr. Yang obtained the Qualification Certificate of Specialty and Technology (專業技術資格證書) as a senior economist (高級經濟師) from Anhui Province Human Resources Bureau (安徽省人事廳) in May 2009.

鄭女士於1993年12月取得福建省高等與中等專業教育自學考試指導委員會頒發的中國廈門大學和福州大學計算機及應用專業畢業證書。

鄭女士於1996年12月取得由中華人民共和國人事部頒發的專業技術資格證書，專攻物資經濟。彼亦於1989年5月取得由福州市人事局頒發的工業電氣自動化助理工程師資格證書。

非執行董事

楊開發先生，47歲，於2019年8月23日獲委任為本公司非執行董事。楊先生具有豐富的證券管理及中國資本市場經驗。於1996年7月至2017年7月，楊先生任職於安徽海螺水泥股份有限公司（一家股份於聯交所主板上市的公司（股份代號：914）），曾擔任（其中包括）董事會秘書室主任助理、副主任及主任；董事會秘書；及江西區域管理委員會副主任等職務。楊先生於安徽海螺水泥股份有限公司的主要職責包括公司秘書、證券事務及一般管理職能。自2017年7月及2019年7月起，楊先生擔任安徽海螺創業投資有限公司（「**安徽海螺創業投資**」）（一名首次公開發售前投資者）副總經理及總經理。

楊先生於1996年7月畢業於中國安徽大學外語系英語專業，獲得文學學士學位。

楊先生於2009年5月獲安徽省人事廳頒發高級經濟師專業技術資格證書。

Profile of Directors and Senior Management

董事及高級管理人員履歷

Mr. Zeng Guohua, aged 53, was appointed as a Non-executive Director of our Company on 23 August 2019. Mr. Zeng has over 24 years of experience in the PRC construction industry. Mr. Zeng joined Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a company which shares are listed on the Main Board of the Stock Exchange (stock code: 914) in May 1995 and held several positions such as (i) head of the cement works technical department; (ii) head of engineering technical department; and (iii) committee member of the Indonesia regional management committee (印尼區域管理委員會委員). Since June 2019, Mr. Zeng has been the assistant in the office of general manager (總經辦助理) of Anhui Conch Venture Investment, being one of the Pre-IPO Investors.

Mr. Zeng completed his studies specialised in port and channel engineering (港口及航道工程) from Changsha Communications College (長沙交通學院) (currently known as Changsha University of Science and Technology (長沙理工大學)), in the PRC in July 1991.

Mr. Zeng obtained a qualification certificate as an engineer (工程師) specialising in industrial and civil engineering (工民建) from Anhui Professional Titles Reform Work Leading Group (安徽省職稱改革領導小組) in March 1999.

Mr. Xun Liangbao ("Mr. Xun LB"), aged 49, was appointed as a Non-executive Director of our Company on 23 August 2019. Mr. Xun LB completed his studies specialised in public management (公共管理) from the Party School of Anhui Provincial Committee of the Communist Party of China (中共安徽省委黨校) in December 2007. He served as a deputy officer-in-charge (副主任) and officer-in-charge (主任) of the service center at the Anhui Bengbu Municipal People's Government Office (安徽蚌埠市人民政府辦公室) from March 1993 to March 2018. He was employed as a vice general manager of the Bengbu Branch of Jiangsu Wan Rong Construction Technology Co., Ltd. (江蘇萬融工程科技有限公司蚌埠分公司) from March 2018 to December 2018. He has since then been a director of Jianzhong Construction Technology from December 2018 onwards.

He obtained the Certificate of Registered Constructor in Construction Works (建築工程註冊建造師證書) from the Anhui Provincial Department of Housing and Urban-Rural Development (安徽省住房和城鄉建設廳) in May 2010.

曾國華先生，53歲，於2019年8月23日獲委任為本公司非執行董事。曾先生於中國建築行業擁有逾24年經驗。曾先生於1995年5月加入安徽海螺水泥股份有限公司(一家股份於聯交所主板上市的公司(股份代號：914))，擔任(i)水泥工程技術部主管；(ii)工程技術部部長；及(iii)印尼區域管理委員會委員等若干職務。自2019年6月起，曾先生一直擔任安徽海螺創業投資(一名首次公開發售前投資者)總經辦助理。

曾先生於1991年7月於中國長沙交通學院(現稱為長沙理工大學)完成港口及航道工程專業進修。

曾先生於1999年3月取得由安徽省職稱改革領導小組頒發的工民建工程師資格證書。

荀良寶先生(「荀良寶先生」)，49歲，於2019年8月23日獲委任為本公司非執行董事。荀良寶先生於2007年12月畢業於中共安徽省委黨校公共管理專業。於1993年3月至2018年3月先後任安徽蚌埠市人民政府辦公室服務中心副主任及主任。於2018年3月至2018年12月任江蘇萬融工程科技有限公司蚌埠分公司副總經理。2018年12月至今任建中建設科技董事。

彼於2010年5月取得由安徽省住房和城鄉建設廳頒發的建築工程註冊建造師證書。

Profile of Directors and Senior Management

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Sze Irons, B.B.S., J.P., aged 59, was appointed to our Board on 18 February 2020 and does not hold any position with other members of our Group. Mr. Sze was appointed the Justice of the Peace in 2011 and was awarded the Bronze Bauhinia Star by the Hong Kong Government in 2015. He is currently the vice supervisor of the Committee of Human Resources and Environment of the National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會人口資源環境委員會副主任), an executive member of the Beijing Municipal Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議北京市委員會常務委員), as well as the Permanent Honorary President of the Chinese Manufacturers' Association of Hong Kong.

Mr. Sze has been a member of the HKSAR Election Committee since 2006; and is currently a member of the HKSAR Labour Advisory Board for 2019-2020.

Mr. Sze has been a director of Hang Tung Resources Holding Limited, a private company in Hong Kong, since March 1984. The company is principally engaged in property investment, import and export trading, provision of management services and shares investment. He is principally responsible for the day-to-day management of its business operations, as well as the overall strategic planning of the company.

Mr. Sze is currently an independent non-executive director of a number of listed companies on the Stock Exchange, including, (i) Best Mart 360 Holdings Limited (stock code: 2360), a company principally engaged in the operation of a leisure food retailer chain, from December 2018; (ii) ST International Holdings Company Limited (stock code: 8521), a provider of functional knitted fabrics, from April 2018; (iii) Chevalier International Holdings Limited (stock code: 25), a company principally engaged in the construction and property-related businesses, from November 2016; and (iv) Continental Holdings Limited (stock code: 513), a company principally engaged in the jewellery industry, from October 2008.

Mr. Sze was appointed as a non-executive director of two companies listed on the Stock Exchange, including, (i) China Weaving Materials Holdings Limited (stock code: 3778), a company principally engaged in the manufacturing of yarn products, from May 2011 to June 2019; and (ii) Bel Global Resources Holdings Limited (stock code: 761) since February 2017. The trading in the shares of Bel Global Resources Holdings Limited had been suspended since 4 July 2011 and the listing of the shares was cancelled by the Stock Exchange with effect from 24 August 2018.

Mr. Sze received his degree of bachelor of science from the University of Wisconsin — La Crosse in the USA in May 1985.

獨立非執行董事

施榮懷先生 (銅紫荊星章·太平紳士), 59歲, 於2020年2月18日獲委任為董事會成員且於本集團其他成員公司並無擔任任何職位。施先生於2011年獲委任為太平紳士, 並於2015年獲香港政府頒授銅紫荊星章。彼現為中國人民政治協商會議全國委員會人口資源環境委員會副主任、中國人民政治協商會議北京市委員會常務委員及香港中華廠商聯合會永遠名譽會長。

施先生自2006年起擔任香港特別行政區選舉委員會委員, 現時亦是香港特別行政區勞工顧問委員會(2019年至2020年)委員。

施先生自1984年3月起一直擔任香港一間私人公司恒通資源集團有限公司的董事。該公司主要從事物業投資、進出口貿易、提供管理服務及股份投資。施先生主要負責該公司業務營運的日常管理及整體戰略規劃。

施先生現為多間聯交所上市公司的獨立非執行董事, 包括(i)自2018年12月起於優品360控股有限公司(股份代號: 2360), 一間主要從事休閒食品零售連鎖運營的公司; (ii)自2018年4月起於智紡國際控股有限公司(股份代號: 8521), 一間功能性針織面料供應商; (iii)自2016年11月起於其士國際集團有限公司(股份代號: 25), 一間主要從事建築及物業相關業務的公司; 及(iv)自2008年10月起於恒和珠寶集團有限公司(股份代號: 513), 一間主要從事珠寶行業的公司。

施先生獲委任為兩間聯交所上市公司的非執行董事, 包括(i)於2011年5月至2019年6月擔任中國織材控股有限公司(股份代號: 3778)非執行董事, 該公司主要從事製造紗線產品; 及(ii)自2017年2月起, 擔任百營環球資源控股有限公司(股份代號: 761)非執行董事。百營環球資源控股有限公司股份自2011年7月4日起暫停買賣且聯交所註銷其股份上市, 自2018年8月24日起生效。

施先生於1985年5月獲美國威斯康辛大學拉克羅斯分校理學學士學位。

Profile of Directors and Senior Management

董事及高級管理人員履歷

Mr. Wong Kun Kau, aged 60, was appointed to our Board on 18 February 2020 and does not hold any position with other members of our Group. He has over 28 years of experience in investment banking and corporate finance, and is the founder and has been the chief executive officer of Bull Capital Partners Limited, a fund management company specialising in direct investments in the greater China region, since May 2008. Mr. Wong also held several senior management positions with reputable financial institutions including BNP Paribas Capital (Asia Pacific) Limited from August 1992 to November 2007, where he left as the head of investment banking-Asia. He has been an independent non-executive director of REF Holdings Limited (stock code: 1631), a company principally engaged in financial printing services, since August 2015.

Mr. Wong was an independent non-executive director of a number of listed companies on the Stock Exchange, including but not limited to, (i) West China Cement Limited (stock code: 2233), a company principally engaged in the manufacturing and sales of cement and cement products, from July 2010 to May 2019; (ii) Sansheng Holdings (Group) Company Limited (stock code: 2183), a company principally engaged in property development and property investment, from August 2013 to May 2017; and (iii) China Shengmu Organic Milk Limited (stock code: 1432), a company principally engaged in dairy farming business and liquid milk business from June 2014 to June 2017. Mr. Wong had also been an independent non-executive director since May 2012, and the chairman of the audit committee of Anhui Conch Cement Company Limited (stock code: 914) since May 2013, until his retirement as an independent non-executive director in June 2016.

Mr. Wong received his bachelor's degree in social science from the University of Hong Kong in November 1982.

Mr. Zhu Diwu, aged 46, was appointed to our Board on 18 February 2020 and does not hold any position with other members of our Group. Since May 2017, he has been the co-founder, chairman and chief executive officer of Shanghai Aihui Health Technology Co., Ltd. (上海愛匯健康科技有限公司), a company principally engaged in the provision of information technology services to hospitals in the PRC since May 2017. He has also been a director of Inventio Capital Management (HK) Limited, a company principally engaged in asset management. Mr. Zhu has been mainly responsible for supervisory the overall management in the above two companies.

Mr. Zhu was employed at Deutsche Bank Group from July 2005 to November 2010, where he last served as a director, equities research analyst in the global markets division of the company. Subsequently, Mr. Zhu was employed by Beijing Gao Hua Securities Company Limited from November 2010 to May 2017 and served as a managing director in the global investment research division of the company.

黃灑球先生，60歲，於2020年2月18日獲委任為董事會成員且於本集團其他成員公司並無擔任任何職位。彼於投資銀行及企業融資方面擁有逾28年經驗，為雄牛資本有限公司（一間專門於大中華地區進行直接投資的基金管理公司）的創辦人及自2008年5月起擔任行政總裁。黃先生亦於多家知名金融機構擔任多個高級管理職位，包括於1992年8月至2007年11月任職於法國巴黎資本（亞太）有限公司，離職時擔任亞洲投資銀行主管。自2015年8月起，彼一直為REF Holdings Limited（股份代號：1631，一間主要從事金融印刷服務的公司的獨立非執行董事）。

黃先生擔任聯交所多家上市公司獨立非執行董事，包括但不限於(i)於2010年7月至2019年5月於中國西部水泥有限公司（股份代號：2233），一間主要從事水泥及水泥產品的製造及銷售的公司；(ii)於2013年8月至2017年5月於三盛控股（集團）有限公司（股份代號：2183），一間主要從事房地產開發及投資的公司；及(iii)於2014年6月至2017年6月於中國聖牧有機奶業有限公司（股份代號：1432），一間主要從事奶牛養殖業務及液態奶業務的公司。黃先生自2012年5月起一直擔任安徽海螺水泥股份有限公司（股份代號：914）獨立非執行董事，並自2013年5月起擔任該公司審核委員會主席，直至彼於2016年6月退任獨立非執行董事。

黃先生於1982年11月獲香港大學社會科學學士學位。

朱地武先生，46歲，於2020年2月18日獲委任為董事會成員且於本集團其他成員公司並無擔任任何職位。自2017年5月起，彼為上海愛匯健康科技有限公司（一間自2017年5月起主要向中國醫院提供信息技術服務的公司）聯合創始人、董事長及行政總裁。彼亦擔任思博資產管理（香港）有限公司（一間主要從事資產管理的公司）董事。朱先生於上述兩間公司主要負責監督整體管理。

朱先生於2005年7月至2010年11月於德意志銀行集團任職，在該公司擔任的最後一個職務是全球市場部總監、股票研究分析師。之後，朱先生受僱於北京高華證券有限責任公司，在2010年11月至2017年5月擔任該公司全球投資研究部董事總經理。

Profile of Directors and Senior Management

董事及高級管理人員履歷

Mr. Zhu completed the study and passed the examinations of the international MBA program co-developed by Fudan University and Massachusetts Institute of Technology in June 2003.

SENIOR MANAGEMENT

Mr. Ni Xingshou, aged 53, is our assistant general manager. Since July 2015, he has been an assistant general manager of Jianzhong Construction Technology. He is primarily responsible for the co-management of our business operation.

Mr. Ni has over 30 years of experience in the PRC construction industry. He participated in the construction works and served as a quality control officer at Fujian Yongtai No. 3 Construction Engineering Company Limited (福建省永泰第三建築工程公司) from July 1986 to December 1995. He was then employed as a project production manager at Fujian Yongtai Construction Engineering Company Limited (福建省永泰建築工程公司) from January 1996 to December 2006. From January 2007 to June 2015, he was the production manager of the production department of Fujian Jianzhong Labour Engineering Co., Ltd.

Mr. Ni completed an online learning course of Wuhan Polytechnic University (武漢理工大學), the PRC in June 2006 and specialised his studies in civil engineering (土木工程專業).

Mr. Ni obtained qualification certificates as an engineer (工程師) specialising in industrial and civil engineering (工民建) from Fujian Province Human Resources Bureau (福建省人事廳) in June 2001 and as a Construction Engineering Works Grade II Constructor (建築工程二級建造師) from the Fujian Provincial Department of Housing and Urban-Rural Development (福建省住房和建設廳) in May 2013. He has also obtained the Certificate of Work Safety for Project In-charge Officer in Construction Enterprises (建築施工企業項目負責人安全生產考核合格證書) from Fuzhou Urban-Rural Construction Committee (福州市城鄉建設委員會) since March 2019.

Mr. Shao Yonghui, aged 54, is our chief engineer of our quality and safety department. He has been the chief engineer and general manager of the quality and safety department (質量安全部) of Jianzhong Construction Technology since October 2017. He is primarily responsible for the (i) liaison with governmental administrative units and departments in relation to construction works; and (ii) the quality and safety management of our Group.

朱先生於2003年6月完成學業並通過復旦大學與麻省理工學院聯合制定的國際工商管理碩士課程考試。

高級管理人員

倪行壽先生，53歲，為本公司副總經理。自2015年7月起，彼為建中建設科技副總經理。彼主要負責我們業務運營的聯合管理。

倪先生於中國建築行業擁有逾30年經驗。於1986年7月至1995年12月，彼從事建築工程及擔任福建省永泰第三建築工程公司質量控制專員。其後於1996年1月至2006年12月，彼擔任福建省永泰建築工程公司項目生產經理。於2007年1月至2015年6月，彼為福建建中勞務工程有限公司生產部經理。

倪先生於2006年6月完成中國武漢理工大學網絡學習課程，主修土木工程專業。

倪先生於2001年6月獲福建省人事廳頒發工民建工程師資質證書及於2013年5月獲福建省住房和建設廳頒發建築工程二級建造師資質證書。彼亦於2019年3月獲福州市城鄉建設委員會頒發建築施工企業項目負責人安全生產考核合格證書。

邵永輝先生，54歲，為本公司質量安全部總工程師。彼自2017年10月起擔任建中建設科技質量安全部總工程師兼總經理。彼主要負責本集團(i)就建築工程與政府管理單位及部門聯絡；及(ii)質量及安全管理。

Profile of Directors and Senior Management

董事及高級管理人員履歷

Mr. Shao has over 29 years of experience within the PRC construction industry, specializing in areas such as construction works technology, quality and safety management and construction project management. He was employed at the Fujian Economic and Technological Development Zone Construction Engineering Quality Supervision Branch (福州經濟技術開發區建設工程質量監督站) from September 1989 to October 2012, and was designated as (i) a civil engineering and municipal works supervisor (土建市政監督員); (ii) technical officer-in-charge (技術負責人); and (iii) head of branch during his period of employment. He was then employed as an engineering officer-in-charge at Lanzhou High-Tech Development Company Limited (蘭州高新開發建設有限公司) from November 2012 to June 2017.

Mr. Shao completed his studies specialised in industrial and civil construction (工業民用建築) at Open University of Fujian (福建廣播電視大學), the PRC in July 1989. He also completed an online learning course of Sichuan University (四川大學), the PRC in June 2005, specialising his study in civil engineering management (土木工程(管理)).

Mr. Shao obtained a qualification certificate as a senior engineer for construction technology and management (施工技術與管理高級工程師證書) from Fujian Province Human Resources and Social Security Bureau (福建省人力資源社會保障廳) in May 2007.

Mr. Ma Chun Kei, aged 42, is our chief financial officer of Jianzhong Construction Technology. Mr. Ma is also one of the joint company secretaries. He joined the Group in August 2019 and is primarily responsible for the financial management and company secretarial matters.

Mr. Ma joined the Group in August 2019 and is primarily responsible for overall financial management of the Company. Mr. Ma has over 15 years of experience in accounting, auditing and financial management. Prior to joining the Group, he worked in an international accounting firm and a company listed on the main board of the Stock Exchange.

Mr. Ma is a member of the Committee of Chinese People's Political Consultative Conference (Zengcheng District of Guangzhou, the PRC) (中國人民政治協商會廣州市增城區委員會).

Mr. Ma obtained a degree of bachelor of arts in accountancy from The Hong Kong Polytechnic University in November 2002. Mr. Ma completed the examinations of Association of Chartered Certified Accountants and became an affiliate member in August 2003. He was admitted as a member of the Association of Chartered Certified Accountants on 28 February 2007; and has been registered as a certified public accountant by the Hong Kong Institute of Certified Public Accountants since January 2008.

邵先生於中國建築行業擁有逾29年經驗，專業從事建築工程技術、質量安全管理及建築工程管理。於1989年9月至2012年10月，彼任職於福州經濟技術開發區建設工程質量監督站，其後於任職期間調任為(i)土建市政監督員；(ii)技術負責人；及(iii)站長。其後於2012年11月至2017年6月，彼於蘭州高新開發建設有限公司擔任工程負責人。

邵先生於1989年7月於中國福建廣播電視大學完成工業民用建築專業學習。彼亦於2005年6月於中國四川大學完成土木工程(管理)專業網絡學習課程。

邵先生於2007年5月取得福建省人力資源社會保障廳頒發的施工技術與管理高級工程師證書。

馬濬琦先生，42歲，為建中建設科技財務總監。馬先生亦為聯席公司秘書之一。彼於2019年8月加入本集團，主要負責財務管理及公司秘書事務。

馬先生於2019年8月加入本集團，主要負責本公司的整體財務管理。馬先生擁有逾15年的會計、審計及財務管理經驗。於加入本集團前，彼曾任職一家國際會計師事務所及一間於聯交所主板上市的公司。

馬先生為中國人民政治協商會廣州市增城區委員會委員。

馬先生於2002年11月取得香港理工大學會計學文學學士學位。馬先生於2003年8月通過英國特許公認會計師公會考試並成為公會之附屬會員。彼於2007年2月28日獲認為特許公認會計師公會會員；及自2008年1月起註冊為香港會計師公會執業會計師。

Profile of Directors and Senior Management

董事及高級管理人員履歷

Mr. Chan Sun Kwong, aged 54, joined the Company as company secretary on 23 August 2019 and is responsible for corporate secretarial matters of our Group.

Mr. Chan obtained a diploma of business administration from the Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in July 1990. He has been registered as a fellow member of the Hong Kong Institute of Chartered Secretaries since February 2008, the Institute of Chartered Secretaries and Administrators in the United Kingdom since February 2008, the Institute of Chartered Accountants in England and Wales since July 2017, the Association of Chartered Certified Accountants in the United Kingdom since October 1996 and the Hong Kong Institute of Certified Public Accountants since March 2000. Mr. Chan has also been a mediator of The Hong Kong Mediation Centre since November 2010. He has over 25 years of experience in accounting, auditing, banking and company secretarial fields.

陳晨光先生，54歲，於2019年8月23日加入本公司，擔任公司秘書並負責本集團與公司秘書相關的事務。

陳先生於1990年7月取得香港樹仁學院（現稱為香港樹仁大學）工商管理學文憑。彼自2008年2月起註冊為香港特許秘書公會、自2008年2月起為英國特許秘書及行政人員公會、自2017年7月起為英格蘭及威爾斯特許會計師公會、自1996年10月起為英國特許公認會計師公會資深會員及自2000年3月起為香港會計師公會資深會員。陳先生自2010年11月起亦為香港和解中心和解員。彼於會計、審計、銀行及公司秘書領域擁有逾25年經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board hereby presents to the shareholders the corporate governance report of the Group for the year ended 31 December 2020.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance, and strives to maintain transparent and responsible management practices that will create long term value for the interests of shareholders. The Board will continuously review and improve the Group's corporate governance practices, and maintaining a high standard of business ethics across the organisation.

During the period from the Listing Date to 31 December 2020, the Company has complied with the applicable code provisions set out in the Corporate Governance Code ("**Corporate Governance Code**") in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), except for the deviation as mention below.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Xun MH currently holds both positions. Mr. Xun MH is the founder of the Group. He has diversified knowledge and experience in the construction industry as well as a variety of business connection with a network of reputable construction enterprises and contractors in Fujian. The Board believes that vesting the roles of both Chairman of the Board and chief executive officer in the same person will provide strong and consistent leadership to the Company and allow the Company to be more effective and efficient in developing long term business strategies and execution of business plans that are in the best interests of the Company.

In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

The Board will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

董事會謹此向股東提呈本集團截至2020年12月31日止年度的企業管治報告。

企業管治常規

董事會致力於維持高水平的企業管治，並努力保持透明及負責任的管理常規，為股東利益創造長期價值。董事會將不斷檢討及改善本集團的企業管治常規，並於整個組織內維持高標準的商業道德。

於上市日期起至2020年12月31日期間，本公司已遵守香港聯合交易所有限公司（「**聯交所**」）證券上市規則（「**上市規則**」）附錄十四所載之企業管治守則（「**企業管治守則**」）之適用守則條文，惟以下偏離者除外。

主席及行政總裁

企業管治守則之守則條文第A.2.1條規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。荀名紅先生目前兼任該兩個職位。荀名紅先生為本集團的創始人。彼在建築行業擁有多元化知識及經驗，並於福建省知名建築企業及承包商關係網中擁有大量業務聯繫。董事會相信，由一人兼任董事會主席與行政總裁角色將為本公司提供強大一致的領導，並可讓本公司更有效及高效地制定長遠業務策略以及執行業務計劃，符合本公司之最佳利益。

此外，鑒於所有主要決定均與董事會及相關董事委員會成員磋商後作出，且三名獨立非執行董事可提供獨立意見，董事會認為已作出充分保障確保董事會的權力足夠平衡。

董事會將繼續定期審閱及監管企業管治常規，確保本公司遵守企業管治守則及維持本公司的高標準企業管治常規。

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing securities transactions by the Directors. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required dealing standards set out in the Model Code throughout the period from the Listing Date to 31 December 2020.

BOARD OF DIRECTORS

The key responsibilities of the Board include formulation of the Group’s overall strategies, the setting of management targets and supervision of management performance. Some functions including the monitoring and approval of material transactions, matters involving a conflict of interest for a substantial shareholder or Director of the Company, the approval of interim and annual results, declaration of interim dividends and proposal of final dividends and other disclosures to the public or regulators are reserved by the Board for consideration and approval. Matters not specifically reserved to the Board and necessary for the daily management and operation of the Company are delegated to the executive Directors and the management of the Company.

Composition

The Board of Directors consists of three Executive Directors, three Non-executive Directors and three Independent Non-executive Directors. A list of Directors and their respective biographies are set out in the section “Profile of Directors and Senior Management” in this annual report.

In compliance with the requirements set out in Rule 3.10(2) of the Listing Rules, the Board consists of three Independent Non-executive Directors, one of them, namely Mr. Wong Kun Kau, possesses of appropriate professional qualifications or accounting or related financial management expertise. After the Listing and up to the date of this report, the number of Independent Non-executive Directors represents at least one-third of the Board which is in compliance with Rule 3.10A. As such, the Company believes that there is a sufficient independence element in the Board to safeguard the interests of the shareholders of the Company.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為其自身規管董事進行證券交易的行為守則。經本公司查詢後，全體董事均確認彼等已於上市日期至2020年12月31日期間遵守標準守則所載的交易必守標準。

董事會

董事會的主要職責包括制訂本集團的整體策略、訂立管理目標，以及監察管理層的表現。若干職能留待董事會審議及批准，包括監察及批准重大交易、涉及本公司主要股東或董事的利益衝突事項、批准中期及全年業績、宣派中期股息及建議派發末期股息、以及向公眾或監管機關作其他披露。並非指定由董事會決定且屬本公司日常管理及營運所須進行的事宜，則授權執行董事及本公司管理層處理。

組成

董事會包括三名執行董事、三名非執行董事，及三名獨立非執行董事。董事名單及彼等各自的履歷載於本年報「董事及高級管理人員履歷」一節。

為符合上市規則第3.10(2)條之規定，董事會包括三名獨立非執行董事，彼等其中一人(即黃灌球先生)具備適當之專業資格，或會計或財務管理相關的專長。於上市後及直至本報告日期，獨立非執行董事人數至少佔董事會成員人數的三分之一，符合第3.10A條的規定。因此，本公司相信董事會具備足夠獨立性以保障本公司股東的利益。

Corporate Governance Report

企業管治報告

Pursuant to Article 108(a) of the articles of association of the Company (the "Articles"), one-third of the Directors shall retire from office by rotation at each annual general meeting and every Director shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election.

Non-executive Directors

The Company has signed a letter of appointment with each of the Independent Non-executive Directors. The commencement date of each of the letter of appointment is 18 February 2020, for an initial term of three years. Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The Company has also signed a service agreement with each of the Non-executive Directors on 18 February 2020, for an initial term of three years.

Meetings and Attendance

The individual attendance records of each Director at the Board and Committees' meetings held during the period from the Listing Date to 31 December 2020 are set out in the table below:

根據本公司組織章程細則(「細則」)第108(a)條，三分之一董事須於每次股東週年大會上輪值退任，而每名董事須至少每3年輪值退任一次。退任董事有資格膺選連任。

非執行董事

本公司已與各獨立非執行董事簽訂委任函。每份委任函的生效日期為2020年2月18日，初步為期三年。各獨立非執行董事根據上市規則第3.13條每年確認獨立性。本公司認為，所有獨立非執行董事均符合上市規則第3.13條所載的獨立指引，並且根據指引的條款各為獨立。本公司亦於2020年2月18日與各非執行董事簽訂初步為期三年的服務協議。

會議及出席情況

各董事於上市日期至2020年12月31日期間舉行的董事會及委員會會議的個人出席記錄載於下表：

		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Annual General Meeting 股東週年大會	Extraordinary General Meeting 股東特別大會
Executive Directors	執行董事						
Mr. Xun Minghong ⁽¹⁾	荀名紅先生 ⁽¹⁾	6/6	N/A 不適用	1/1	—	1/1	N/A 不適用
Mr. He Wenlin	何文林先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	1/1	N/A 不適用
Ms. Zheng Ping	鄭萍女士	6/6	N/A 不適用	N/A 不適用	N/A 不適用	1/1	N/A 不適用
Non-executive Directors	非執行董事						
Mr. Yang Kaifa	楊開發先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	1/1	N/A 不適用
Mr. Zeng Guohua	曾國華先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	1/1	N/A 不適用
Mr. Xun Liangbao	荀良寶先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	1/1	N/A 不適用
Independent Non-executive Directors	獨立非執行董事						
Mr. Sze Irons ⁽³⁾	施榮懷先生 ⁽³⁾	6/6	2/2	1/1	—	1/1	N/A 不適用
Mr. Wong Kun Kau ⁽²⁾	黃灌球先生 ⁽²⁾	6/6	2/2	1/1	—	1/1	N/A 不適用
Mr. Zhu Diwu ⁽⁴⁾	朱地武先生 ⁽⁴⁾	6/6	2/2	1/1	—	1/1	N/A 不適用

1. Chairman of the Board
2. Chairman of the Audit Committee
3. Chairman of the Nomination Committee
4. Chairman of the Remuneration Committee

1. 董事會主席
2. 審核委員會主席
3. 提名委員會主席
4. 薪酬委員會主席

Corporate Governance Report

企業管治報告

In respect of code provision A.2.7 of the Corporate Governance Code, the Chairman of the Board should at least annually hold meetings with the non-executive Directors (including Independent Non-executive Directors) without the presence of the Executive Directors.

During the period from the Listing Date to 31 December 2020, the Independent Non-executive Directors had meeting with the Chairman of the Board without the presence of other executive Directors. In addition, the Independent Non-executive Directors could also communicate directly at any time through other means (such as telephone or email) to give their opinions and share their views on the Company's affairs.

Directors' Training and Professional Development

In compliance with the code provision A.6.5 of the Corporate Governance Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skill to ensure that they obtain the updated and relevant information regarding to the Listing Rules and other applicable regulatory requirements. In December 2020, each of the Directors have attended the training courses organised by the legal adviser of the Company. The content of such training related to the duties of directors and on-going obligations of listed companies.

Board Diversity Policy

The Company has adopted the board diversity policy which sets out the approach to achieve diversity on the Board in order to enhance the quality of its performance. The board diversity policy provides that the Company should endeavour to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy.

Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. The existing members of the Board were appointed after taking into account the aforesaid factors.

The effective implementation of the board diversity policy requires that our Shareholders are able to judge for themselves whether the Board as constituted is a reflection of diversity, or a gradual move to increased diversity, on a scale and at a speed which they support. To this end, our Shareholders will be provided with detailed information of each candidate for appointment or re-election to the Board through announcements and circulars published prior to general meetings of the Company.

As at the date of this annual report, the Company had a total of nine Directors, covering different gender and age groups. In addition to industry knowledges, members of the Board also have professional experience in capital market, finance and corporate governance.

根據企業管治守則的守則條文第A.2.7條，董事會主席應至少每年與非執行董事（包括獨立非執行董事）舉行一次執行董事不在場之會議。

於上市日期至2020年12月31日期間，獨立非執行董事與董事會主席有舉行會議（其他執行董事不在場）。此外，獨立非執行董事亦可隨時透過其他方式（如電話或電郵）直接溝通，以提供對本公司事務的意見及看法。

董事的培訓及專業發展

根據企業管治守則的守則條文第A.6.5條，全體董事須參與持續專業發展，發展及更新知識及技能，以確保彼等獲得有關上市規則及其他適用監管規定的最新及相關資料。於2020年12月，各董事均已參加本公司法律顧問所組織的培訓課程，該培訓的內容涉及董事職責及上市公司的持續義務。

董事會多元化政策

為提高董事會表現質素，本公司已採納董事會多元化政策，當中載有實現董事會多元化的方針。董事會多元化政策規定，本公司應致力確保董事會成員在支持其業務策略執行所需的技能、經驗及多元化視角方面達到適當平衡。

根據董事會多元化政策，我們旨在透過考慮多個因素（包括但不限於專業經驗、技能、知識、性別、年齡、文化及教育背景、種族及服務年限）實現董事會多元化。董事會現有成員乃經考慮上述因素後獲委任。

董事會多元化政策的有效實施要求股東能自行判斷董事會的人員構成是否反映多元性，或已按彼等所認同的規模及速度，逐漸趨於多元化。為達致此目的，本公司將於股東大會前刊發公告及通函向股東提供有關獲委任或膺選連任董事候選人的詳細資料。

於本年報日期，本公司共有九名董事，涵蓋不同性別及年齡組別。除行業知識外，董事會成員亦具備資本市場、財務及企業管治方面的專業經驗。

Corporate Governance Report

企業管治報告

The Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness.

BOARD COMMITTEES

Audit Committee

The Company has established an Audit Committee on 18 February 2020 with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, (i) assisting our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group; (ii) overseeing the audit process and performing other duties and responsibilities as assigned by our Board; (iii) developing and reviewing our policies and practices on corporate governance; (iv) making recommendations to our Board; and (v) ensuring that good corporate governance practices and procedures are established. The Audit Committee consists of three members, Mr. Wong Kun Kau, Mr. Zhu Diwu and Mr. Sze Irons B.B.S., JP. Mr. Wong Kun Kau is the chairman of the Audit Committee.

The Audit Committee held two committee meetings from the Listing Date to 31 December 2020 with external auditor without the presence of the executive Directors to discuss the results and findings in connection to the interim review and annual audit of the Company's consolidated financial statements.

Remuneration Committee

The Company has established a Remuneration Committee on 18 February 2020 with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review performance based remuneration and ensure none of our Directors determine their own remuneration. 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, performance, responsibility, job complexity and the Group's performance are taken into account. The Remuneration Committee consists of four members, namely Mr. Zhu Diwu, Mr. Wong Kun Kau, Mr. Sze Irons B.B.S., JP and Mr. Xun MH. Mr. Zhu Diwu is the chairman of the Remuneration Committee.

No meeting was held by the Remuneration Committee from the Listing Date to 31 December 2020.

提名委員會將不時審閱董事會多元化政策以確保其持續有效。

董事委員會 審核委員會

本公司已根據上市規則附錄十四所載的企業管治守則於2020年2月18日成立審核委員會，並以書面方式界定其職權範圍。審核委員會的主要職責包括但不限於(i)協助董事會就本集團的財務申報流程、內部控制及風險管理體系的有效性提供獨立意見；(ii)監察審核流程及履行董事會指派的其他職責職務；(iii)制訂及審閱企業管治相關政策及常規；(iv)向董事會提供推薦意見；及(v)確保建立良好的企業管治常規及流程。審核委員會由三位成員組成，包括黃灌球先生、朱地武先生及施榮懷先生(銅紫荊星章，太平紳士)。黃灌球先生為審核委員會主席。

審核委員會於上市日期至2020年12月31日期間與外部核數師舉行了兩次執行董事不在場的委員會會議，討論本公司的綜合財務報表的中期審閱及年度審核結果及發現。

薪酬委員會

本公司已根據上市規則附錄十四所載的企業管治守則於2020年2月18日成立薪酬委員會，並以書面方式界定其職權範圍。薪酬委員會的主要職責為就本集團所有董事及高級管理人員的整體薪酬政策及架構向董事會提供建議，檢討按表現釐定的薪酬，以及確保董事並無釐定本身的薪酬。本公司應市場水準、各董事的工作量、表現、職責、工作難度及本集團表現等因素，釐定向董事會成員支付的薪酬及袍金水平。薪酬委員會由四名成員組成，即朱地武先生、黃灌球先生、施榮懷先生(銅紫荊星章，太平紳士)及荀名紅先生。朱地武先生為薪酬委員會主席。

薪酬委員會於上市日期至2020年12月31日期間並無舉行任何會議。

Corporate Governance Report

企業管治報告

Nomination Committee

The Company has established a Nomination Committee on 18 February 2020 with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and the management of our Board succession, by considering the factors below, among others:

- a) mix of Board members that promotes diversity of background and experience on the Board, taking into account the business model of the Company and any specific needs;
- b) educational background and competency;
- c) age of potential/existing Director;
- d) independence of potential/existing Board members;
- e) business, technical, or specialised skills and experience of potential/existing Board members;
- f) ability, time, commitment and willingness of a new member to serve and an existing member to continue service; and
- g) specific value a potential/existing Board member can add to the Board.

The Nomination Committee consists of four members, namely Mr. Sze Irons B.B.S., JP, Mr. Wong Kun Kau, Mr. Zhu Diwu and Mr. Xun MH. Mr. Sze Irons B.B.S., JP is the chairman of the Nomination Committee. The Nomination Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless prohibited by applicable laws and regulations.

The Nomination Committee held one committee meeting between the Listing Date and 31 December 2020 to propose re-election of retiring Directors in the 2020 annual general meeting.

提名委員會

本公司已根據上市規則附錄十四所載的企業管治守則於2020年2月18日成立提名委員會，並以書面方式界定其職權範圍。提名委員會主要職責為通過考慮以下因素(其中包括)就委任董事及管理董事會的繼任事宜向董事會提供建議：

- a) 考慮本公司的業務模式及任何具體需要，委任不同背景與經驗的人士出任董事會成員，使董事會成員的組成更趨多元化；
- b) 教育背景及能力；
- c) 擬任／現任董事的年齡；
- d) 擬任／現任董事會成員的獨立性；
- e) 擬任／現任董事會成員的業務、技術或專業技能和經驗；
- f) 新任及現任成員的工作能力、付出的時間、承諾和其是否願意繼任的意願；及
- g) 個別擬任／現任董事會成員能如何為董事會增值。

提名委員會由四名成員組成，即施榮懷先生(銅紫荊星章，太平紳士)、黃灌球先生、朱地武先生及苟名紅先生。施榮懷先生(銅紫荊星章，太平紳士)為提名委員會主席。提名委員會須向董事會匯報，並使董事會完全知悉其決策及建議，惟適用法律及法規禁止則除外。

提名委員會於上市日期至2020年12月31日期間舉行一次會議，以建議重選於2020年股東週年大會上退任的董事。

Corporate Governance Report

企業管治報告

Risk Management Review Committee

The Company has established a risk management review committee in August 2019 with written terms of reference. The members of the risk management review committee are Mr. Xun MH., Mr. Wong Kun Kau, Mr. Xun LB and Mr. Ma Chun Kei. Mr. Xun MH is the chairman of the risk management review committee.

Its major functions include, (a) ensuring our Group's internal control function in respect of budgeting to be adequately resourced; (b) reviewing and monitoring the cash budget prepared by our Group's management; (c) ensuring the client acceptance procedures are appropriately adopted to reduce potential credit risk; (d) reviewing the ageing analysis of trade and bills receivables, and ensuring appropriate procedures are adopted to collect the overdue receivables; (e) ensuring we have adequate financial resources to fulfill the capital requirement of any tender with acceptable profit margin to us; and (f) monitoring the related party transactions to ensure these transactions to be conducted on normal commercial terms.

To carry out these functions, the risk management review committee held three committee meetings from the Listing Date to 31 December 2020.

風險管理審核委員會

本公司已於2019年8月成立風險管理審核委員會，並以書面方式界定其職權範圍。風險管理審核委員會成員為苟名紅先生、黃灌球先生、苟良寶先生及馬濬琦先生。苟名紅先生為風險管理審核委員會主席。

其主要職能包括：(a)確保本集團就預算資源充足的內部控制職能；(b)審閱及監督本集團管理層編製的現金預算；(c)確保合理採納客戶接納程序以降低潛在信貸風險；(d)審閱貿易應收款項及應收票據的賬齡分析及確保採納適當的程序以收回逾期應收款項；(e)確保有充足的財務資源以滿足對我們而言利率可接受的任何招標的資本要求；及(f)監管關聯方交易以確保該等交易均按正常商業條款進行。

為執行該等職能，風險管理審核委員會於上市日期至2020年12月31日期間共舉行三次委員會會議。

Corporate Governance Report

企業管治報告

INDEPENDENT AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditors to the Group during the year ended 31 December 2020 was approximately as follows:

Type of services 服務類型

RMB'000
人民幣千元

Reporting accountants' service for the Listing	上市申報會計師服務	2,000
Annual audit services	年度審核服務	2,000
Review of interim results	審閱中期業績	800
Internal control review	內部控制審查	250
Other non-audit services	其他非審核服務	200
		5,250

DIVIDEND POLICY

The Company may declare dividends in the future after taking into account the results of operations, earnings, capital requirements, general financial condition, and other factors as our Directors may deem relevant at such time. The declaration of dividends is subject to the discretion of our Directors and the approval of our Shareholders (except for interim dividends) as may be necessary. Any declaration and payment as well as the amount of dividends will be subject to the applicable requirements of the Articles and the Companies Law of the Cayman Islands.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENT

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2020, and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the Independent Auditor about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report".

COMPANY SECRETARY

The joint company secretary of the Company, Mr. Ma Chun Kei and Mr. Chan Sun Kwong, undertook no less than 15 hours of relevant professional training as required under Rule 3.29 of the Listing Rules. Their biographies are set out in the section "Profile of Directors and Senior Management" of this annual report.

Mr. Ma Chun Kei is an employee of the Group while Mr. Chan Sun Kwong is an external service provider. The primary contacts of Mr. Chan Sun Kwong with the Company are Mr. Ma Chun Kei.

獨立核數師薪酬

於截至2020年12月31日止年度，核數師向本集團提供的審核及非審核服務之薪酬概約如下：

股息政策

本公司日後可能在考慮經營業績、盈利、資本需求、整體財務狀況及董事認為於有關時間可能相關的其他因素後宣派股息。股息的宣派有待董事酌情考慮及股東批准(倘需要)(中期股息除外)。股息的宣派、支付及金額須遵守細則適用規定及開曼群島公司法的規定。

董事對財務報表的責任

董事確認彼等對編製本公司截至2020年12月31日止年度的財務報表負責，並不知悉現時有任何事項或情況存在重大不明朗因素，可能導致嚴重質疑本公司持續經營的能力。

獨立核數師有關其對財務報表申報責任的聲明載於「獨立核數師報告」一節。

公司秘書

本公司之聯席公司秘書馬濬琦先生及陳晨光先生已遵守上市規則第3.29條項下至少15個小時的相關專業培訓規定。彼等之履歷詳情載於本年報「董事及高級管理人員履歷」一節。

馬濬琦先生為本集團之僱員，而陳晨光先生為外部服務提供商。陳晨光先生與本公司的主要聯絡人為馬濬琦先生。

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS

The Company aims to, via its corporate governance structure, provide all its shareholders an equal opportunity to exercise their rights in an informed manner and allow all shareholders to engage actively with the Company. Under the Articles, the shareholder communication policy and other relevant internal procedures of the Company, the shareholders of the Company enjoy, among others, the following rights:

(i) Participation at general meetings

The general meetings of the Company provide an opportunity for direct communication between the Board and the shareholders. The Company encourages the participation of the shareholders through annual general meetings and other general meetings where the shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders no less than 21 days before the meeting. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual Directors.

(ii) Enquiries and proposals to the Board

The Company encourages shareholders to attend shareholders' meetings and make proposals by either directly raising questions on both operational and governance matters to the Board and committees members at the general meetings or providing written notice of such proposals for the attention of the Company Secretary at the registered office of the Company in Hong Kong, currently situated at Room No. 1818, 18/F, Beverley Commercial Centre, 87-105 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong or via email to jianzhong_cons@fjjzkj.com.

與股東溝通及股東權利

本公司旨在透過其企業管治架構，為全體股東提供平等機會在知情情況下行使其權利，並讓全體股東積極參與本公司事務。根據細則、股東溝通政策及本公司其他相關內部程序，本公司股東可享受（其中包括）以下權利：

(i) 參加股東大會

本公司的股東大會提供機會讓董事會與股東直接溝通。本公司鼓勵股東透過出席股東週年大會及其他股東大會參與本公司事務，會上股東可與董事會會面及交流意見，及行使其投票權利。本公司將安排於舉行大會前不少於21日向股東發出大會通告及載有提呈決議案詳情的通函。於股東大會上，將就各重大事項（包括選舉個別董事）提呈獨立決議案。

(ii) 向董事會查詢及提出建議

本公司鼓勵股東出席股東大會，並透過以下方式作出建議：於股東大會向董事會及委員會成員就有關營運及管治事宜直接提問，或將有關建議以書面通知形式送交本公司的香港註冊辦事處，現時地址為香港九龍尖沙咀漆咸道南87-105號百利商業中心18樓1818室，或電郵至 jianzhong_cons@fjjzkj.com 以呈交公司秘書。

(iii) Convening extraordinary general meetings

The Directors may, whenever they think fit, convene an extraordinary general meeting. Extraordinary general meetings may also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company Secretary and deposited at the registered office of the Company in Hong Kong, currently situated at Room No. 1818, 18/F, Beverley Commercial Centre, 87-105 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

(iv) Procedures for proposing a person for election as a Director

Pursuant to the Article 113 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Company's headquarters and principal place of business at 2002, Jinlan Building, No. 33 Zhaoqiang Road, Mawei District, Fuzhou City, Fujian Province, China or at its Hong Kong share registrar and transfer office at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. The period for lodgment of the notices required under Article 113 will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

INVESTOR RELATIONS

The Company establishes different communication channels with investors to update them with the latest business development and financial performance including the publication of interim and annual reports, the publish and posting of notices, announcements and circulars on the website of the Stock Exchange and the Company's website in order to maintain a high level of transparency.

(iii) 召開股東特別大會

董事可酌情隨時召開股東特別大會。於提呈有關要求當日擁有權利於股東大會投票的本公司繳足股本不少於十分之一的一名或多名股東亦可要求召開股東特別大會。有關要求應以書面方式向董事或公司秘書提出，並送交本公司的香港註冊辦事處，現時地址為香港九龍尖沙咀漆咸道南87-105號百利商業中心18樓1818室，以要求董事就處理有關要求所指任何事務召開股東特別大會。有關大會須於提出有關要求後兩個月內舉行。倘於提出有關要求後二十一(21)日內董事仍未著手召開有關大會，則提出要求的人士自身可以相同形式召開大會，而提出要求人士因董事未有因應要求召開大會而產生的一切合理開支將由本公司向提出要求的人士償付。

(iv) 提名人士參選董事的程序

根據細則第113條，除非獲董事推薦膺選外，否則除會上退任董事外，概無任何人士合資格於任何股東大會上膺選董事，惟已發出書面通知表明建議提名相關人士膺選董事，亦附上獲提名人士簽署的書面通知表明願意膺選，交予本公司總部及主要營業地點(地址為中國福建省福州市馬尾區兆鏘路33號金瀾大廈2002室)或其香港股份過戶登記處(地址為香港皇后大道東183號合和中心54樓)除外。提交細則第113條所規定通知的限期，將自不早於寄發有關推選董事之股東大會通告翌日起至不遲於該股東大會舉行日期前七日，惟可向本公司發出通知的最短期限不得少於七日。

投資者關係

本公司與投資者建立不同的通訊途徑，以使彼等知悉最新業務發展及財務表現，包括於聯交所網站及本公司網站刊發中期及年度報告、刊發及寄發通告、公告及通函，以維持高度透明。

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CONSTITUTIONAL DOCUMENTS

Save for the adoption of the amended and restated Memorandum and Articles of Association for the purpose of and upon the Listing, there was no changes in the Company's memorandum of association and the Articles.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board reviews the internal control and risk management systems of the Group for each financial year annually to ensure their effectiveness and efficiency and is responsible for maintaining effective internal control and risk management systems of the Group. The Directors believe that effectiveness of the internal control and risk management systems can avoid or reduce risks which can cause loss or reputational damage to the Group. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

An internal audit function is set up to identify, monitor and manage the key risks area associated with the business activities in relation to the financial and operational matters/practices of the Group and to provide its findings and any recommendations for improvement to the Audit Committee. The internal control and risk management systems include a defined management structure with segregation of duties and a cash management system such as monthly reconciliation of bank accounts. During the year 2020, we engaged an independent internal control consultant ("**Internal Control Consultant**") to evaluate the internal control and risk management systems. Based on the suggestions made by our Internal Control Consultant, we take remedial measures to the deficiencies and shortcomings of our internal control and risk management systems. After such review, the Board considered that the Company's enhanced internal control and risk management systems was adequate and effective.

With respect to internal controls for the handling and dissemination of insider information, the Group has a strict prohibition on the unauthorised use of confidential or inside information in the staff handbook.

In December 2020, the Company arranged a training session provided by our Hong Kong legal adviser to all Directors as continuing professional trainings. Such training covered the topic of the disclosure of inside information.

組織章程文件

除就上市並於上市後採納的經修訂及重列組織章程大綱及細則外，本公司的組織章程大綱及細則並無變動。

內部控制及風險管理

董事會於各財政年度檢討本集團之內部控制及風險管理系統，以確保其有效性及效率，並負責維持本集團的有效內部控制及風險管理系統。董事相信，內部控制及風險管理系統之有效性可避免或減低可能對本集團造成損失或聲譽受損的風險。該系統旨在管理而非消除未能達成業務目標的風險，並只能對不會有重大的失實陳述或損失作出合理而非絕對的保證。

內部審核職能之成立旨在識別、監察及管理與本集團財務及營運事宜／常規有關之業務活動主要風險範疇，並向審核委員會提供其結果及任何改善建議。內部控制及風險管理系統包括明確的管理架構劃分職責，以及銀行賬戶每月對賬等現金管理系統。於2020年，我們聘請獨立內部控制顧問（「**內部控制顧問**」）對我們的內部控制及風險管理系統進行評估。我們根據內部控制顧問的建議對我們內部控制及風險管理系統的缺陷與不足採取補正措施。經有關審查後，董事會認為本公司改良後的內部控制及風險管理系統充分有效。

就處理及散播內幕消息的內部監控方面而言，本集團於員工手冊內已載有嚴格禁止未經授權使用機密或內幕消息之條款。

於2020年12月，本公司安排由香港法律顧問向全體董事提供之培訓課程作為持續專業培訓。該等培訓涵蓋內幕消息披露之主題。

REPORT OF THE DIRECTORS

董事會報告

The Directors are pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are the provision of construction service, leasing of construction machinery, equipment and tools, and provision of sewage treatment service in mainland China. Details of the principal activities of its subsidiaries are set out in note 13 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group as required pursuant to Schedule 5 to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) is set out in the section of "Management Discussion and Analysis" of this annual report.

The financial risk management objectives and policies of the Group are shown in note 26 to the consolidated financial statements.

An analysis of the Group's performance during the year ended 31 December 2020 using key financial performance indicators is set out in the Five-Year Financial Summary on page 156 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, major risks are summarized below:

i) Non-recurrent nature of the projects

The Group is principally engaged in the provision of construction works service. The construction services are offered on a project-by-project basis with no long-term commitment with any of the customers in this segment. Upon the completion of the ongoing construction works projects, the Group may not be engaged by the customer in subsequent construction works projects. As such, the revenue attributable to the construction works service is not recurring in nature.

In the event that the Group are unable to attract new customers or secure new construction works projects from existing customers, the Group's revenue or profit may decrease significantly and this would adversely affecting the business, financial condition or results of operations of the Group.

董事欣然提呈本集團截至2020年12月31日止年度的年報，連同經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本集團之主營業務是在中國內地提供建築服務、建築機械、設備及工具租賃以及污水處理服務。其附屬公司的主要業務詳情載於綜合財務報表附註13。

業務回顧

根據香港法例第622章公司條例附表5規定對本集團業務進行的公平審閱載於本年報「管理層討論與分析」章節。

本集團的財務風險管理目標及政策載於綜合財務報表附註26。

使用關鍵財務績效指標對本集團截至2020年12月31日止年度的業績進行的分析載於本年報第156頁五年財務概要。

主要風險及不確定性因素

若干因素或會影響本集團的業績及業務經營，主要風險概述如下：

i) 項目的非經常性質

本集團主要提供建築工程服務。建築服務乃按逐個項目基準提供，並與該分部任何客戶之間並無任何長期承諾。於該等在建建築工程項目完工後，客戶可能不會委聘本集團實施後續建築工程項目。因此，建築工程服務應佔收益不屬於經常性質。

倘本集團無法吸引新客戶或自現有客戶取得新建築工程項目，本集團的收益或利潤可能大幅降低，且此將對本集團的業務、財務狀況或經營業績產生不利影響。

ii) Fluctuation in cost of materials

Since the contract value of each of the construction projects are generally pre-determined when a project is awarded, any substantial increase in the material cost between the time of submission of a tender or quotation and the time when the relevant materials are purchased will substantially increase the material cost and may materially and adversely affect the profitability, results of operations and financial condition of the Group.

iii) Availability and performance of labour subcontractors

The Group has to engage a number of labour subcontractors to provide the Group with a large number of construction workers with different expertise and skill sets to carrying out the construction works. In the event that the labour market conditions result in shortage of labour or material increase in labour costs, the Group may need to offer more competitive labour subcontracting fees so as to attract and maintain a reliable supply of construction workers. Such events could impact the profitability and financial performance of the Group.

iv) Delays and/or defaults of progress payments by the customers

The Group generally receive payment from customers in stages based on the terms of the construction contracts. Significant portions of the operating costs, setting-up expenses associated with a project, including labour and material costs, at the initial stage of a project are incurred before any progress payment made by the customers. As a result, there may be periods during which the Group may experience net cash outflows for a particular project as well as on an overall basis. Therefore, the Group are constantly subject to credit and liquidity risks, which may materially and adversely affect the profitability, result of operations and financial position of the Group.

v) Macroeconomics in the PRC

Any adverse change in the economic condition in the PRC may directly or indirectly affect the demand for the services provided by the Group, and the business operations and financial condition may also be materially and adversely affected as a result.

Should there be an economic downturn or credit crisis in the PRC for any reason, the Group may not be able to borrow new funds, which in turn could materially and adversely affect the results of operations and financial condition of the Group. Moreover, apart from the access to funds, an economic downturn or credit crisis will also affect the liquidity of the customers. As a result, the recoverability of the Group's account receivables may be adversely affected.

ii) 材料成本波動

由於各個建築項目的合約價值通常在我們獲授項目時預先釐定，因此我們投標或報價時及於採購相關材料時的材料成本的任何大幅增加將令我們的材料成本大幅增加並可能對本集團的盈利能力、經營業績及財務狀況造成重大不利影響。

iii) 勞務分包商的可得性及表現

本集團必須委聘若干勞務分包商以為本集團提供大量具備不同專長及技能組合的建築工人以實施建築工程。倘勞工市場的狀況導致勞工短缺或勞工成本大幅上漲，本集團或需提供更具競爭力的勞務分包費，以招攬及維持穩定的建築工人供應。該等事項可能影響本集團的盈利能力及財務表現。

iv) 客戶延期支付及／或拖欠工程進度款

本集團一般根據建築合約條款按階段向客戶收款，在項目最初階段及客戶作出任何進度付款前，與項目相關的大幅經營成本、啟動開支（包括勞務及材料成本）可能產生。因此，在某段時期，本集團可能會遭遇個別項目以及所有項目現金淨流出。因此，本集團經常性面臨信貸及流動資金風險，從而可能對本集團的盈利能力、經營業績及財務狀況造成重大不利影響。

v) 中國宏觀經濟

中國經濟狀況的任何不利變化都可能直接或間接地影響對本集團所提供的服務的需求，而業務運營及財務狀況也可能因此而受到重大不利影響。

倘中國因任何原因出現經濟衰退或信貸危機，本集團可能無法借得新資金，進而可能對本集團的經營業績及財務狀況造成重大不利影響。此外，除了影響我們的融資以外，經濟衰退或信貸危機亦會影響客戶的流動資金。因此，本集團應收賬款的可回收性可能受到不利影響。

Report of the Directors

董事會報告

GROUP REORGANISATION

The Company was incorporated in the Cayman Islands on 5 February 2019 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Group completed the Reorganisation on 21 May 2019 in preparation of the Listing on the Stock Exchange pursuant in which the Company became the holding company of the Group. For details of the Reorganisation, please refer to the section headed "History, Reorganisation and Corporate Structure" in the listing documents of the Company dated 29 February 2020 (the "Prospectus").

The Company's shares have been listed on the Stock Exchange since 18 March 2020.

COMPLIANCE WITH THE LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in mainland China while the Company itself is listed on the Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in mainland PRC and Hong Kong. During the year ended 31 December 2020 and up to the date of this annual report, the Group in all material aspects has complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group during the year ended 31 December 2020 and up to the date of this annual report.

MAJOR CUSTOMERS, SUBCONTRACTORS AND SUPPLIERS

For the year ended 31 December 2020, the Group's five largest customers in aggregate accounted for approximately 78.2% (2019: approximately 89.6%) of the total revenue of the Group and the largest customer of the Group accounted for approximately 54.8% (2019: approximately 68.9%) of the total revenue.

For the year ended 31 December 2020, the Group's five largest subcontractors in aggregate accounted for approximately 90.8% (2019: approximately 90.2%) of the total subcontracting cost of the Group and the largest subcontractor of the Group accounted for approximately 39.1% (2019: approximately 49.5%) of the total subcontracting cost.

For the year ended 31 December 2020, the Group's five largest suppliers in aggregate accounted for approximately 27.0% (2019: approximately 30.5%) of the total purchases of construction materials of the Group and the largest supplier of the Group accounted for approximately 9.4% (2019: approximately 12.4%) of the total purchases of construction materials.

集團重組

本公司於2019年2月5日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。本集團於2019年5月21日完成重組，以籌備於聯交所上市，據此本公司成為本集團的控股公司。有關重組的詳情，請參閱本公司日期為2020年2月29日之上市文件（「招股章程」）中「歷史、重組及公司架構」一節。

本公司股份已於2020年3月18日於聯交所上市。

遵守法律及法規

本集團的運營主要由本公司附屬公司在中國內地開展，而本公司本身在聯交所上市。因此，我們的成立及運營須遵守中國內地及香港的相關法律法規。截至2020年12月31日止年度及直至本年報日期，本集團已在所有重大方面遵守對本集團業務及營運具有重大影響的相關法律及法規。截至2020年12月31日止年度及直至本年報日期，本集團並無嚴重違反或不遵守適用法律及法規。

主要客戶、分包商及供應商

截至2020年12月31日止年度，本集團的五大客戶合共佔本集團總收益約78.2%（2019年：約89.6%），而本集團的最大客戶則佔總收益約54.8%（2019年：約68.9%）。

截至2020年12月31日止年度，本集團的五大分包商合共佔本集團總分包成本約90.8%（2019年：約90.2%），而本集團的最大分包商則佔總分包成本約39.1%（2019年：約49.5%）。

截至2020年12月31日止年度，本集團五大供應商合共佔本集團建築材料總採購額約27.0%（2019年：約30.5%），而本集團最大供應商佔建築材料總採購額約9.4%（2019年：約12.4%）。

Report of the Directors

董事會報告

None of the Directors, or any of their close associates (as defined under the Listing Rules) or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers or suppliers or subcontractors.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

Customers

The Group aims to maintain stable relationship with our customers to explore potential business opportunities and is highly committed to delivering quality services to our customers on time.

Subcontractors and Suppliers

The Group maintains a list of approved subcontractors (based on their previous experience, skills, present work load, price quotations and historical work quality) and suppliers (based on their prices, quality, past performance and capacity).

Employees

The Group recognised employees as valuable assets of the Group. The Group intends to adopt the competitive remuneration, good welfare benefits and continuous professional training to attract and retain appropriate and suitable personnel to serve the Group.

During the year ended 31 December 2020, there was no material dispute or argument between the Group and its customers, subcontractors, suppliers and employees.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2020 and the Group's financial position as at that date are set out in the consolidated financial statements on pages 65 to 68 of this annual report.

The Board recommended the payment of a final dividend of HK2.08 cents (2019: nil) per ordinary share for the financial year.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 156 of this annual report. This summary does not form part of the audited consolidated financial statements of the Group.

ANNUAL GENERAL MEETING

The annual general meeting (the "AGM") of the Company for the year ended 31 December 2020 is scheduled to be held on Thursday, 3 June 2021. A notice convening the AGM will be issued and despatched to the shareholders according to the applicable law, the Articles and the Listing Rules.

概無董事或任何彼等之緊密聯繫人士(定義見上市規則)或就董事所深知擁有本公司已發行股本5%以上權益之任何股東於本集團五大客戶或供應商或分包商中擁有任何實益權益。

與客戶、供應商、分包商及僱員的關係

客戶

本集團旨在與客戶維持穩定關係，以探索潛在業務機遇，並高度致力於準時交付高質量服務予客戶。

分包商及供應商

本集團保留一份分包商(基於彼等過往經驗、技能、目前工作量、報價及過往工作質量)及供應商(基於其價格、質量、過去表現及能力)的認可名單。

僱員

本集團視僱員為本集團的寶貴財產。本集團擬採用具競爭力的薪酬、良好的福利待遇及持續專業培訓，以吸引並挽留恰當及合適的人員為本集團提供服務。

截至2020年12月31日止年度，本集團與其客戶、分包商、供應商及僱員之間並無重大糾紛或爭議。

業績及股息

本集團截至2020年12月31日止年度溢利及本集團於該日期的財務狀況載於本年報第65至68頁的綜合財務報表內。

董事會建議就本財政年度派付末期股息每股普通股2.08港仙(2019年：無)。

財務概要

本集團過去五個財政年度之已公佈業績以及資產及負債概要載於本年報第156頁。此概要並不構成本集團經審核綜合財務報表的一部分。

股東週年大會

本公司截至2020年12月31日止年度之股東週年大會(「股東週年大會」)計劃將於2021年6月3日(星期四)舉行。召開股東週年大會之通告將根據適用法律、細則及上市規則刊發及寄發予股東。

Report of the Directors

董事會報告

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Thursday, 3 June 2021, the register of members of the Company will be closed from Monday, 31 May 2021 to Thursday, 3 June 2021, both days inclusive, during which no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 28 May 2021.

In addition, subject to the approval of the proposed final dividend by the shareholders at the AGM on Thursday, 3 June 2021, the register of members will be closed on Wednesday, 9 June 2021 for the purpose of determining shareholders who qualify for the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificate must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 8 June 2021.

CHARITABLE CONTRIBUTIONS

Charitable contributions made by the Group during the year ended 31 December 2020 amounted to approximately RMB523,000 (2019: approximately RMB208,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements of the property, plant and equipment of the Group during the year are set out in note 10 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the authorised share capital and issued share capital during the year ended 31 December 2020 are set out in note 25 to the consolidated financial statements.

Share Option Scheme

The Company adopted the share option scheme on 18 February 2020 (the "Share Option Scheme") for the purpose of rewarding certain eligible persons for their past contributions and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. Subject to the earlier termination of the Share Option Scheme in accordance with the rules thereof, the Share Option Scheme shall remain in force for a period of ten years commencing on 18 March 2020.

暫停辦理股份過戶登記手續

為確定出席將於2021年6月3日(星期四)舉行的股東週年大會並於會上投票的權利,本公司將於2021年5月31日(星期一)至2021年6月3日(星期四)(包括首尾兩日)暫停股份過戶登記,於有關期間內將不會辦理任何股份過戶登記。為合資格出席股東週年大會並於會上投票,所有股份過戶文件連同相關股票必須在不遲於2021年5月28日(星期五)下午四時三十分送達本公司的香港股份過戶登記處卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心54樓,以辦理登記。

此外,待股東於2021年6月3日(星期四)於股東週年大會上批准建議末期股息後,本公司將於2021年6月9日(星期三)暫停辦理股份過戶登記,以釐定符合資格享有建議末期股息的股東身份。為符合資格享有建議末期股息,所有轉讓文據及隨附相關股票必須於2021年6月8日(星期二)下午四時三十分前送交本公司的香港股份過戶登記處卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心54樓,以辦理登記。

慈善捐款

截至2020年12月31日止年度,本集團慈善捐款約為人民幣523,000元(2019年:約人民幣208,000元)。

物業、廠房及設備

本集團於年內的物業、廠房及設備變動詳情載於綜合財務報表附註10。

股本

截至2020年12月31日止年度,法定股本及已發行股本的變動詳情載於綜合財務報表附註25。

購股權計劃

本公司於2020年2月18日採納購股權計劃(購股權計劃),旨在獎勵若干合資格人士過往的貢獻,吸引及留聘對本集團的表現、增長或成功屬重要及/或其貢獻現時或將會對本集團的表現、增長或成功有利的合資格人士或以其他方式維持與彼等的持續關係。購股權計劃自2020年3月18日起計十年期間內維持有效,惟購股權計劃可根據本身的規則提前終止。

Report of the Directors

董事會報告

Eligible participants of the Share Option Scheme include any proposed, full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; any Directors or proposed Director (including non-executive Director and independent non-executive Directors) of the Company or any of its subsidiaries; any direct or indirect shareholder of the Company or any of its subsidiaries; and any consultants, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group, a person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of our Group, or a close associate of any of the foregoing persons. The maximum 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 62,500,000 shares representing 10% of the total number of issued shares of the Company as at the date of this annual report.

No option may be granted to any participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An offer of the grant of an option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within the period specified in the letter containing the offer of the grant of the option. Once such acceptance is made, the option shall be deemed to have been granted and to have taken effect from the offer date.

The exercise price of the options is determined by the Board in its absolute discretion and 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 sheets on the offer date; and
- (c) the average closing price of a share as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five Business Days (as defined in the Listing Rules) immediately preceding the offer date.

As at the date of this annual report, no option was granted under the Share Option Scheme.

購股權計劃的合資格參與者包括本公司或其任何附屬公司的任何建議、全職或兼職僱員、行政人員或高級職員；本公司或其任何附屬公司的任何董事或建議董事（包括非執行董事及獨立非執行董事）；本公司或其任何附屬公司的任何直接或間接股東；及本集團任何成員公司的任何顧問、業務或合營公司夥伴、特許經營商、承包商、代理或代表、向本集團任何成員公司提供研究、開發或其他技術支持或任何諮詢、顧問、專業或其他服務的個人或實體，或上述任何人士的緊密聯繫人。因行使根據購股權計劃及本集團任何其他計劃將予授出的所有購股權而可能獲發行的最高股份數目，合共不得超過62,500,000股股份（相當於本公司於本年報日期已發行股份總數的10%）。

倘因任何購股權計劃參與者行使在截至最近授出日期起計任何12個月期間內已向該名人士授出及將向其授出的購股權獲行使而已發行及將予發行的股份總數超過本公司不時已發行股本的1%，則不得向該名人士授出任何購股權。

當本公司於載有授出購股權要約的函件所列明的期限內收到經承授人妥為簽署有關接納購股權的函件複本，連同以本公司為收款人作出的1.00港元（作為獲授購股權的代價）匯款，則授出購股權要約將被視為已獲接納。一旦作出有關接納，購股權將被視為已授出，並於要約日期起生效。

購股權行使價乃由董事會全權酌情釐定，惟不得低於下列最高者：

- (a) 股份面值；
- (b) 於要約日期聯交所每日報價表所列股份收市價；及
- (c) 緊接要約日期前五個營業日（定義見上市規則）香港聯交所每日報價表所列股份平均收市價。

於本年報日期，購股權計劃項下並無授出購股權。

Report of the Directors

董事會報告

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2020 are set out in note 25 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries redeemed, purchased or sold any of the listed securities of the Company.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holdings of the Shares.

DISCLOSURE OF INTERESTS

Directors' Interest in the Company and Associated Corporation

As at 31 December 2020, the interests or short positions of the Directors and 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 the Securities and Futures Ordinance ("SFO")) which were required (i) pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or (ii) pursuant to Model Code contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

Name of Director	Capacity/Nature of Interest	Number of ordinary shares held/interested 所持／擁有權益 的普通股數目	Percentage of shareholding* 持股百分比*
董事姓名	身份／權益性質		
Mr. Xun MH 荀名紅先生	Interest in a controlled corporation ⁽¹⁾ 於受控制法團的權益 ⁽¹⁾	315,308,375	50.45%
Mr. Xun LB 荀良寶先生	Interest in a controlled corporation ⁽²⁾ 於受控制法團的權益 ⁽²⁾	46,194,125	7.39%

優先認股權

細則或開曼群島法律並無規定優先認股權的條文，致使本公司須按比例向現有股東發售新股份。

儲備

本公司及本集團截至2020年12月31日止年度的儲備變動詳情分別載於綜合財務報表附註25及綜合權益變動表。

購買、出售或贖回上市證券

截至2020年12月31日止年度，本公司或其任何附屬公司概無贖回、購買或出售本公司任何上市證券。

稅務寬減

本公司並不知悉有股東因持有股份而享有任何稅務寬減。

權益披露

董事於本公司及相聯法團的權益

於2020年12月31日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券證中擁有(i)根據證券及期貨條例第352條須登記於該條所述之登記冊內之權益或淡倉，或(ii)根據上市規則附錄十所載標準守則之規定而須知會本公司及聯交所之權益或淡倉如下：

於本公司普通股的好倉

Report of the Directors

董事會報告

Notes:

1. The Company is directly held as to 299,156,250 shares and 16,152,125 shares by MHX Investment Limited (“**MHX Investment BVI**”) and JingH Investment Limited (“**JingH Investment BVI**”), respectively. MHX Investment BVI is wholly-owned by Mr. Xun MH. JingH Investment BVI is owned as to 36.99% by Mr. Xun MH. Mr. Xun MH is deemed to be interested in the aggregate number of shares that are held by MHX Investment BVI and JingH Investment BVI under the SFO.
 2. The Company is directly held as to 46,194,125 shares by Furi Investment Limited (“**Furi Investment BVI**”). Furi Investment BVI is owned as to 42.01% by Mr. Xun LB. Mr. Xun LB is deemed to be interested in the number of Shares that are held by Furi Investment BVI under the SFO.
- * The percentage represents the number of shares of the Company interested divided by the number of the Company’s issued shares as at 31 December 2020.

Save as disclosed above, as at 31 December 2020, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

1. 本公司分別由MHX Investment Limited (「**MHX Investment BVI**」)及JingH Investment Limited (「**晶海投資BVI**」)直接持有299,156,250股股份及16,152,125股股份。MHX Investment BVI由荀名紅先生全資擁有。晶海投資BVI由荀名紅先生擁有36.99%。根據證券及期貨條例，荀名紅先生被視為為MHX Investment BVI及晶海投資BVI所持的股份總數中擁有權益。
 2. 本公司由Furi Investment Limited (「**福瑞投資BVI**」)直接持有46,194,125股股份。福瑞投資BVI由荀良寶先生擁有42.01%。根據證券及期貨條例，荀良寶先生被視為為福瑞投資BVI所持的股份數目中擁有權益。
- * 該百分比指本公司擁有權益之股份數目除以本公司於2020年12月31日之已發行股份數目。

除上文所披露者外，於2020年12月31日，概無本公司董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記錄於由本公司所存置登記冊的任何權益或淡倉，或根據標準守則須另行知會本公司及聯交所的任何權益或淡倉。

Report of the Directors

董事會報告

Substantial Shareholders' Interests in Shares in the Company other than Director

As at 31 December 2020, so far as our Directors or chief executive of our Company are aware, the following persons (other than a Director or chief executive of the Company) had interests or a short positions in shares or underlying shares of the Company, as recorded in the register of the Company required to be kept under Section 336 of the SFO:

除董事以外主要股東於本公司股份的權益

於2020年12月31日，據本公司董事或主要行政人員所知，以下人士（本公司董事或主要行政人員除外）於本公司的股份或相關股份中擁有根據證券及期貨條例第336條須記錄於由本公司所存置登記冊的權益或淡倉：

Name of Shareholder	Capacity/Nature of Interest	Number of ordinary shares held/interested	Percentage of shareholding*
股東名稱／姓名	身份／權益性質	所持／擁有權益的普通股數目	持股百分比*
MHX Investment BVI	Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾	299,156,250	47.87%
Ms. Song Dongling 宋冬玲女士	Interest of spouse ⁽¹⁾ 配偶權益 ⁽¹⁾	315,308,375	50.45%
CV Construction Capital Limited 海創建設資本有限公司	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	102,937,500	16.47%
Conch Venture Development Limited 海螺創業發展有限公司	Interest in a controlled corporation ⁽²⁾ 於受控制法團的權益 ⁽²⁾	102,937,500	16.47%
Yijiang International Limited 弋江國際有限公司	Interest in a controlled corporation ⁽²⁾ 於受控制法團的權益 ⁽²⁾	102,937,500	16.47%
Shanghai Yijiang Investment Limited 上海弋江投資有限公司	Interest in a controlled corporation ⁽²⁾ 於受控制法團的權益 ⁽²⁾	102,937,500	16.47%
Anhui Conch Venture Investment 安徽海螺創業投資	Interest in a controlled corporation ⁽²⁾ 於受控制法團的權益 ⁽²⁾	102,937,500	16.47%
Furi Investment BVI 福瑞投資BVI	Beneficial owner ⁽³⁾ 實益擁有人 ⁽³⁾	46,194,125	7.39%
Ms. Leng Yan 冷艷女士	Interest of spouse ⁽³⁾ 配偶權益 ⁽³⁾	46,194,125	7.39%

Report of the Directors

董事會報告

Notes:

1. The Company is directly held as to 299,156,250 shares and 16,152,125 shares by MHX Investment BVI and JingH Investment BVI, respectively. MHX Investment BVI is wholly-owned by Mr. Xun MH. JingH Investment BVI is owned as to 36.99% by Mr. Xun MH. Mr. Xun MH is deemed to be interested in the same number of shares that are held by MHX Investment BVI and JingH Investment BVI under the SFO. Ms. Song Dongling is the spouse of Mr. Xun MH and is therefore deemed to be interested in the same number of shares in which Mr. Xun MH is interested under the SFO.
2. The Company is directly held as to 102,937,500 shares by CV Construction Capital Limited (“**CV Construction BVI**”). CV Construction BVI is wholly-owned by Conch Venture Development Limited (“**Conch Venture Development**”). Conch Venture Development is wholly-owned by Yijiang International Limited. Yijiang International Limited is wholly-owned by Shanghai Yijiang Investment Limited, which in turn is wholly-owned by Anhui Conch Venture Investment. Accordingly, each of Conch Venture Development, Yijiang International Limited, Shanghai Yijiang Investment Limited and Anhui Conch Venture Investment is deemed to be interested in the same number of shares that are held by CV Construction BVI under the SFO.
3. The Company is directly held as to 46,194,125 shares by Furi Investment BVI. Furi Investment BVI is owned as to 42.01% by Mr. Xun LB. Mr. Xun LB is deemed to be interested in the number of shares that are held by Furi Investment BVI under the SFO. Ms. Leng Yan is the spouse of Mr. Xun LB and is therefore deemed to be interested in the same number of shares in which Mr. Xun LB is interested under the SFO.
- * The percentage represents the number of shares of the Company interested divided by the number of the Company’s issued shares as at 31 December 2020.

Save as disclosed above, as at 31 December 2020, no person, other than the Directors, whose interests are set out in the section headed “Directors’ Interest in the Company and Associated Corporation” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

附註：

1. 本公司分別由MHX Investment BVI及晶海投資BVI直接持有299,156,250股股份及16,152,125股股份。MHX Investment BVI由荀名紅先生全資擁有。晶海投資BVI由荀名紅先生擁有36.99%。根據證券及期貨條例，荀名紅先生被視為於MHX Investment BVI及晶海投資BVI所持的相同數目的股份中擁有權益。宋冬玲女士為荀名紅先生的配偶，因此，根據證券及期貨條例，其被視為於荀名紅先生擁有權益的相同數目的股份中擁有權益。
2. 本公司由海創建設資本有限公司（「**海創建設BVI**」）直接持有102,937,500股股份。海創建設BVI由海螺創業發展有限公司（「**海螺創業發展**」）全資擁有。海螺創業發展由弋江國際有限公司全資擁有，弋江國際有限公司由上海弋江投資有限公司全資擁有，而上海弋江投資有限公司由安徽海螺創業投資全資擁有。因此，根據證券及期貨條例，海螺創業發展、弋江國際有限公司、上海弋江投資有限公司及安徽海螺創業投資各自被視為於海創建設BVI持有的相同數目的股份中擁有權益。
3. 本公司由福瑞投資BVI直接持有46,194,125股股份。福瑞投資BVI由荀良寶先生擁有42.01%。根據證券及期貨條例，荀良寶先生被視為於福瑞投資BVI所持的股份數目中擁有權益。冷艷女士為荀良寶先生的配偶，因此，根據證券及期貨條例，其被視為於荀良寶先生擁有權益的相同數目的股份中擁有權益。
- * 該百分比指本公司擁有權益之股份數目除以本公司於2020年12月31日之已發行股份數目。

除上文所披露外，於2020年12月31日，除於上文「董事於本公司及相聯法團的權益」一節所載之董事的權益外，概無人士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條須予登記之權益或淡倉。

Report of the Directors

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Apart from the Share Option Scheme as set out in the section headed "Share Option Scheme" above, at no time during the year under review was the Company or any of its holding companies or subsidiary, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

EQUITY-LINKED AGREEMENT

During the year under review, other than the Share Option Scheme as set out in the section headed "Share Option Scheme" above, the Company has not entered into any equity-linked agreement.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately RMB182.9 million (31 December 2019: Nil).

COMPETING INTERESTS

The Directors confirm that none of the controlling shareholders of the Company (as defined in the Listing Rules) or the Directors and their respective close associates (as defined in the Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business at any time during the year ended 31 December 2020.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2020 are set out in note 13 to the consolidated financial statements.

購買股份或債權證之安排

除上文「購股權計劃」一節所載的購股權計劃外，本公司或其任何控股公司或附屬公司於回顧年度內並無參與任何安排，使本公司董事取得本公司或任何其他法人團體之股份或債券證而獲取利益。

股權掛鈎協議

於回顧年度內，除上文「購股權計劃」一節所載的購股權計劃外，本公司概無訂立任何股權掛鈎協議。

可供分派儲備

於2020年12月31日，根據開曼群島法例第22章公司法（1961年法例3，經綜合及修訂）計算之本公司可供分配儲備約為人民幣182.9百萬元（2019年12月31日：無）。

競爭權益

董事確認，於截至2020年12月31日止年度的任何時候，概無本公司控股股東（定義見上市規則）或董事及其各自的緊密聯繫人（定義見上市規則）於任何直接或間接與本集團業務構成競爭或可能構成競爭的任何業務（本集團所經營業務除外）中擁有權益。

附屬公司

本公司主要附屬公司於2020年12月31日的資料載於綜合財務報表附註13。

Report of the Directors

董事會報告

DIRECTORS

The directors of the Company during the year ended 31 December 2020 and up to the date of this annual report were:

Executive Directors

Mr. Xun Minghong (*Chairman*)
Mr. He Wenlin
Ms. Zheng Ping

Non-executive Directors

Mr. Yang Kaifa
Mr. Zeng Guohua
Mr. Xun Liangbao

Independent Non-executive Directors

Mr. Sze Irons, B.B.S., J.P.
Mr. Wong Kun Kau
Mr. Zhu Diwu

Pursuant to Article 108(a) of the Articles, one-third of the Directors shall retire from office by rotation at each annual general meeting and every Director shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considered all of its Independent Non-executive Directors to be independent in accordance with the guidelines as set out under the Listing Rules.

TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Connected Transactions and Related Party Transactions" in this annual report, there was no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company, its holding Company, or any of its subsidiaries was a party and in which a Director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2020, nor was there any transactions, arrangements or contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries for the year.

董事

截至2020年12月31日止年度及直至本年報日期，本公司董事為：

執行董事

荀名紅先生(主席)
何文林先生
鄭萍女士

非執行董事

楊開發先生
曾國華先生
荀良寶先生

獨立非執行董事

施榮懷先生(銅紫荊星章，太平紳士)
黃灌球先生
朱地武先生

根據細則第108(a)條，三分之一董事須於每次股東週年大會上輪值退任，而每名董事須至少每3年輪值退任一次。退任董事有資格膺選連任。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出之年度確認。本公司已根據上市規則所載指引，考慮其所有獨立非執行董事的獨立性。

重大交易、安排及合約

除本年報「關連交易及關聯方交易」段落所披露者外，於截至2020年12月31日止年度末或年內任何時間並無存續有關本集團業務的重大交易、安排或合約，而該交易、安排或合約由本公司、其控股公司、或其任何附屬公司訂立且本公司董事或其關連實體於其中直接或間接擁有重大權益，年內亦無任何有關控股股東(定義見上市規則)或其任何附屬公司向本公司或其任何附屬公司提供服務的重大交易、安排或合約。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals of the Group for the year ended 31 December 2020 are set out in notes 7 and 8 to the consolidated financial statements.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management of the Company are set out in the section of "Profile of Directors and Senior Management" of this annual report.

RETIREMENT SCHEMES

The Group participates in defined contribution retirement benefit schemes organised by the PRC municipal and provincial government authorities for the Group's eligible employees in the PRC, and operates a Mandatory Provident Fund scheme for the employees in Hong Kong.

Particulars of these retirement plans are set out in note 22 to the consolidated financial statements.

EMOLUMENTS POLICIES

Details of the Group's emolument policies are set out in the paragraph headed "Employees and remuneration policies" in the section of "Management Discussion and Analysis".

The Directors' fees and other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Company as well as the prevailing market conditions. Details of the remuneration of the Directors of the Company for the year ended 31 December 2020 are set out in note 7 to the consolidated financial statements.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company, which were not a contract of service with any Director or any person engaged in the full-time employment of the Company were entered into or existed during the year.

董事服務合約

於應屆股東週年大會上獲提名膺選連任的董事，概無與本公司訂立服務合約，致使本公司不可於一年內無償(法定賠償除外)終止合約。

董事及五名最高薪酬人士的薪酬

截至2020年12月31日止年度，董事及本集團五名最高薪酬人士的薪酬詳情載於綜合財務報表附註7及8。

董事及高級管理人員的履歷詳情

本公司董事及高級管理人員的簡要履歷詳情載於本年報「董事及高級管理人員履歷」一節。

退休計劃

本集團就本集團合資格的中國僱員參與由中國省及市政府機關組織的界定供款退休福利計劃，並為香港僱員安排參與強制性公積金計劃。

該等退休計劃的詳情載於綜合財務報表附註22。

薪酬政策

本集團的薪酬政策詳情載於「管理層討論與分析」一節中「僱員及薪酬政策」一段。

董事袍金及其他酬金由董事會參照董事職務、責任及表現及本公司業績以及當前市況釐定。截至2020年12月31日止年度，本公司董事的薪酬詳情載於綜合財務報表附註7。

管理合約

年內，概無訂立或存在有關本公司全部或任何重要部分業務的管理及行政合約，而有關合約並非與任何董事或本公司任何全職僱員訂立的服務合約。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Details of the material related party transactions undertaken by the Group in its normal course of business are set out in note 28 to the consolidated financial statements. The related party transaction which constituted connected transaction under the Listing Rules, and is subject to the reporting, announcement and annual review requirements Chapter 14A of the Listing Rules are set out below:

Tenancy agreements with Conch Venture Henghai Investment (Zhuhai) Co., Ltd. (“Conch Venture Henghai”).

Conch Venture Henghai is wholly owned by Anhui Conch Venture Investment Co. Ltd.* (安徽海螺創業投資有限責任公司), a substantial shareholder of the Company as at the date of this report. Conch Venture Henghai is considered an associate of Anhui Conch Venture Investment and a connected person of our Company under Chapter 14A of the Listing Rules. Mr. Yang Kaifa (楊開發) is a director of both Conch Venture Henghai and the Company as at the date of this report.

On 22 March 2019, Guangdong Haizhijian Engineering entered into a tenancy agreement with Conch Venture Henghai in relation to a property in Zhuhai, Guangdong to support the business development of the Group in the region. Details of the tenancy agreement are set out below:

Lessor 出租人	Tenant 租戶	Property 物業	Term 租期	Monthly rent 月租
Conch Venture Henghai	Guangdong Haizhijian Engineering Technology Co., Ltd.	Office	From 1 April 2019 to 31 March 2020	RMB149,500 (Note)
海創橫海	廣東海之建工程科技有限公司	辦公室	2019年4月1日至2020年3月31日	人民幣149,500元 (附註)

Note:

In view of the adverse impact brought by the pandemic, Conch Venture Henghai granted a 50% rent concession to the Group. Based on the supplemental agreement dated 31 December 2020, the monthly rental charge was decreased from RMB299,000 to RMB149,500 for the entire term of the agreement.

The transaction contemplated under the above tenancy agreement is subject to the reporting, announcement and annual review requirements, but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

關連交易及關聯方交易

本集團於日常業務過程中進行的重大關聯方交易的詳情載於綜合財務報表附註28內。根據上市規則構成關連交易及根據上市規則第14A章須遵守申報、公告及年度審閱規定的關聯方交易載於下文：

與海創橫海投資(珠海)有限公司(「海創橫海」)訂立租賃協議。

於本報告日期，海創橫海由本公司主要股東安徽海螺創業投資有限責任公司全資擁有。根據上市規則第14A章，海創橫海被視為安徽海螺創業投資的聯繫人及本公司的關連人士。於本報告日期，楊開發先生為海創橫海及本公司的董事。

於2019年3月22日，廣東海之建工程與海創橫海就廣東省珠海市的一項物業訂立租賃協議，以支持本集團在該地區的業務發展。租賃協議的詳情載列如下：

附註：

鑑於疫情帶來的不利影響，海創橫海向本集團授予50%租金優惠。根據日期為2020年12月31日的補充協議，整個協議期內的月租由人民幣299,000元減少至人民幣149,500元。

根據上市規則第14A章，上述租賃協議項下擬進行的交易須遵守申報、公告及年度審閱規定，惟獲豁免遵守通函及獨立股東批准規定。

Report of the Directors

董事會報告

Save for disclosed above, the related party transactions which constituted connected transactions under the Listing Rules, are exempted from the reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" of this annual report.

PUBLIC FLOAT

As at the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

PERMITTED INDEMNITY

Pursuant to the Articles, applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Such permitted indemnity provision has been in force throughout the year under review. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to support environmental protection to ensure business development and sustainability. The Group implements green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled papers, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

A separate environmental, social and governance report is expected to be published on the Stock Exchange's website and the Company's website no later than three months after the publication of this annual report in accordance with the requirement under the Listing Rules.

除上文所披露者外，根據上市規則第14A章，根據上市規則構成關連交易的關聯方交易獲豁免遵守申報、公告、年度審閱及獨立股東批准規定。

企業管治

本公司採納的企業管治常規的詳情載於本年報「企業管治報告」一節。

公眾持股量

於本年報日期，根據本公司所得公開資料及據董事所知，本公司已維持上市規則項下規定的公眾持股量。

獲准許彌償

根據細則、適用法律及法規，各董事就彼等或彼等任何一人基於其職位履行其職務而產生或蒙受的所有訴訟、費用、收費、損失、損害及開支，均可自本公司的資產及溢利獲得彌償，確保避免就此受損。該等獲准許彌償條文已於整個回顧年度內生效。本公司已就本集團董事及高級職員安排合適的董事及高級職員的責任保險。

環境、社會及管治報告

本集團致力於支持環保，以確保業務發展及可持續發展。本集團實行綠色辦公常規，以減少能源及天然資源的消耗。該等常規包括使用節能照明及循環再造紙張，並通過關閉閒置電燈、電腦及電器，以減少能源消耗及盡可能使用環保產品。

根據上市規則的規定，預期將於本年報刊發後三個月內於聯交所網站及本公司網站刊發一份獨立的環境、社會及管治報告。

Report of the Directors

董事會報告

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period of the Group.

AUDITOR

The consolidated financial statements for the year ended 31 December 2020 have been audited by KPMG, who shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board

Xun Minghong
Chairman

Fujian, 29 March 2021

報告期後事件

報告期後本集團概無發生重大事件。

核數師

截至2020年12月31日止年度的綜合財務報表已獲畢馬威會計師事務所審核，其將退任並符合資格及願意接受續聘。本公司將於應屆股東週年大會提呈決議案，以續聘畢馬威會計師事務所為本公司核數師。

承董事會命

主席
荀名紅

福建，2021年3月29日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



**Independent auditor's report to the shareholders of
Jianzhong Construction Development Limited**
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Jianzhong Construction Development Limited ("the Company") and its subsidiaries ("the Group") set out on pages 65 to 155, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

獨立核數師報告
致建中建設發展有限公司股東
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第65至155頁的建中建設發展有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表。此財務報表包括於2020年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計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》(以下簡稱「守則」)以及與我們對開曼群島綜合財務報表的審計相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

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.

Revenue recognition for construction contracts

Refer to notes 3(a) and 15 to the consolidated financial statements and the accounting policies in notes 1(k) and 1(s)(i).

The Key Audit Matter

關鍵審計事項

The Group recorded revenue from the provision of construction service, including foundation works, formwork and scaffolding works, construction of sewage treatment infrastructure and other construction works, in mainland China totalling RMB1,278.8 million for the year ended 31 December 2020.

截至2020年12月31日止年度，貴集團自於中國內地提供建築服務，包括地基工程、模板及腳手架工程、污水處理基礎設施建設及其他建築工程，錄得收益合共人民幣1,278.8百萬元。

Contract revenue is recognised progressively over time using the output method, based on direct measurements of the value of contract work performed, which is mainly reflected by the progress certificates issued by customers. The customer will provide final account when the whole project is completed and may have adjustments on the amount recognised to date according to the actual surveys of work performed at completion.

合約收益按所執行合約工程的直接價值計量，採用輸出法隨時間累進確認，該價值主要反映在客戶簽發的進度證明上。整個項目完成後，客戶將提供最終賬目，且可能根據完成時對已完成合約工程的實際測量對截至目前所確認的金額作出調整。

We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.

我們把收益確認識別為關鍵審計事項，原因為收益是貴集團的關鍵績效指標之一，而當中涉及管理層為達到特定目標或預期而操控收益確認時間的固有風險。

關鍵審計事項

關鍵審計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計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

建築合約收益確認

參閱綜合財務報表附註3(a)及附註15及附註1(k)及附註1(s)(i)中的會計政策。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures to assess revenue recognition for construction contracts included the following:

我們就評估建築合約收益確認所進行的審計程序包括以下各項：

- assessing the design, implementation and operating effectiveness of key internal controls over the contract revenue recognition processes;
- 評估合約收益確認程序所涉主要內部監控的設計、執行及運作成效；
- inspecting a sample of contracts with customers, to identify key terms and conditions, and to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards;
- 抽樣檢查與客戶訂立的合約，以識別主要條款及條件，並參考現行會計準則的規定評估貴集團的收益確認標準；
- comparing the contract revenue recognised for construction projects during the year, on a sample basis, with progress certificates issued by customers;
- 抽樣將年內就建築項目確認的合約收益與客戶簽發的進度證明進行對比；

Independent Auditor's Report

獨立核數師報告

Revenue recognition for construction contracts

Refer to notes 3(a) and 15 to the consolidated financial statements and the accounting policies in notes 1(k) and 1(s)(i).

The Key Audit Matter

關鍵審計事項

建築合約收益確認

參閱綜合財務報表附註3(a)及附註15及附註1(k)及附註1(s)(i)中的會計政策。

How the matter was addressed in our audit

我們的審計如何處理該事項

- conducting site visits, on a sample basis, to observe the progress of individual projects and discussing with project managers or site personnel about the physical status of the respective project with reference to the agreed timetable and the Group's accounting records;
- 抽樣進行實地視察，以觀察個別項目的進度，並參照協定時間表及貴集團的會計記錄與項目經理或地盤人員討論相關項目的實地情況；
- comparing the certified amounts in the final accounts, for contracts completed during the year, with the contract revenue recognised to date, to assess whether adjustments in the final accounts, if any, have been reflected in the Group's accounting records; and
- 就年內已完成合約，將最終賬目中的認證金額與截至目前所確認的合約收益進行比對，以評估最終賬目中的調整(如有)是否反映在貴集團的會計記錄中；及
- obtaining confirmations, on a sample basis, from major customers of the Group to confirm amounts certified for selected construction projects during the year and, for unreturned confirmations, performing alternative procedures by comparing details with contracts, and other underlying project related documentation.
- 抽樣向貴集團主要客戶獲取確認書，以確認年內選定建築項目的確認金額，並對未予確認者執行其他程序，包括對比收益詳情與合約及其他相關的項目相關文件。

Independent Auditor's Report

獨立核數師報告

Expected credit loss allowance for trade receivables, bills receivable and contract assets

Refer to notes 16 and 26(a) to the consolidated financial statements and the accounting policies in note 1(i)(i).

The Key Audit Matter

關鍵審計事項

As at 31 December 2020, the Group's gross trade receivables, bills receivable and contract assets amounted to RMB1,582.7 million, against which an allowance of RMB163.8 million for expected credit losses (ECLs) was recorded. The Group's trade receivables, bills receivable and contract assets mainly arose from provision of construction service.

於2020年12月31日，貴集團貿易應收款項、應收票據及合約資產總額為人民幣1,582.7百萬元，已計提的預期信貸損失準備金額為人民幣163.8百萬元。貴集團的貿易應收款項、應收票據及合約資產主要來自提供建築服務。

The Group measures the loss allowance at an amount equal to lifetime ECL based on estimated loss rates for each category of receivables grouped according to the shared credit risk characteristics. The estimated loss rates take into account the ageing of trade receivable balances, the repayment history of the Group's customers, current market conditions, customer-specific conditions, and forward-looking information. Such assessment involves significant management judgement and estimation.

貴集團基於相似信貸風險特徵的每類應收款項的預期損失率，按照相當於整個存續期內預期信貸損失的金額計量損失準備。預期損失率考慮貿易應收款項結餘賬齡、貴集團客戶的償還歷史、當前市場情況、客戶特定情況和前瞻性資料。該評估涉及重大的管理層判斷和估計。

We identified the ECL for trade receivables, bills receivable and contract assets as a key audit matter because determining the level of the loss allowance requires the exercise of significant management judgement which is inherently subjective.

由於損失準備的確定涉及重大的管理層判斷，且其存在固有不确定性，我們將貿易應收款項、應收票據及合約資產的預期信貸損失識別為關鍵審計事項。

貿易應收款項，應收票據及合約資產預期信貸損失準備

參閱綜合財務報表附註16及附註26(a)及附註1(i)(i)中的會計政策。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures to assess the ECL allowance for trade receivables, bills receivable and contract assets included the following:

我們評估貿易應收款項、應收票據及合約資產預期信貸損失準備的審計程序包括以下各項：

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and credit loss allowance calculation;
- 了解與信貸風險控制、債務收回及信貸損失準備計算相關的關鍵內部控制，並評價其設計、執行和運行有效性；
- evaluating the Group's policy for estimating the credit loss allowance with reference to the requirements of the prevailing accounting standards;
- 參照現行會計準則的要求，評價貴集團估計信貸損失準備的會計政策；
- assessing whether items in the trade receivables ageing report were categorised in the appropriate ageing bracket by comparing individual items therein with relevant underlying documentation, on a sample basis;
- 抽樣將貿易應收款項賬齡分析報告中的單個項目與相關的支持性文件進行比較，評估當中項目是否被歸類於適當的賬齡框架；
- obtaining an understanding of the key parameters and assumptions of the expected credit loss model adopted by the management, including the basis of segmentation of the trade receivables, bills receivable and contract assets based on credit risk characteristics of customers and the historical default data in management's estimated loss rates;
- 了解管理層預期信貸損失模型中所運用的關鍵參數及假設，包括管理層基於客戶信貸風險特徵對貿易應收款項、應收票據及合約資產進行分組的基礎，以及管理層預期損失率中包含的歷史違約資料；

Independent Auditor's Report

獨立核數師報告

Expected credit loss allowance for trade receivables, bills receivable and contract assets

Refer to notes 16 and 26(a) to the consolidated financial statements and the accounting policies in note 1(i)(i).

The Key Audit Matter

關鍵審計事項

貿易應收款項，應收票據及合約資產預期信貸損失準備

參閱綜合財務報表附註16及附註26(a)及附註1(i)(i)中的會計政策。

How the matter was addressed in our audit

我們的審計如何處理該事項

- assessing the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current market conditions, customer-specific conditions and forward-looking information; and
- 通過檢查管理層用於作出有關估計的資料，包括測試歷史違約資料的準確性，評估歷史損失率是否適當根據當前市場狀況、客戶特定情況及前瞻性資料進行調整，評價管理層對於損失準備估計的適當性；及
- re-performing the calculation of the loss allowance as at 31 December 2020 based on the Group's credit loss allowance policy.
- 基於 貴集團信貸損失準備計提的會計政策重新計算於2020年12月31日的損失準備。

Independent Auditor's Report

獨立核數師報告

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

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，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信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，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

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要求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擬備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。

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

審核委員會協助董事履行監督 貴集團的財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

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

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

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

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

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

核數師就審計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。我們是僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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

在根據香港審計準則進行審計的過程中，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，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，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。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report

獨立核數師報告

- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。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計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、架構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計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，採取行動以消除威脅或應用防範措施。

Independent Auditor's Report

獨立核數師報告

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 Liu Hin Pan.

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計最為重要，因而構成關鍵審計事項。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計項目合夥人是廖顯斌。

KPMG

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

29 March 2021

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

2021年3月29日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2020 (Expressed in Renminbi) 截至2020年12月31日止年度（以人民幣列示）

		Note	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
		附註		
Revenue	收益	3	1,278,769	1,578,218
Cost of sales	銷售成本		(990,338)	(1,224,195)
Gross profit	毛利		288,431	354,023
Other net income	其他淨收入	4	10,176	15,608
Administrative expenses	行政開支		(93,154)	(118,908)
Impairment loss on assets arising from contracts with customers	與客戶合約所產生資產的減值虧損	26(a)	(114,767)	(20,808)
Other operating expenses	其他經營開支		(3,179)	(4,230)
Profit from operations	經營利潤		87,507	225,685
Finance cost	融資成本	5(a)	(18,458)	(17,363)
Profit before taxation	稅前利潤	5	69,049	208,322
Income tax	所得稅	6(a)	(9,299)	(29,082)
Profit for the year	期內利潤		59,750	179,240
Earnings per share	每股盈利	9	0.10	0.38
Basic and diluted (RMB)	基本及攤薄（人民幣）			

The notes on pages 71 to 155 form part of these financial statements.

第71至155頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2020 (Expressed in Renminbi) 截至2020年12月31日止年度（以人民幣列示）

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Profit for the year	年內利潤	59,750	179,240
Other comprehensive income for the year <i>Item that may be reclassified subsequently to profit or loss:</i>	年內其他全面收益 其後可能重新分類至損益 的項目：		
Exchange differences on translation of financial statements of operations outside mainland China	換算中國內地以外業務 財務報表的匯兌差額	(1,122)	4
Other comprehensive income for the year	年內其他全面收益	(1,122)	4
Total comprehensive income for the year	年內全面收益總額	58,628	179,244

The notes on pages 71 to 155 form part of these financial statements.

第71至155頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2020 (Expressed in Renminbi) 於2020年12月31日 (以人民幣列示)

		Note	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	477,276	397,232
Intangible assets	無形資產	11	3,618	702
Receivables under service concession arrangement	服務特許權安排項下的應收款項	17	29,201	32,909
Deferred tax assets	遞延稅項資產	23(b)	1,219	4,031
Other non-current assets	其他非流動資產	12	25,108	10,724
			536,422	445,598
Current assets	流動資產			
Inventories	存貨	14	28,268	26,561
Contract assets	合約資產	15	581,612	490,201
Trade and other receivables	貿易及其他應收款項	16	903,243	476,509
Receivables under service concession arrangement	服務特許權安排項下的應收款項	17	6,448	17,436
Restricted bank balances	受限制銀行結餘	18	17,042	2,727
Cash and cash equivalents	現金及現金等價物	19	200,884	102,968
			1,737,497	1,116,402
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	20	753,934	581,359
Contract liabilities	合約負債	15	5,720	13,322
Loans and borrowings	貸款及借款	21	296,953	57,256
Current taxation	即期稅項	23(a)	9,190	12,238
			1,065,797	664,175
Net current assets	流動資產淨額		671,700	452,227

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020 (Expressed in Renminbi) 於2020年12月31日 (以人民幣列示)

		Note 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Total assets less current liabilities	總資產減流動負債		1,208,122	897,825
Non-current liabilities	非流動負債			
Loans and borrowings	貸款及借款	21	89,541	64,492
Deferred tax liabilities	遞延稅項負債	23(b)	2,661	—
Other non-current liabilities	其他非流動負債	24	22,575	9,201
			114,777	73,693
NET ASSETS	資產淨值		1,093,345	824,132
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	25(c)	5,671	—*
Reserves	儲備		1,087,674	824,132
TOTAL EQUITY	權益總額		1,093,345	824,132

* The balance represents an amount less than RMB1,000.

* 該結餘金額不足人民幣1,000元。

Approved and authorised for issue by the board of directors on 29 March 2021.

於2021年3月29日獲董事會批准並獲授權發行。

Xun Minghong
荀名紅
Director
董事

He Wenlin
何文林
Director
董事

The notes on pages 71 to 155 form part of these financial statements.

第71至155頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 (Expressed in Renminbi) 截至2020年12月31日止年度 (以人民幣列示)

	Note	Share capital	Share Premium	Capital reserve	Statutory reserve	Special reserve	Exchange reserve	Other reserve	Retained profits	Total
	附註	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
Balance at 1 January 2019	於2019年1月1日的結餘	148,000	—	184,825	23,768	6,903	—	—	193,492	556,988
Changes in equity for 2019:	於2019年的權益變動：									
Profit for the year	年內利潤	—	—	—	—	—	—	—	179,240	179,240
Other comprehensive income	其他全面收益	25(e)(iv)	—	—	—	—	4	—	—	4
Total comprehensive income	全面收益總額		—	—	—	—	4	—	179,240	179,244
Appropriation to statutory reserve	劃撥至法定儲備	25(e)(ii)	—	—	21,296	—	—	—	(21,296)	—
Transfer to special reserve	轉撥至專項儲備	25(e)(iii)	—	—	—	4,833	—	—	(4,833)	—
Capital injection from equity shareholders	權益股東注資	25(e)(i)	20,450	—	71,575	—	—	—	—	92,025
Issuance of new shares	發行新股	25(e)(i)	—*	—	—	—	—	—	—	—*
Elimination of capital upon Reorganisation	重組後股本對銷	25(e)(v)	(168,450)	—	—	—	—	164,325	—	(4,125)
Balance at 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日的結餘		—*	256,400	45,064	11,736	4	164,325	346,603	824,132
Changes in equity for 2020:	2020年權益變動：									
Profit for the year	年內利潤		—	—	—	—	—	—	59,750	59,750
Other comprehensive income	其他全面收益	25(e)(iv)	—	—	—	—	(1,122)	—	—	(1,122)
Total comprehensive income	全面收益總額		—	—	—	—	(1,122)	—	59,750	58,628
Appropriation to statutory reserve	劃撥至法定儲備	25(e)(ii)	—	—	8,958	—	—	—	(8,958)	—
Transfer to special reserve	轉撥至專項儲備	25(e)(iii)	—	—	—	3,057	—	—	(3,057)	—
Capitalisation issue	資本化發行		4,246	(4,246)	—	—	—	—	—	—
Issuance of ordinary shares upon initial public offering, net of listing expenses	於首次公開發售時發行普通股，扣除上市費用		1,425	209,160	—	—	—	—	—	210,585
Balance at 31 December 2020	於2020年12月31日的結餘		5,671	204,914	54,022	14,793	(1,118)	164,325	394,338	1,093,345

* The balances represent amounts less than RMB1,000.

* 該等結餘金額不足人民幣1,000元。

The notes on pages 71 to 155 form part of these financial statements.

第71至155頁的附註構成該等財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2020 (Expressed in Renminbi) 截至2020年12月31日止年度 (以人民幣列示)

		Note 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Operating activities	經營活動			
Cash (used in)/generated from operations	經營(所用)/產生的現金	19(b)	(207,960)	138,080
Income tax paid	已付所得稅		(6,874)	(57,644)
Net cash (used in)/generated from operating activities	經營活動(所用)/產生的現金淨額		(214,834)	80,436
Investing activities	投資活動			
Payments for the purchase of property, plant and equipment	購買物業、廠房及設備付款		(131,481)	(83,818)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		18,984	5,735
Acquisition of a subsidiary, net of cash acquired	收購附屬公司，扣除所收購的現金	19(f)	(3,300)	—
Net cash used in investing activities	投資活動所用現金淨額		(115,797)	(78,083)
Financing activities	融資活動			
Proceeds from new bank loans	新借銀行貸款所得款項	19(c)	282,618	153,210
Repayment of bank loans	償還銀行貸款	19(c)	(62,477)	(160,751)
Payments of lease liabilities	租賃負債付款	19(c)	(859)	(1,691)
Payment for acquisition of equipment by instalments	購買設備分期付款	19(c)	(35,563)	(28,779)
Payments for capital element of obligations arising from sale and leaseback transactions	售後租回交易產生的義務的資本部分付款	19(c)	(2,411)	(9,425)
Proceeds from borrowings under sale and leaseback transactions	售後租回交易的借款所得款項	19(c)	50,000	—
Interests paid	已付利息	19(c)	(16,746)	(17,051)
Capital injections from equity shareholders	權益股東注資		—	92,025
Gross proceeds from initial public offering	首次公開發售所得款項總額		235,041	—
Payment of listing expenses	上市費用付款		(19,928)	(4,415)
Transactions with shareholders during the reorganisation	重組期間與股東的交易	19(c)	—	(4,125)
Advances from related parties	關聯方墊款	19(c)	—	25,972
Repayments to related parties	向關聯方還款	19(c)	—	(38,127)
Net cash generated from financing activities	融資活動產生的現金淨額		429,675	6,843
Net increase in cash and cash equivalents	現金及現金等價物增加淨額		99,044	9,196
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	19(a)	102,968	93,772
Effect of foreign exchange rate changes	匯率變動的影響		(1,128)	—
Cash and cash equivalents at 31 December	於12月31日的現金及現金等價物	19(a)	200,884	102,968

The notes on pages 71 to 155 form part of these financial statements.

第71至155頁的附註構成該等財務報表的一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

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

The Company was incorporated in the Cayman Islands on 5 February 2019 as an exempted company with limited liability under the Cayman Islands Companies Law CAP. 22. The Company is an investment holding company and has not carried on any business since the date of its incorporation save for the group reorganisation in preparation for the listing (“Reorganisation”). The Company’s shares were listed on the Main Board on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 18 March 2020. The Group is principally engaged in the provision of construction service, leasing of construction machinery, equipment and tools, and provision of sewage treatment service in mainland China.

1 重大會計政策

(a) 合規聲明

本財務報表乃根據全部適用之香港財務報告準則(「香港財務報告準則」)(此統稱包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則以及香港公司條例之披露規定而編製。本財務報表亦符合香港聯合交易所證券上市規則的適用披露條文。本集團採納的重大會計政策披露如下。

香港會計師公會已頒佈若干香港財務報告準則的修訂本，該等香港財務報告準則於本集團之現行會計期間首次生效或可供提早採納。附註1(c)提供首次應用該等變更導致會計政策出現任何變動的資料，而有關變動與本集團於該等財務報表中所反映的當前會計期間相關。

(b) 財務報表編製基準

截至2020年12月31日止年度的綜合財務報表包括本公司及其附屬公司。

於2019年2月5日，本公司根據開曼群島公司法第二十二章於開曼群島註冊成立為一間獲豁免有限公司。本公司為一間投資控股公司，自註冊成立之日起，除為籌備上市而進行集團重組(「重組」)外，並無開展任何業務。本公司股份於2020年3月18日在香港聯合交易所有限公司(「聯交所」)主板上市。本集團主要於中國內地提供建築服務、建築機械、設備及工具租賃，以及提供污水處理服務。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements (Continued)

The consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand. RMB is the functional currency and the reporting currency for the Company's subsidiaries established in the PRC. The functional currency of the Company is Hong Kong Dollars. The measurement basis used in the preparation of the financial statements is the historical cost basis.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2.

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKFRS 3, *Definition of a Business*

1 重大會計政策(續)

(b) 財務報表編製基準(續)

本綜合財務報表乃以人民幣(「人民幣」)列值，並四捨五入至最接近的千位。人民幣為本公司中國附屬公司的功能貨幣及報告貨幣。本公司的功能貨幣為港元。編製財務報表所使用的計量基準為歷史成本基準。

根據香港財務報告準則編製財務報表要求管理層須作出判斷、估計及假設，而該等判斷、估計及假設會影響會計政策的應用以及資產、負債、收益及開支的呈報金額。該等估計及相關假設乃基於過往經驗及在有關情況下視為合理的各項其他因素作出，其結果構成對未能透過其他來源確定的資產及負債的賬面值作出判斷的基礎。實際結果或有別於該等估計。

該等估計及相關假設會持續予以審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂於該期間內確認，或倘修訂對現時及未來期間均產生影響，則會或於作出該修訂期間及未來期間內確認。

管理層於應用香港財務報告準則時所作出對財務報表有重大影響的判斷以及估計不確定性因素的主要來源載於附註2。

(c) 會計政策變動

本集團已於本會計期間應用下列由香港會計師公會頒佈之香港財務報告準則修訂本：

- 香港財務報告準則第3號修訂本，*業務之定義*

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKFRS 3, *Definition of a Business*

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020. In particular, the Group has elected to apply the concentration test to an acquisition during the year (see Note 11).

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

1 重大會計政策(續)

(c) 會計政策變動(續)

本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。採納經修訂香港財務報告準則之影響論述如下：

香港財務報告準則第3號修訂本，*業務之定義*

該等修訂本釐清業務之定義，並就如何確定一項交易是否業務合併提供進一步指引。此外，該等修訂本引入可選之「集中度測試」，當所收購總資產之公平值絕大部分集中於某一項單一可識別資產或一組類似可識別資產時，允許簡化評估所收購之一套活動及資產是否構成資產而非業務收購。

本集團已就收購日期為2020年1月1日或之後的交易前瞻性採納該等修訂。具體而言，本集團已選擇對本年度的一項收購應用集中度測試(見附註11)。

(d) 附屬公司

附屬公司是指本集團控制的實體。倘本集團可以或有權從參與實體的業務分享非固定回報，且有能力行使其對實體的權力而影響該等回報時，本集團即被視為對該實體擁有控制權。評估本集團是否擁有權力時，僅考慮(本集團及其他方持有的)實質權利。

於附屬公司的投資，自控制權開始當日綜合計入綜合財務報表，直至控制權終止當日為止。集團內公司間結餘、交易及現金流量以及集團內公司間交易產生的任何未變現利潤於編製綜合財務報表時全數對銷。僅當並無出現減值跡象時，集團內公司間交易產生的未變現虧損方可按照未變現收益的相同方式抵銷。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries (Continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 1(i)(ii)).

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 1(i)(ii)):

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1 重大會計政策(續)

(d) 附屬公司(續)

非控股權益指並非由本公司直接或間接擁有的附屬公司權益，而本集團未有就此與該等權益持有人達成任何附加條款，致令本集團整體上對該等權益產生符合金融負債定義的合約責任。

非控股權益於綜合財務狀況表之權益項中，與本公司權益股東應佔權益分開呈報。本集團業績中的非控股權益乃於綜合損益及其他全面收益表中，呈列為本公司非控股權益與本公司權益股東之間的年內損益總額及全面收益總額的分配。

本集團出售於附屬公司的所有權益時，即被視為失去對該附屬公司的控制權，由此產生的收益或虧損於損益確認。

於本公司的財務狀況表內，於附屬公司的投資乃按成本減減值虧損列賬(見附註1(i)(ii))。

(e) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬(見附註1(i)(ii)):

物業、廠房及設備項目報廢或出售所產生的收益或虧損以出售所得款項淨額與該項目賬面值之間的差額釐定，並於報廢或出售之日於損益中確認。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

• Machinery and equipment	3-10 years
• Motor vehicles	3-10 years
• Tools	3-10 years
• Electronic equipment	3-5 years
• Right-of-use assets (Note 1(h)(i))	1-5 years
• Leasehold improvements	3 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and any accumulated impairment losses (see Note 1(i)(ii)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

• Software	10 years
• Licenses	3-5 years

Both the period and method of amortisation are reviewed annually.

1 重大會計政策(續)

(e) 物業、廠房及設備(續)

物業、廠房及設備項目之折舊按下列估計可使用年期，在扣除其估計剩餘價值(如有)後，以直線法撇銷其成本計算：

• 機械及設備	3至10年
• 汽車	3至10年
• 工具	3至10年
• 電子設備	3至5年
• 使用權資產 (附註1(h)(i))	1至5年
• 租賃物業裝修	3年

資產的可使用年期及剩餘價值(如有)會每年進行審閱。

(f) 無形資產

本集團購買的無形資產按成本減累計攤銷及任何累計減值虧損列賬(見附註1(i)(ii))。

可使用年期有限的無形資產的攤銷按資產的估計可使用年期以直線法計入損益。以下可使用年期有限的無形資產自可供使用之日起攤銷，其估計可使用年期如下：

• 軟件	10年
• 牌照	3至5年

攤銷期限及方法會每年進行審閱。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Service concession arrangement

The Group has entered into a service concession arrangement, which is a Build-Operate-Transfer (“the BOT”) arrangement. Under the BOT arrangement, the Group carries out construction work of upgrading the facilities of the sewage treatment and receives in return a right to operate the infrastructure for a specified period of time (the “Service Concession Period”) in accordance with the pre-established conditions set by certain government authority (“the Grantor”). The infrastructure should be transferred to the Grantor with nil consideration at the end of the Service Concession Period.

(i) Consideration given by the Grantor

A financial asset (receivable under a service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from the Grantor for the construction service rendered and/or the consideration paid and payable by the Group for the right to charge users of the public service. The Group has unconditional right to receive cash if the Grantor contractually guarantees to pay the Group specified or determinable amounts or the shortfall, if any, between amounts received from the users of the public service and specified or determinable amounts. The financial assets (receivables under service concession arrangement) are accounted for in accordance with the policy set out in Note 1(l).

Revenue relating to operating services are accounted for in accordance with Note 1(s)(ii) below. Costs for operating services are expensed in the period in which they are incurred.

1 重大會計政策(續)

(g) 服務特許權安排

本集團與某一政府機構(「授予人」)訂立一項服務特許權安排。服務特許權安排即建設—運營—移交(「BOT」)安排。根據BOT安排，本集團開展升級污水處理設施的建築工程，並根據授予人預先設定的條件獲得於指定期間(「服務特許經營期間」)經營該基礎設施的權利作為回報，且其應於服務特許經營期間末無償轉讓予授予人。

(i) 授予人支付的代價

倘本集團擁有無條件權利就該等所提供之建築服務自授予人收取現金或其他金融資產及/或本集團就向公共服務用戶收取費用之權利而支付及應支付的代價，則會確認金融資產(服務特許權安排項下應收款項)。倘授予人訂立合約保證向本集團支付指定或可釐定金額或收取公共服務用戶的金額與指定或可釐定金額之間的差額(如有)，即表示本集團擁有無條件權利收取現金。金融資產(服務特許權安排項下應收款項)乃根據附註1(l)所載政策入賬。

有關經營服務的收益乃根據下文附註1(s)(ii)入賬。經營服務的成本乃於成本產生期間入賬。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Service concession arrangement (Continued)

(ii) Construction and upgrade services

The fair value of the construction and upgrade service under the service concession arrangement is calculated as the estimated total construction costs plus a profit margin. The profit margin is valued by an independent qualified valuer, based on prevailing market rate applicable to similar construction service rendered in similar location at the date of agreement.

Revenue relating to construction or upgrade services is accounted for in accordance with Note 1(s)(i).

(iii) Contractual obligations to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations which it must fulfil as a condition of its licences, that is, (i) to maintain the facilities of sewage treatment it operates to a specified level of serviceability and/or (ii) to restore the plants to a specified condition before they are handed over to the Grantor at the end of the Service Concession Period. These contractual obligations to maintain or restore the sewage and reclaimed water treatment and water distribution plants, except for upgrade element, are recognised and measured in accordance with the policy set out in Note 1(r).

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

1 重大會計政策(續)

(g) 服務特許權安排(續)

(ii) 建築及升級服務

服務特許經營安排項下建築及升級服務的公平值按估計總建築成本加利潤率計算。利潤率由獨立合資格估值師根據適用於協議日期在類似地點提供的類似建築服務的現行市場比率計算。

有關建築或升級服務的收益乃根據附註1(s)(i)入賬。

(iii) 恢復基建符合特定服務能力水平的合約責任

作為獲得許可的條件，本集團須履行合約責任，即(i)維持其所運作的污水處理設施的服務能力符合特定水平及／或(ii)服務特許經營期間末，於將該等工廠移交予授予人之前恢復其至特定條件。維持或恢復污水及再生水處理及供水廠的合約責任(升級除外)根據附註1(r)所載政策確認及計量。

(h) 租賃資產

本集團於合約初始評估有關合約是否屬租賃或包含租賃。倘合約為換取代價而在一段時間內有權控制已識別資產，則該合約屬租賃或包含租賃。倘客戶有權指示使用已識別資產及獲得該使用產生的絕大部分經濟利益，則控制權已轉移。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leased assets (Continued)

(i) As a lessee

Where the contract contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily steel pipes. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

1 重大會計政策(續)

(h) 租賃資產(續)

(i) 作為承租人

倘合約中包含一項租賃成份及一項或多項額外租賃或非租賃成份，承租人應根據租賃成份之相對單獨價格及非租賃成份之單獨價格總和將合約中的代價分配予各個租賃成份。

本集團於租賃開始日期確認使用權資產及租賃負債，惟租賃期為12個月或少於12個月的短期租賃及低價值資產（就本集團而言，主要為鋼管）租賃除外。本集團就低價值資產訂立租賃時按個別租賃基準決定是否將相關租賃資本化。與未資本化租賃相關之租賃付款於租賃期內按系統基準確認為一項開支。

於資本化租賃時，租賃負債初始於租賃期內按應支付之租賃付款現值確認，使用租賃內含利率貼現或，倘該利率無法較容易地釐定，則使用相關增量借款利率貼現。於初始確認後，租賃負債按攤銷成本計量及利息開支採用實際利率法計算。非取決於某一指數或利率的可變租賃付款不計入租賃負債計量，因此，可變租賃付款於其產生之會計期間於損益中扣除。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leased assets (Continued)

(i) As a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 1(e) and 1(i)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

1 重大會計政策(續)

(h) 租賃資產(續)

(i) 作為承租人(續)

於資本化租賃時，已確認使用權資產初始按成本計量，包括租賃負債的初始金額加任何於開始日期或之前所作出的租賃付款，及任何初始直接成本。在合適的情況下，使用權資產成本亦包括拆除及移除相關資產或恢復相關資產或其所在地的預計成本，貼現至其現值，減任何已收租賃獎勵。使用權資產其後按成本減累計折舊及減值虧損列賬（參見附註1(e)及1(i)(ii)）。

租賃負債於指標或利率變動使得未來租賃付款產生變動，或本集團預計剩餘價值保證項下預計應付的款項預計變動，或因重新評估本集團是否將合理肯定行使購買、延期或終止選擇權而出現變動時重新評估。倘租賃負債以此方式重新計量，則對使用權資產的賬面值進行相應調整或倘使用權資產的賬面值減至零，則於計入損益。

當租賃範疇發生變化或租賃合約原先並無規定的租賃代價發生變化（「租賃修訂」），且未作為單獨的租賃入賬時，則亦要對租賃負債進行重新計量。在此情況，租賃負債根據經修訂的租賃付款及租賃期限，使用經修訂的貼現率在修訂生效日重新計量。

在綜合財務狀況表中，長期租賃負債的即期部分釐定為須於報告期後十二個月內清償之合約付款現值。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leased assets (Continued)

(i) As a lessee (Continued)

The Group presents right-of-use assets in “property, plant and equipment” and presents lease liabilities in “loans and borrowings” separately in the consolidated statements of financial position.

For sale and leaseback transactions, the Group considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale. The Group applies HKFRS 15 to determine whether a sale has taken place.

When the transfer to buyer-lessor is a sale, the Group derecognises the underlying asset and applies the lessee accounting model to the leaseback — the Group measures the right-of-use asset at the retained portion of the previous carrying amount (i.e. at cost), and recognises only the amount of any gain or loss related to the rights transferred to the lessor.

When the transfer to buyer-lessor is not a sale, the Group continues to recognise the underlying asset, and recognises a financial liability for any amount received from the buyer-lessor.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 1(s)(iv).

1 重大會計政策(續)

(h) 租賃資產(續)

(i) 作為承租人(續)

本集團將使用權資產及租賃負債分別於綜合財務狀況表內「物業、廠房及設備」及「貸款及借款」呈列。

就售後租回交易，本集團考慮向買方出租人初始轉讓相關資產是否為出售。本集團應用香港財務報告準則第15號釐定出售是否已落實。

如向買方 — 出租人的轉讓屬出售，本集團終止確認相關資產並於租回應用承租人會計模式 — 本集團按原賬面值的保留部分(即按成本)計量使用權資產並僅確認與向出租人轉讓的權利有關的任何損益金額。

如向買方 — 出租人轉讓並非屬出售，本集團繼續確認相關資產並就自買方 — 出租人收取的任何款項確認金融負債。

(ii) 作為出租人

倘本集團作為出租人，其於租賃開始時釐定各租賃是否為融資租賃或經營租賃。倘將相關資產所有權附帶的絕大部分風險及回報轉移至承租人，租賃分類為融資租賃。倘不屬該情況，則租賃分類為經營租賃。

倘合約包含租賃及非租賃成份，則本集團按相對單獨價格將合約中的代價分配予各個租賃成份。經營租賃產生的租金收入根據附註1(s)(iv)確認。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leased assets (Continued)

(ii) As a lessor (Continued)

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an 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 exemption described in Note 1(h)(i), then the Group classifies the sub-lease as an operating lease.

All the leases are operating leases from the Group's perspective. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Revenue".

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables and receivables under service concession arrangement); and
- contract assets as defined in HKFRS 15 (see note 1(k)).

1 重大會計政策(續)

(h) 租賃資產(續)

(ii) 作為出租人(續)

倘本集團為中間出租人，經參考主租賃產生的使用權資產，轉租分類為融資租賃或經營租賃。倘主租賃為本集團應用附註1(h)(i)免除的短期租賃，則本集團將分租賃分類為經營租賃。

以本集團的觀點，所有租賃均為經營租賃。本集團於租賃期間按直線基準將經營租賃項下收取的租賃付款確認為「收益」的一部分。

(i) 信貸損失及資產減值

(i) 金融工具及合約資產產生的信貸損失

本集團確認下列項目的預期信貸損失(「預期信貸損失」)的損失準備：

- 按攤銷成本計量的金融資產(包括現金及現金等價物、貿易應收款項及其他應收款項以及服務特許權安排項下的應收款項)；及
- 按香港財務報告準則第15號界定的合約資產(見附註1(k))。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Loss allowances for trade receivables, bills receivable, contract assets and receivables under service concession arrangement are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

1 重大會計政策(續)

(i) 信貸損失及資產減值(續)

(i) 金融工具及合約資產產生的信貸損失(續)

計量預期信貸損失

預期信貸損失是信貸損失的概率加權估計。信貸損失以所有預期現金所缺金額的現值(即根據合約應歸還予本集團的現金流量與本集團預計收到的現金流量之間的差額)計量。

預期現金所缺金額在貼現影響屬重大的情況下採用下列貼現率予以貼現：

- 定息金融資產、貿易及其他應收款項及合約資產：於首次確認釐定的實際利率或其近似值；及
- 變息金融資產：現行實際利率。

在估計預期信貸損失時所考慮的最長期間為本集團面臨信貸風險的最長合約期。

在計量預期信貸損失時，本集團考慮到無須付出過多成本及努力後即可獲得的合理及可靠資料。包括有關過往事件的資料、現行狀況及關於未來經濟狀況的預測。

貿易應收款項、應收票據、合約資產及服務特許權安排項下的應收款項的損失準備始終按相等於存續期預期信貸損失的金額計量。該等金融資產的預期信貸損失根據本集團的過往信貸損失經驗採用準備矩陣進行估計，並就對債務人而言屬特定的因素及於報告日期對當前與預測一般經濟狀況的估計作出調整。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

1 重大會計政策(續)

(i) 信貸損失及資產減值(續)

(i) 金融工具及合約資產產生的信貸損失(續)

信貸風險顯著增加

在評估金融工具的信貸風險自初始確認後是否顯著增加時，本集團將於報告日期評估金融工具的違約風險與初始確認時評估的違約風險作比較。在進行這項重新評估時，倘(i)若本集團不採取行動追索(倘變現抵押品(倘持有))，借款人向本集團全面履行其信貸責任的可能性不大；或(ii)金融資產已逾期90日，本集團即認為已發生違約事件。本集團會考慮合理及有理據的定量和定性資料，包括無需付出不必要的成本或資源獲得的過往經驗及前瞻性資料。

尤其在評估自初始確認後信貸風險是否顯著增加時，會考慮以下資料：

- 未能在合約到期日支付本金或利息；
- 金融工具外部或內部的信貸評級(如有)實際或預期顯著惡化；
- 債務人經營業績實際或預期顯著惡化；及
- 環境(包括技術、市場、經濟或法律)的現有或預測改變對債務人履行其對本集團責任的能力構成重大不利影響。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk (Continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(s)(v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

1 重大會計政策(續)

(i) 信貸損失及資產減值(續)

(i) 金融工具及合約資產產生的信貸損失(續)

信貸風險顯著增加(續)

根據金融工具的性质，信貸風險顯著增加的評估按個別項目或集體基準進行。當評估以集體基準進行時，會按照金融工具的共同信貸風險特徵(例如過期狀態及信貸風險評級)歸類。

預期信貸損失在每個報告日期重新計量，以反映自初始確認後金融工具信貸風險的變化。預期信貸損失金額的任何變化均在損益中確認為減值收益或虧損。本集團確認金融工具的減值收益或虧損時，會透過損失準備賬對其賬面價值進行相應調整。

利息收入計算基礎

根據附註1(s)(v)確認的利息收入按金融資產的賬面總值計算，除非金融資產出現信貸減值，在這種情況下，利息收入按金融資產的攤銷成本(即賬面總值減損失準備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當一項或多項對金融資產未來現金流的估計有負面影響的事件發生時，金融資產會被視為出現信貸減值。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Basis of calculation of interest income (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 重大會計政策(續)

(i) 信貸損失及資產減值(續)

(i) 金融工具及合約資產產生的信貸損失(續)

利息收入計算基礎(續)

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人面對重大財務困難；
- 違反合約，如拖欠或逾期事件；
- 債務人有可能申請破產或需要進行其他財務重組安排；
- 環境的重大變動(包括技術、市場、經濟或法律)對債務人構成不利影響；或
- 因發行人的財務困難交投暢旺的證券市場不復存在。

撇銷政策

如果沒有實際可回收的前景，金融資產、租賃應收款項或合約資產的賬面總額(部分或全部)會被撇銷。一般情況下，撇銷金額是本集團認為債務人沒有資產或收入來源可產生足夠的現金流以償還該款項。

以往撇銷的資產的後續回收在回收期間被確認為減值撥回計入損益。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than property carried at revalued amounts);
- intangible assets; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

1 重大會計政策(續)

(i) 信貸損失及資產減值(續)

(ii) 其他非流動資產減值

於各報告期末檢討內部及外部資料來源，以識別以下資產是否已出現減值或之前已確認的減值虧損是否已不存在或減少：

- 物業、廠房及設備，包括使用權資產(按重估金額記賬的物業除外)；
- 無形資產；及
- 本公司財務狀況表中於附屬公司的投資。

倘存在任何有關跡象，則會估計資產的可收回金額。

— 計算可收回金額

資產的可收回金額為其公平值減出售成本及使用價值兩者中的較高者。於評估使用價值時，會使用除稅前貼現率將估計的未來現金流量貼現至現值。該貼現率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。倘資產並未能在很大程度上獨立於其他資產下賺取現金流量，則就獨立賺取現金流量的最小組別資產(即現金產生單位)來釐定可收回金額。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1 重大會計政策(續)

(i) 信貸損失及資產減值(續)

(ii) 其他非流動資產減值(續)

— 確認減值虧損

每當資產或其所屬的現金產生單位的賬面值超過其可收回金額，即會在損益中確認減值虧損。就現金產生單位確認的減值虧損，會以減少單位(或該組單位)其他資產的賬面值按比例分配，惟資產賬面值不會減少至低於其本身的公平值減出售成本(倘能計量)或使用價值(倘能釐定)。

— 撥回減值虧損

倘用以釐定可收回金額的估計出現好轉，則撥回減值虧損。

撥回的減值虧損僅限於倘過往年度並未確認減值虧損而釐定的資產的賬面值。撥回的減值虧損乃於確認撥回的年度計入損益中。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

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

Costs of inventories are determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold/utilised, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(k) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(s)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in note 1(i)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(l)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(s)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(l)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

1 重大會計政策(續)

(j) 存貨

存貨是指日常業務過程中持有以作銷售、處在為該等銷售的生產過程中，或在生產過程或提供服務中耗用的材料或物料形式持有的資產。

存貨以成本值及可變現淨值兩者中的較低者入賬。

存貨成本值以加權平均成本法計算。可變現淨值乃日常業務過程中的估計售價減去估計完成生產及銷售所需的成本。

存貨出售/動用時，該等存貨的賬面值於確認有關收益的期間確認為開支。存貨撇減至可變現淨值的減幅及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何存貨撇減撥回金額，在作出撥回期間確認為減少已確認為開支的存貨金額。

(k) 合約資產及合約負債

倘本集團於根據合約所載支付條款無條件符合資格收取代價之前確認收益(見附註1(s))，即確認合約資產。合約資產根據附註1(i)(i)所載政策就預期信貸損失進行評估，並於收取代價的權利成為無條件時重新分類為應收款項(見附註1(l))。

倘客戶於本集團確認相關收益之前支付代價，即確認合約負債(見附註1(s))。倘本集團擁有無條件權利可於本集團確認相關收益之前收取代價，亦將確認合約負債。在此情況下，亦將確認相應的應收款項(見附註1(l))。

就與客戶訂立的單一合約而言，會列報合約資產淨值或合約負債淨額。就多重合約而言，不會按淨額基準列報不相關合約的合約資產及合約負債。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Receivables under service concession arrangement and trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(k)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(i)(i)).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in note 1(i)(i).

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Loans and borrowings

Loans and borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 1(u)).

1 重大會計政策(續)

(l) 服務特許權安排項下的應收款項及貿易及其他應收款項

應收款項於本集團擁有無條件權利可收取代價時予以確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘於本集團擁有無條件權利可收取代價之前已確認收益，該等金額作為合約資產列報(見附註1(k))。

應收款項採用實際利息法按攤銷成本減信貸損失準備列賬(見附註1(i)(i))。

(m) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存於銀行及其他金融機構的活期存款以及可隨時兌換為已知數額現金且所面臨的價值變動風險並不重大的短期高流動性投資(於購入時到期日不超過三個月)。根據附註1(i)(i)所載政策，就預期信貸損失對現金及現金等價物進行評估。

(n) 貿易及其他應付款項

貿易及其他應付款項最初按公平值確認，隨後按攤銷成本列賬，惟貼現影響並不重大時則除外，在此情況下按成本列賬。

(o) 貸款及借款

貸款及借款最初按公平值減交易成本計量。於初始確認後，貸款及借款採用實際利率法按攤銷成本列值。借款成本的利息開支根據本集團的會計政策確認(見附註1(u))。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits

Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred.

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1 重大會計政策(續)

(p) 僱員福利

短期僱員福利及定額供款退休計劃的供款。

薪金、年終花紅、有薪年假、定額供款退休計劃的供款及非幣值福利成本均於僱員提供有關服務的年度累計。凡有關的付款或結算被延遲及其具重大影響，則以現值列出該等數額。

根據中國相關勞動規則及規例向當地適當的定額供款退休計劃作出的供款，於供款時在損益中確認為開支。

(q) 所得稅

年內所得稅包括即期稅項及遞延稅項資產及負債的變動。即期稅項及遞延稅項資產及負債的變動均在損益中確認，惟若涉及於其他全面收益或直接於權益中確認的項目，則相關稅項金額分別在其他全面收益或直接於權益確認。

即期稅項乃根據年內應課稅收入，採用於報告期末所訂定或實質性訂定的稅率計算的預期應付稅項，並就過往年度的應付稅項作出任何調整。

遞延稅項資產及負債乃分別來自資產及負債項目於財務報告內之賬面值與其稅基所產生的可扣減及應課稅的暫時差額。遞延稅項資產亦由尚未動用的稅務虧損及尚未動用的稅收抵免所產生。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

1 重大會計政策(續)

(q) 所得稅(續)

除若干有限的例外情況，所有遞延稅項負債及遞延稅項資產(以資產有可能用於抵銷未來應課稅溢利者為限)均會予以確認。可支持確認由自扣稅暫時差額產生的遞延稅項資產的未來應課稅溢利，包括因撥回現有應課稅暫時差額而產生的可扣稅暫時差額，惟該等差額須與同一稅務機關及相同應課稅實體有關，並預期於計期撥回可扣稅暫時差額，或可轉回或結轉遞延稅項資產所產生的稅項虧損之同一期間內撥回。於釐定現時應課稅暫時差額可否支持確認未動用稅項虧損及抵免所產生的遞延稅項資產時亦採用相同準則，即該等差額與同一稅務機關及相同應課稅實體有關，並預期可於動用稅項虧損或抵免的某段期間(一段或多段)內撥回則予以計算。

確認遞延稅項資產及負債的少數例外情況，為初始時已確認不影響會計及應課稅溢利的資產或負債(惟並非業務合併的一部分)產生的暫時性差額，及有關投資附屬公司的暫時性差額，惟就應課稅差額而言，僅以本集團可控制轉回時間且不大可能在可見未來轉回的差額為限，或就可扣稅差額而言，則以可能在未來轉回的差額為限。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1 重大會計政策(續)

(q) 所得稅(續)

遞延稅項資產的賬面值乃於各報告期末進行審閱，而倘若不再可能有足夠的應課稅溢利以供動用相關稅項利益，則遞延稅項資產會予以減少。該削減金額可在有足夠應課稅溢利有可能出現時撥回。

即期稅項結餘及遞延稅項結餘及其變動各自分開呈列而不予對銷。倘本公司或本集團有依法強制執行權利以即期稅項資產抵銷即期稅項負債，且符合下列附帶條件，則即期稅項資產及遞延稅項資產可分別抵銷即期稅項負債及遞延稅項負債：

- 即期稅項資產及負債：本公司或本集團擬按淨額基準結算，或同時變現該資產和結算該負債；或
- 遞延稅項資產及負債：這些資產和負債須與同一稅務機關就以下其中一項徵收的所得稅項有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。這些實體計劃在預期有大額遞延稅項負債或資產需要清償或遞延稅項負債或資產可以收回的各未來期間，按淨額基準變現即期稅項資產和清償即期稅項負債，或同時變現該資產和清償該負債。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax and is after deduction of any trade discounts.

1 重大會計政策(續)

(r) 撥備及或然負債

如果本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致經濟利益外流，及可以作出可靠的估計，便會確認撥備。如果貨幣時間值屬重大，則撥備按預期清算該義務所用開支的現值入賬。

倘經濟利益流出的可能性較低，或是無法對有關數額作出可靠的估計，便會將該責任披露為或然負債，惟經濟利益流出的可能性極低則除外。倘本集團的責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，除非經濟利益流出的可能性極低則除外。

(s) 收益及其他收入

當於本集團業務的一般過程中銷售貨物，提供服務或其他人士根據租約使用本集團的資產產生收益時，本集團將收入分類為收益。

當產品或服務的控制權轉移至客戶或承租人有權使用資產時，按本集團將有權授權的承諾代價金額確認收益，不包括代表第三方收取的款項。收益不包括增值稅，且已扣除任何貿易折扣。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue and other income (Continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using output method based on direct measurements of the value of contract work performed.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

1 重大會計政策(續)

(s) 收益及其他收入(續)

有關本集團收益及其他收入確認政策的進一步詳情如下：

(i) 建築合約

當與客戶的合約與受客戶控制的資產的工程有關，則本集團將該合約分類為建築合約，因而本集團創立或提升資產的建築活動受客戶控制。

當建築合約的結果能夠可靠計量時，來自合約的收益採用輸出法於一段時間內積極確認(即根據直接計算已完成的合約工程的價值而確認)。

本集團就提早完成而賺取的合約獎勵或因延遲完工而遭受合約罰款的可能性於作出該等估計時考慮，因此，僅在已確認累計收益金額大幅撥回很可能不會發生時方會確認收益。

當合約的結果不能可靠計量時，僅在所產生的合約成本預期將會收回時方會確認收益。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue and other income (Continued)

(ii) Revenue from sewage treatment

Revenue from sewage treatment is recognised when the relevant service is rendered.

(iii) Sales of construction materials and equipment

Revenue is recognised when the customers take possession of and accepts the construction materials and equipment.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

(v) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 1(i)(i)).

(vi) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

1 重大會計政策(續)

(s) 收益及其他收入(續)

(ii) 來自污水處理的收入

來自污水處理的收入於提供相關服務時確認。

(iii) 建築材料及設備銷售

收益於客戶取得並接受建築材料及設備時確認。

(iv) 經營租賃的租金收入

經營租賃的應收租金收入乃於租賃期涵蓋的期間內以等額分期方式於損益確認，惟倘有其他基準更能代表使用租賃資產所得利益之模式則除外。授出的租賃優惠於損益確認為應收淨租賃付款總額的組成部分。

(v) 利息收入

利息收入採用實際利率法按累計基準確認，並採用將金融工具於其預計年期估計未來現金收入準確貼現至金融資產賬面淨值的利率。就存在信貸減值的金融資產而言，資產的經攤銷成本(即賬面總值扣除損失準備)採用實際利率(見附註1(i)(i))。

(vi) 政府補助金

倘可合理確定能夠收取政府補助金，而本集團將符合政府補助金所附帶的條件，則政府補助金將在綜合財務狀況表中初始確認。補償本集團所產生開支的補助金於產生開支的同一期間有系統地於損益中確認為收入。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(v) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

1 重大會計政策(續)

(t) 外幣換算

年內發生的外幣交易按交易日期的現行匯率換算。以外幣計值的貨幣資產及負債按報告期末的現行匯率換算。匯兌收益及虧損於損益確認。

按歷史成本以外幣計量的非貨幣資產及負債採用交易日的現行匯率換算。交易日為本公司初始確認該非貨幣資產或負債的日期。

海外經營業績按與交易日的現行匯率相近的匯率換算為人民幣。財務狀況表項目於報告期末按收市匯率換算為人民幣。匯兌差額於其他綜合收益確認並單獨於匯兌儲備內於股權單獨累計。

(u) 借款成本

因收購、建造或生產資產(即須耗用一段頗長時間方可作擬定用途或銷售的資產)而直接應佔之借款成本均撥作該等資產的部分成本。其他借款成本均在彼等產生期間列作開支。

(v) 關聯方

- (a) 倘屬以下人士，則該人士或該人士的近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理層成員。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1 重大會計政策(續)

(v) 關聯方(續)

- (b) 倘符合下列任何條件，則該實體與本集團有關連：
- (i) 該實體和本集團為同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為集團旗下成員公司的聯營公司或合營企業的成員公司)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體是第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。
 - (vi) 實體受上文(a)所識別人士控制或共同控制。
 - (vii) 上文(a)(i)所識別人士對該實體有重大影響力或為該實體(或該實體母公司)主要管理層成員。
 - (viii) 向本集團或本集團母公司提供主要管理人員服務的實體或其所屬集團的任何成員公司。

一名人士的近親是指與有關實體交易並可能影響該人士或受該人士影響的家庭成員。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1 重大會計政策(續)

(w) 分部報告

經營分部及於財務報表內呈報的各分部項目金額自定期提供予本集團最高行政管理層就資源分配及評估本集團的各項業務及地理位置的表現的財務資料中識別出來。

就財務呈報而言，除非分部具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務的方法及監管環境的性質方面相似，否則各個別重大經營分部不會匯集計算。個別非重大的經營分部，倘符合上述大部分標準，則可匯集計算。

本集團會對估計及判斷進行持續評估，並根據過往經驗及其他因素作出估計，包括在有關情況下對未來事件的合理預期。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

2 ACCOUNTING JUDGEMENT AND ESTIMATES

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the consolidated financial statements. The significant accounting policies are set forth in Note 1. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

(a) Revenue recognition of construction contracts

As explained in policy Note 1(s)(i), revenue from construction contracts are recognised over time. Revenue on uncompleted projects is dependent on estimating the outcome of the contract. The Group recognises revenue based on direct measurements of the value of contract work performed, which is mainly reflected by the progress certificates issued by customers. The customers will provide final account when the whole project is completed and may have adjustments on the amount recognised to date according to the actual surveys of work performed at completion. Subject to the adjustments in final accounts, actual outcomes in terms of total revenue may be higher or lower at the end of the reporting period, which would affect the revenue in future periods as an adjustment to the amounts recorded to date.

(b) Impairment of property, plant and equipment

The management determines the impairment loss if circumstances indicate that the carrying value of an item of property, plant and equipment may not be recoverable. The carrying amounts of these assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment when events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount.

2 會計判斷及估計

重大會計政策的挑選、影響該等政策的應用的判斷及其他不明朗因素以及所報告業績對條件及假設的變動的敏感度，均為在審閱綜合財務報表時應考慮的因素。重大會計政策載於附註1。本集團認為，以下重大會計政策涉及編製綜合財務報表所使用的最為重大的判斷及估計。

(a) 建築合約收益確認

誠如政策附註1(s)(i)所述，建築合約收益隨時間的推移而確認。未完成項目的收益取決於對合約結果的估計。本集團乃根據直接計量得出的已完成合約工程價值確認收益，其主要由客戶發出的進度證明反映。整個項目完成後，客戶將提供最終賬目，且可能根據完成時對已完成工程的實際測量對截至目前所確認的金額作出調整。根據最終賬目的調整，於報告期末，總收益的實際結果可能較高或較低，這將影響作為對截至目前入賬金額作出調整的未來期間的收益。

(b) 物業、廠房及設備減值

當情況表明一項物業、廠房及設備項目的賬面值可能無法收回，管理層會釐定減值虧損。本集團會定期檢討該等資產的賬面值，以評估可收回金額是否已跌至低於賬面值。當發生事項或情況變化顯示已入賬的賬面值可能無法收回時，本集團會對該等資產進行減值測試。倘若出現此種減值情況，賬面值便會調低至可收回金額。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

2 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(b) Impairment of property, plant and equipment (Continued)

The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of estimated revenue and operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and costs.

(c) Impairment of trade receivables, bills receivable, contract assets and receivables under service concession arrangement

The impairment assessment of trade receivables, bills receivable, contract assets and receivables under service concession arrangement of the Group is based on the evaluation of collectability and ageing analysis of these assets as well as other quantitative and qualitative information and calculated the lifetime ECLs based on credit loss experience, and on management's judgement and assessment of the forward-looking information. Significant judgement and estimates is required in assessing the ultimate realisation of these assets, based on the current creditworthiness, the past collection history and subsequent settlements of each customer. If the financial conditions of customers of the Group deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

2 會計判斷及估計 (續)

(b) 物業、廠房及設備減值 (續)

可收回金額為公平值減出售成本與使用價值兩者中的較高者。在釐定使用價值時，資產所產生的預期現金流量會折現至其現值，因而須對估計收益水平及經營成本作出重大判斷。本集團使用一切可得資料釐定可收回金額的合理近似值，包括根據對收益及成本的合理可靠假設及預測進行估計。

(c) 貿易應收款項、應收票據、合約資產及服務特許權安排項下的應收款項減值

本集團的貿易應收款項、應收票據、合約資產及服務特許權安排項下的應收款項的減值評估乃根據對該等資產可收回性的評估及賬齡分析以及其他定量及定性資料進行，並根據信貸損失經驗及管理層對前瞻性資料的判斷及評估計算存續期預期信貸損失。管理層須基於每名客戶現時的信譽、過往的收款歷史及其後結算，就評估該等資產的最終變現情況作出重大判斷和估計。如果本集團客戶因財務狀況惡化而降低償債能力，本集團可能須作出額外減值。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of construction service, leasing of construction machinery, equipment and tools, and provision of sewage treatment service in mainland China.

(i) Disaggregation of revenue

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Revenue from contracts with customers within the scope of HKFRS 15	香港財務報告準則第15號範圍內來自客戶合約的收益		
Disaggregated by major products or service lines	按主要產品或服務線劃分		
— Revenue from construction service	— 建築服務收益	1,112,662	1,456,680
— Revenue from sewage treatment service	— 污水處理服務收益	4,255	5,213
— Others*	— 其他*	29,383	9,206
Revenue from other sources	其他來源的收益	1,146,300	1,471,099
— Revenue from leasing of construction machinery, equipment and tools	— 建築機械、設備及工具租賃收益	132,469	107,119
		1,278,769	1,578,218

* Others mainly represents sales of construction materials and equipment and provision of certain logistic services.

3 收益及分部報告

(a) 收益

本集團的主營業務是在中國內地提供建築服務、建築機械、設備及工具租賃以及污水處理服務。

(i) 收益劃分

* 其他主要指建築材料及設備銷售收益及提供若干物流服務收益。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (Continued)

(i) Disaggregation of revenue (Continued)

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Disaggregated by timing of revenue recognition	按收益確認時間劃分		
— Over time	— 隨時間	1,249,386	1,569,012
— Point in time	— 於某一指定時間點	29,383	9,206
Total	總計	1,278,769	1,578,218

Revenue from major customers which accounts for 10% or more of the Group's revenue are set out below:

收益佔本集團收益10%或以上的主要客戶載列如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Customer A	客戶A	700,646	1,086,884
Customer B	客戶B	178,080	N/A* 不適用*

* Less than 10% of the Group's revenue

* 低於本集團收益的10%

Details of concentrations of credit risk arising from these customers are set out in Note 26(a).

來自該等客戶的信貸風險集中詳情載於附註26(a)。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (Continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2020, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB1,129,357,000 (2019: RMB977,534,000). The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 36 months (2019: next 36 months).

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

(iii) Total future minimum lease payments receivable by the Group

As at 31 December 2020, total future minimum lease payments under non-cancellable operating leases in place will be receivable by the Group were RMB3,749,000 (2019: RMB4,504,000). All these lease payments were receivable within one year.

3 收益及分部報告(續)

(a) 收益(續)

(ii) 預期於日後確認的產生自與於報告日期現存客戶所訂合約的收益

截至2020年12月31日，分配至本集團現有合約項下餘下履約責任的交易價格總金額為人民幣1,129,357,000元(2019年：人民幣977,534,000元)。本集團將於工程完成時(預計將於未來36個月完成(2019年：未來36個月))確認未來預期收益。

上述金額亦不包括本集團於未來可能通過達成本集團與客戶訂立的建築合約中所載條件而賺取的任何完工獎勵，除非於報告日期，本集團極有可能達成賺取該等獎勵的條件。

(iii) 本集團應收的未來最低租賃付款總額

截至2020年12月31日，本集團根據不可撤銷經營租賃應收未來最低租賃付款總額為人民幣3,749,000元(2019年：人民幣4,504,000元)。所有該等租賃付款應於一年內結清。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

The Group manages its businesses by service lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. No geographical segment analysis is presented as substantially all assets, liabilities, revenue and gross profit of the Group are attributable to the operations in the PRC.

The Group has four separate segments as follows:

- Provision of construction service ("Construction service");
- Provision of leasing services of construction machinery, equipment and tools ("Leasing of construction machinery, equipment and tools");
- Provision of sewage treatment service ("Sewage treatment operation"); and
- Sales of construction materials and equipment and others ("Others").

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results based on the revenue and gross profits of Construction service, Leasing of construction machinery, equipment and tools, Sewage treatment operation and others.

3 收益及分部報告 (續)

(b) 分部報告

本集團按服務線管理其業務。按與向本集團最高行政管理層內部呈報以分配資源及評估表現的資料一致的方式。由於本集團絕大部分資產、負債、收益及毛利源於中國的業務，故此並無呈列地域分部分析。

本集團有下列四個獨立的分部：

- 提供建築服務（「建築服務」）；
- 提供建築機械、設備及工具租賃服務（「建築機械、設備及工具租賃」）；
- 提供污水處理服務（「污水處理業務」）；及
- 建築材料及設備銷售以及其他（「其他」）。

就評估分部表現及分配分部間資源而言，本集團的高級行政管理層根據建築服務、建築機械、設備及工具租賃、污水處理業務及其他的收益及毛利監察業績。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

3 收益及分部報告(續)

(b) 分部報告(續)

		Construction service	Leasing of construction machinery, equipment and tools	Sewage treatment operation	Others	Total
		建築服務	建築機械、設備及工具租賃	污水處理業務	其他	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
Year ended 31 December 2020	截至2020年12月31日止年度					
Revenue	收益	1,112,662	132,469	4,255	29,383	1,278,769
Cost of sales	銷售成本	(878,481)	(81,280)	(3,897)	(26,680)	(990,338)
Reportable segment gross profits	報告分部毛利	234,181	51,189	358	2,703	288,431
Year ended 31 December 2019	截至2019年12月31日止年度					
Revenue	收益	1,456,680	107,119	5,213	9,206	1,578,218
Cost of sales	銷售成本	(1,144,411)	(68,801)	(4,524)	(6,459)	(1,224,195)
Reportable segment gross profits	報告分部毛利	312,269	38,318	689	2,747	354,023

Substantially all of the Group's revenue were arising from mainland China. The Group does not allocate any specific assets or expenditure for property, plant and equipment to the operating segments as the Group's senior executive management does not use the information to measure the performance of the reportable segments.

本集團絕大部分收益均源自中國內地。由於本集團高級行政管理層並無使用有關資料衡量報告分部的表現，本集團並無就物業、廠房及設備分配任何特別資產或開支至經營分部。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

4 OTHER NET INCOME

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interest income	利息收入	2,870	1,878
Government grants*	政府補貼*	3,825	12,196
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	3,142	1,509
Others	其他	339	25
		10,176	15,608

* Government grants mainly represented rewards for listing and the obtaining of High-tech Enterprise qualification. There were no unfulfilled conditions relating to the grants.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
(a) Finance costs	(a) 融資成本		
Interest on bank loans and other borrowings	銀行貸款及其他借款的利息	12,968	12,825
Interest on lease liabilities	租賃負債的利息	35	180
Finance charges on sale and leaseback transactions	售後租回交易的財務費用	934	933
Interest on acquisition of equipment by instalments	以分期付款購入設備產生的利息	3,080	2,413
Other borrowing costs	其他借貸成本	1,441	1,012
		18,458	17,363

4 其他淨收入

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interest income	利息收入	2,870	1,878
Government grants*	政府補貼*	3,825	12,196
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	3,142	1,509
Others	其他	339	25
		10,176	15,608

* 政府補貼主要指上市及取得高新技術企業資格的獎勵，該等補貼並無未達成的條件。

5 稅前利潤

稅前利潤已扣除：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
(a) Finance costs	(a) 融資成本		
Interest on bank loans and other borrowings	銀行貸款及其他借款的利息	12,968	12,825
Interest on lease liabilities	租賃負債的利息	35	180
Finance charges on sale and leaseback transactions	售後租回交易的財務費用	934	933
Interest on acquisition of equipment by instalments	以分期付款購入設備產生的利息	3,080	2,413
Other borrowing costs	其他借貸成本	1,441	1,012
		18,458	17,363

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

5 PROFIT BEFORE TAXATION (CONTINUED)

5 稅前利潤(續)

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
(b) Staff costs (including directors' emoluments)	(b) 員工成本(包括董事酬金)		
Salaries, wages and other benefits	薪金、工資及其他福利	59,010	50,431
Contributions to defined contribution retirement benefit schemes (Note 22)	界定供款退休福利計劃供款(附註22)	170	3,071
		59,180	53,502
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
(c) Other items	(c) 其他項目		
Depreciation	折舊		
— property plant and equipment owned (Note 10(i))	— 自有物業、廠房及設備(附註10(i))	88,946	100,601
— right-of-use assets (Note 10(ii))	— 使用權資產(附註10(ii))	655	2,298
		89,601	102,899
Amortisation of intangible assets (Note 11)	無形資產攤銷(附註11)	384	91
Impairment losses on assets arising from contract with customers	與客戶合約所產生資產的減值虧損	114,767	20,808
Expenses relating to short-term leases	與短期租賃有關的費用	23,184	57,664
Auditors' remuneration	核數師酬金	2,800	1,330
Research and development costs	研發費用	41,034	55,415
Labour subcontracting fee	勞務分包費	449,700	465,856
Listing expenses	上市費用	6,948	18,605

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

6 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current tax — PRC Corporate Income Tax	即期稅項 — 中國企業所得稅		
Provision for the year	年內撥備	3,826	31,481
Deferred tax — PRC Corporate Income Tax	遞延稅項 — 中國企業所得稅		
Origination and reversal of temporary differences	產生及撥回暫時性差異	5,473	(2,399)
		9,299	29,082

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Profit before taxation	稅前利潤	69,049	208,322
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	按有關國家適用利得稅稅率計算之稅前利潤名義稅款	18,379	52,322
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	912	1,257
Tax effect of super deduction for qualified research and development costs	研發費加計扣除的稅務影響	(4,269)	(5,384)
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損的稅務影響	26	594
Effect on deferred tax balances at 1 January resulting from a change in tax rate	因稅率變動導致於1月1日遞延稅項結餘的影響	(11)	716
Statutory tax concession	法定稅務優惠	(5,738)	(20,423)
Actual tax expense	實際稅項開支	9,299	29,082

6 綜合損益表中的所得稅

(a) 綜合損益表中的稅項為：

(b) 按適用稅率計算的稅項開支與會計利潤之間的對賬：

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

6 Income tax in the consolidated statement of profit or loss (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates: (Continued)

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No provision was made for Hong Kong Profits Tax as the Group did not earn any assessable profit that was subject to Hong Kong Profits Tax for the year ended 31 December 2020.
- (iii) The Group's subsidiaries in mainland China is subject to PRC corporate income tax at the statutory rate of 25%.

On 7 January 2020, Jianzhong Construction Technology Co., Ltd. ("Jianzhong Construction Technology"), an indirect wholly-owned subsidiary of the Company, obtained the state-level approval for its application of High-tech Enterprise qualification and was granted the qualification with effect from 2 December 2019. In accordance with the PRC Corporate Income Tax Law ("CIT Law"), the High-tech Enterprise qualification will be valid for a period of three years from 2019 to 2021 and entitles Jianzhong Construction Technology to a reduced tax rate at 15% during this period.

In December 2020, Fujian Jinghai Engineering Service Co., Ltd. ("Jinghai Engineering"), another indirect wholly-owned subsidiary of the Company, obtained the state-level approval for its application of High-tech Enterprise qualification and was granted the qualification with effect from 1 December 2020. In accordance with the CIT Law, the High-tech Enterprise qualification will be valid for a period of three years from 2020 to 2022 and entitles Jinghai Engineering to a reduced tax rate at 15% during this period.

6 綜合損益表中的所得稅(續)

(b) 按適用稅率計算的稅項開支與會計利潤之間的對賬：(續)

附註：

- (i) 根據開曼群島及英屬處女群島的規則及法規，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。
- (ii) 由於本集團於截至2020年12月31日止年度並無賺取任何須繳納香港利得稅的應課稅溢利，因此並無就香港利得稅作出撥備。
- (iii) 本集團於中國內地的附屬公司須按25%的法定稅率繳納中國企業所得稅。

建中建設科技有限責任公司（「建中建設科技」，本公司的間接全資附屬公司）申請高新技術企業資格並於2020年1月7日獲得國家級批准，其獲得之資格於2019年12月2日起生效。根據《中華人民共和國企業所得稅法》（「企業所得稅法」），高新技術企業資格的有效期限為三年（即從2019年至2021年），建中建設科技於期內享受減按15%的稅率。

福建省晶海工程服務有限公司（「晶海工程」，本公司另一家間接全資附屬公司）申請高新技術企業資格並於2020年12月獲得國家級批准，其獲得之資格於2020年12月1日起生效。根據企業所得稅法，高新技術企業資格的有效期限為三年（即從2020年至2022年），晶海工程於期內享受減按15%的稅率。

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

7 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部所披露的董事酬金如下：

		Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2020 Total	
		薪金、津貼及實物福利	酌情花紅	退休計劃供款	2020年總計	
		RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors	執行董事					
Mr. Xun Minghong	荀名紅先生	—	181	270	1	452
Mr. He Wenlin	何文林先生	—	181	220	1	402
Ms. Zheng Ping	鄭萍女士	—	145	206	—	351
Non-executive directors	非執行董事					
Mr. Yang Kaifa	楊開發先生	—	—	—	—	—
Mr. Zeng Guohua	曾國華先生	—	—	—	—	—
Mr. Xun Liangbao	荀良寶先生	—	181	220	—*	401
Independent non-executive directors	獨立非執行董事					
Mr. Sze Irons	施榮懷先生	100	—	—	—	100
Mr. Wong Kun Kau	黃灌球先生	100	—	—	—	100
Mr. Zhu Diwu	朱地武先生	100	—	—	—	100
		300	688	916	2	1,906

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7 DIRECTORS' EMOLUMENTS (CONTINUED)

7 董事酬金(續)

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2019 Total	
	董事袍金	薪金、津貼及實物福利	酌情花紅	退休計劃供款	2019年總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors	執行董事					
Mr. Xun Minghong	荀名紅先生	—	180	270	4	454
Mr. He Wenlin	何文林先生	—	180	220	4	404
Ms. Zheng Ping	鄭萍女士	—	144	206	—	350
Non-executive directors	非執行董事					
Mr. Yang Kaifa	楊開發先生	—	—	—	—	—
Mr. Zeng Guohua	曾國華先生	—	—	—	—	—
Mr. Xun Liangbao	荀良寶先生	—	135	213	3	351
		—	639	909	11	1,559

* This represents an amount less than RMB1,000.

* 該金額不足人民幣1,000元。

Notes:

附註：

(a) Mr. Xun Minghong, Mr. He Wenlin and Ms. Zheng Ping were appointed as executive directors of the Company on 5 February 2019.

(a) 荀名紅先生、何文林先生及鄭萍女士於2019年2月5日獲委任為本公司的執行董事。

Mr. Xun Minghong, Mr. He Wenlin and Ms. Zheng Ping were also directors of the Group's subsidiary, Jianzhong Construction Technology and/or employees of the Group for the years ended 31 December 2020 and 2019 and the Group paid emoluments to them in their capacity as the directors of Jianzhong Construction Technology and/or employees of the Group before their appointment as executive directors of the Company.

於截至2020年及2019年12月31日止年度，荀名紅先生、何文林先生及鄭萍女士亦出任本集團附屬公司建中建設科技的董事及／或本集團僱員，而於彼等獲委任為本公司執行董事之前，本集團以彼等於建中建設科技的董事及／或本集團的僱員身份向彼等支付酬金。

(b) Mr. Yang Kaifa, Mr. Zeng Guohua and Mr. Xun Liangbao were appointed as non-executive directors of the Company on 23 August 2019.

(b) 楊開發先生、曾國華先生及荀良寶先生於2019年8月23日獲委任為本公司的非執行董事。

(c) Mr. Sze Irons, Mr. Wong Kun Kau and Mr. Zhu Diwu were appointed as independent non-executive directors of the Company on 18 February 2020.

(c) 施榮懷先生、黃灌球先生及朱地武先生於2020年2月18日獲委任為本公司的獨立非執行董事。

(d) For the years ended 31 December 2020 and 2019, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in Note 8 below as an inducement to join or upon joining the Group or as a compensation for loss of office. For the year ended 31 December 2020, Mr. Yang Kaifa and Mr. Zeng Guohua waived their remuneration of RMB93,000 and RMB93,000 respectively. Save as disclosed above, there was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 December 2020 and 2019.

(d) 於截至2020年及2019年12月31日止年度，本集團並無支付或應付金額予董事或下文附註8載列的任何最高薪酬人士，作為吸引彼等加入本集團或於加入本集團時的獎勵或作為離職的補償。於截至2020年12月31日止年度，楊開發先生及曾國華先生分別放棄其薪酬人民幣93,000元及人民幣93,000元。除上文所披露者外，於截至2020年及2019年12月31日止年度，概無董事放棄或同意放棄任何薪酬的安排。

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8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 3 (2019: 2) are directors whose emoluments are disclosed in Note 7. The aggregate of the emoluments in respect of the other 2 (2019: 3) individuals are as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	1,671	926
Discretionary bonuses	酌情花紅	188	394
Retirement scheme contributions	退休計劃供款	19	13
		1,878	1,333

The emoluments of the 2 (2019: 3) individuals with the highest emoluments are within the following band:

		2020 2020年 Number of individuals 人數	2019 2019年 Number of individuals 人數
Nil-HK\$1,000,000	零至1,000,000港元	1	3
HK\$1,500,001-HK\$2,000,000	1,500,001港元至 2,000,000港元	1	—

8 最高薪酬人士

五名最高薪酬人士中，3名(2019年：2名)為董事，其薪酬於附註7披露。其他2名(2019年：3名)人士之薪酬總額載列如下：

最高薪酬人士中，2名(2019年：3名)人士之薪酬分別在下列範圍內：

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholder of the Company of RMB59,750,000 (2019: RMB179,240,000) and the weighted average of 592,128,000 ordinary shares (2019: 468,750,000 shares) in issue as if the Reorganisation and capitalisation issue had been effective throughout the periods presented, calculated as follows:

Weighted average number of ordinary shares

		2020 shares 2020年 股份 '000 千股
Issued ordinary shares at 1 January	於1月1日的已發行普通股	10
Capitalisation issue	資本化發行	468,740
Effect of issue of 156,250,000 ordinary shares upon initial public offering on 18 March 2020 (Note 25(c)(ii))	於2020年3月18日首次 公開發售後發行 156,250,000股普通股的 影響(附註25(c)(ii))	123,378
Weighted average number of ordinary shares at 31 December	於12月31日的加權平均普 通股數目	592,128

Diluted earnings per share is equal to basic earnings per share as there were no dilutive potential shares outstanding for the years ended 31 December 2020 and 2019.

9 每股盈利

每股基本盈利乃根據本公司權益股東應佔利潤人民幣59,750,000元(2019年:人民幣179,240,000元)及加權平均數592,128,000股已發行普通股(2019年:468,750,000股)計算，猶如重組及資本化發行於整個呈報期間一直生效，計算方法如下：

加權平均普通股數目

由於截至2020年及2019年12月31日止年度並無具攤薄潛力的發行在外股份，因此每股攤薄盈利等於每股基本盈利。

10 PROPERTY, PLANT AND EQUIPMENT

		Note 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Property, plant and equipment owned	自有物業、廠房及設備	(i)	476,921	396,222
Right-of-use assets	使用權資產	(ii)	355	1,010
			477,276	397,232

10 物業、廠房及設備

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) Property, plant and equipment owned

10 物業、廠房及設備(續)

(i) 自有物業、廠房及設備

		Machinery and equipment 機械及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Tools 工具 RMB'000 人民幣千元	Electronic equipment 電子設備 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 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	353,475	29,865	243,201	1,158	1,139	628,838
Additions	添置	52,017	324	30,309	439	556	83,645
Disposals	處置	(11,180)	(1,985)	(4,121)	—	—	(17,286)
At 31 December 2019	於2019年12月31日	394,312	28,204	269,389	1,597	1,695	695,197
Additions	添置	166,322	149	38,403	21	—	204,895
Disposals	處置	(57,113)	(12,775)	(8,514)	—	—	(78,402)
At 31 December 2020	於2020年12月31日	503,521	15,578	299,278	1,618	1,695	821,690
Accumulated depreciation:	累計折舊:						
At 1 January 2019	於2019年1月1日	98,382	16,155	93,796	528	—	208,861
Charged for the year	年內計提	45,388	4,997	49,638	350	228	100,601
Written back on disposals	於出售時撥回	(6,048)	(1,885)	(2,554)	—	—	(10,487)
At 31 December 2019	於2019年12月31日	137,722	19,267	140,880	878	228	298,975
Charge for the year	年內計提	46,831	3,121	38,152	305	537	88,946
Written back on disposals	於出售時撥回	(26,692)	(11,562)	(4,898)	—	—	(43,152)
At 31 December 2020	於2020年12月31日	157,861	10,826	174,134	1,183	765	344,769
Net book value:	賬面淨值:						
At 31 December 2020	於2020年12月31日	345,660	4,752	125,144	435	930	476,921
At 31 December 2019	於2019年12月31日	256,590	8,937	128,509	719	1,467	396,222

All property, plant and equipment owned by the Group are located in the PRC.

本集團所有自有物業、廠房及設備均位於中國。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(ii) Right-of-use assets

The Group has obtained the right to use certain office/factory buildings through tenancy agreements. The leases typically run for an initial period of 1 to 5 years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments. The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		Office/ factory buildings 辦公室／廠房 RMB'000 人民幣千元
Balance as at 1 January 2019	於2019年1月1日的餘額	3,308
Depreciation charge for the year	年內折舊計提	(2,298)
Balance as at 31 December 2019 and 1 January 2020	於2019年12月31日及2020年 1月1日的餘額	1,010
Depreciation charge for the year	年內折舊計提	(655)
Balance as at 31 December 2020	於2020年12月31日的餘額	355

(iii) Assets pledged as security for liabilities

The Group sold some of its machinery and equipment to external parties and leased them back for a term of 3 years. The Group determined the transfers to buyer-lessor were not sales under HKFRS15, thus the Group continues to recognise the underlying assets, and recognises financial liabilities for the considerations received in accordance with the accounting policy set out in Note 1(h)(i). No gain or loss were recognised from the sale and leaseback transactions for the years ended 31 December 2020 and 2019. As at 31 December 2020, the carrying amounts of the machinery and equipment pledged for the aforementioned sale and leaseback transactions were RMB92,585,000 (2019: RMB14,789,000).

During the year ended 31 December 2020, the Group obtained special bank loans to acquire some machinery and equipment, and these machinery and equipment will be pledged to the bank until the settlement of the corresponding bank loans. As at 31 December 2020, the carrying amounts of the machinery and equipment pledged for bank loans were RMB71,615,000 (2019: nil).

10 物業、廠房及設備(續)

(ii) 使用權資產

本集團根據租賃協議有權使用若干辦公室／廠房。租賃最初一般為期一至五年。若干租賃包含可於重新磋商所有條款時續租的選擇權。概無租賃包括可變租賃付款。按相關資產分類之使用權資產賬面淨值分析如下：

(iii) 抵押作負債擔保的資產

本集團對外出售部分機械及設備並於售後租回該等機械及設備，為期3年。本集團確認向買方——出租人作出的轉讓並非香港財務報告準則第15號項下所界定的銷售，故本集團繼續確認相關資產，並按照附註1(h)(i)載列的會計政策就已收取的代價確認金融負債。於截至2020年及2019年12月31日止年度的售後租回交易並未確認任何收益或虧損。於2020年12月31日，就上述售後租回交易抵押的機械及設備的賬面金額為人民幣92,585,000元(2019年：人民幣14,789,000元)。

截至2020年12月31日止年度，本集團獲得專項銀行貸款以購買部分機械及設備，而該等機械及設備將抵押予銀行，直至清償相應的銀行貸款為止。於2020年12月31日，就銀行貸款抵押的機械及設備的賬面金額為人民幣71,615,000元(2019年：無)。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iv) Assets leased out under operating leases

During the ordinary course of business, some machinery and equipment, i.e. tower cranes and construction hoist, are acquired by the Group for leasing purpose. The leases typically run for a period of 6 to 12 months, with an option to renew the lease after renegotiation.

The reconciliation of tower cranes and construction hoist of the Group for the years ended 31 December 2020 and 2019 is as below:

10 物業、廠房及設備(續)

(iv) 根據經營租賃出租的資產

於日常業務過程中，本集團出於租賃目的購置若干塔吊及施工吊車等機械及設備。該等租賃一般為期六至十二個月，於磋商後可續租。

本集團於截至2020年及2019年12月31日止年度的塔吊及施工吊車的對賬如下：

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2019	於2019年1月1日	52,056
Additions	添置	19,998
Disposals	處置	(6,922)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	65,132
Additions	添置	151,481
Disposals	處置	(7,610)
At 31 December 2020	於2020年12月31日	209,003
Accumulated depreciation:	累計折舊：	
At 1 January 2019	於2019年1月1日	18,549
Depreciation for the year	年內折舊	6,230
Written back on disposals	於出售時撥回	(4,215)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	20,564
Depreciation for the year	年內折舊	10,341
Written back on disposals	於出售時撥回	(5,290)
At 31 December 2020	於2020年12月31日	25,615
Net book value:	賬面淨值：	
At 31 December 2020	於2020年12月31日	183,388
At 31 December 2019	於2019年12月31日	44,568

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iv) Assets leased out under operating leases (Continued)

Other assets are mainly acquired for the Group's own use for construction projects, but the Group also leases out some of these assets according to customers' specific needs. Those leases are mainly short-term leases, with an option to renew the lease after renegotiation.

As at 31 December 2020 and 2019, the carrying amounts of assets (other than tower cranes and construction hoist) leased out under operating lease are as follows:

		Machinery and equipment 機械及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Tools 工具 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Net book value:	賬面淨值：				
At 31 December 2020	於2020年12月31日	27,227	391	97	27,715
At 31 December 2019	於2019年12月31日	52,728	4,985	297	58,010

The Group obtains residual value guarantees from the lessees to reduce the residual asset risks where applicable.

10 物業、廠房及設備(續)

(iv) 根據經營租賃出租的資產(續)

本集團主要因自身建設項目需要收購其他資產，但本集團亦根據客戶特定需要出租若干該等資產。該等租賃主要為短期租賃，於磋商後可續租。

於2020年及2019年12月31日，根據經營租賃出租的資產(塔吊及施工吊車除外)賬面金額如下：

本集團自承租人獲得剩餘價值擔保以減少剩餘資產風險(如適用)。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

11 INTANGIBLE ASSETS

11 無形資產

		Software 軟件 RMB'000 人民幣千元	Licenses 牌照 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	909	—	909
Additions	添置	—	—	—
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	909	—	909
Acquisition of a subsidiary	收購附屬公司	—	3,300	3,300
At 31 December 2020	於2020年12月31日	909	3,300	4,209
Accumulated amortisation:	累計攤銷：			
At 1 January 2019	於2019年1月1日	116	—	116
Amortisation for the year	年內攤銷	91	—	91
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	207	—	207
Amortisation for the year	年內攤銷	91	293	384
At 31 December 2020	於2020年12月31日	298	293	591
Net book value:	賬面淨值：			
At 31 December 2020	於2020年12月31日	611	3,007	3,618
At 31 December 2019	於2019年12月31日	702	—	702

Acquisition of subsidiary

On 18 September 2020, the Group entered into an equity transfer agreement to acquire 100% equity interest in Fujian Donghuan Construction Co., Ltd. at a total consideration of RMB3,300,000 (Note 19(f)). The principal activity of Fujian Donghuan Construction Co., Ltd. is provision of construction service, and its identifiable assets are mainly licenses for construction service. The transaction was completed in September 2020 and recognised as an acquisition of assets, rather than a business combination, given that all of the fair value of the assets is concentrated in a group of similar identifiable assets, i.e. the licenses for construction service. Further details of the net assets acquired are set out in Note 19(f).

收購附屬公司

於2020年9月18日，本集團訂立股權轉讓協議，以收購福建東寰建設有限公司的全部股權，總代價為人民幣3,300,000元(附註19(f))。福建東寰建設有限公司的主要業務為提供建築服務，而其可識別資產主要為建築服務牌照。鑑於資產的所有公平值均集中於一組類似可識別資產(即建築服務牌照)，故交易已於2020年9月完成，並確認為收購資產而非業務合併。所收購淨資產的進一步詳情載於附註19(f)。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

12 OTHER NON-CURRENT ASSETS

Other non-current assets mainly represent prepaid amounts for acquisition of properties, construction machinery, equipment and tools.

12 其他非流動資產

其他非流動資產主要為收購物業、建築機械、設備及工具的預付款。

13 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

13 於附屬公司投資

下表僅載列對本集團業績、資產或負債產生重大影響的附屬公司之詳情。

Company name 公司名稱	Place of incorporation and business 註冊成立及業務地點	Particulars of issued and paid-up capital 已發行及繳足資本之詳情	Proportion of ownership interest 持有權益比例		Principal activities 主要業務
			Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Jianzhong Construction Technology (福建建中建設科技有限責任公司) ^{1,2}	PRC	RMB168,450,000	—	100%	Provision of construction services
福建建中建設科技有限責任公司 ^{1,2}	中國	人民幣168,450,000元	—	100%	提供建築服務
Jinghai Engineering (福建省晶海工程服務有限公司) ^{1,3}	PRC	RMB30,000,000	—	100%	Production, sale, installation and leasing of construction machinery, equipment and tools and construction material
福建省晶海工程服務有限公司 ^{1,3}	中國	人民幣30,000,000元	—	100%	生產、銷售、安裝及租賃建築機械、設備及工具及建材
Fujian Jianzhong Logistic Co., Ltd. (福建建中物流有限公司) ¹	PRC	RMB35,600,330	—	100%	Provision of goods transportation services
福建建中物流有限公司 ¹	中國	人民幣35,600,330元	—	100%	提供貨物運輸服務
Fujian Jianzhong Environmental Technology Co., Ltd. (福建省建中環保科技有限公司) ¹	PRC	RMB50,000,000	—	100%	Sewage treatment operations
福建省建中環保科技有限公司 ¹	中國	人民幣50,000,000元	—	100%	污水處理業務
Guangdong Haizhijian Engineering Technology Co., Ltd. (廣東海之建工程科技有限公司) ¹	PRC	RMB4,400,000	—	100%	Leasing of construction machinery, equipment and tools and construction material
廣東海之建工程科技有限公司 ¹	中國	人民幣4,400,000元	—	100%	租賃建築機械、設備及工具及建材
Fujian Hairuncheng Construction Development Co., Ltd. (福建海潤城建設發展有限公司) ¹	PRC	HK\$220,000,000	—	100%	Investment holding and sale
福建海潤城建設發展有限公司 ¹	中國	220,000,000港元	—	100%	投資控股及銷售
Fujian Donghuan Construction Co., Ltd. (福建東寰建設有限公司) ¹	PRC	RMB2,500,000	—	100%	Provision of construction services
福建東寰建設有限公司 ¹	中國	人民幣2,500,000元	—	100%	提供建築服務

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes:

1. The official names of the entities are in Chinese. The English names are for identification purpose only.
2. The entity was previously known as 福建建中建設科技股份有限公司, and on 25 February 2019, the entity was converted into a limited liability company and changed its name to 福建建中建設科技有限責任公司.
3. The entity was previously known as 福建省建中工程設備有限公司, and on 23 March 2020, the entity changed its name to 福建省晶海工程服務有限公司.
4. All the PRC subsidiaries disclosed above are limited liability companies.

14 INVENTORIES

13 於附屬公司投資(續)

附註：

1. 中文名稱為其官方名稱，英文名僅供參考。
2. 前稱福建建中建設科技股份有限公司，於2019年2月25日轉制為有限公司並更名為福建建中建設科技有限責任公司。
3. 前稱福建省建中工程設備有限公司，於2020年3月23日更名為福建省晶海工程服務有限公司。
4. 所有上述所披露的中國附屬公司均為有限責任公司。

14 存貨

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Materials	材料	7,500	10,769
Consumables	耗材	12,475	7,000
Finished goods	成品	3,970	3,883
Work in progress	在製品	4,323	4,909
		28,268	26,561

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15 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Arising from performance under construction contracts	自建築合約履約產生	581,612	490,201
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and other receivables" (Note 16)	屬於香港財務報告準則第15號範圍內且計入「貿易及其他應收款項」的來自客戶合約的應收款項(附註16)	661,513	277,019

Contract assets primarily relate to the Group's rights to consideration for work completed but not yet reached the milestones for billing at the reporting date. The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. The Group also typically agrees to a retention for 3% to 5% of the contract value. The retention period normally ranges from one to two years upon the completion of work. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

As at 31 December 2020, the amount of contract assets that was expected to be recovered after more than one year were RMB216,390,000 (2019: RMB162,115,000).

Contract assets are transferred to trade receivables when the rights become unconditional.

During the year ended 31 December 2020, the amount of revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods is RMB3,263,000 (2019: RMB3,308,000).

15 合約資產及合約負債

(a) 合約資產

合約資產主要與本集團就於呈報日期已完工但尚未達到開具發票階段的工程有權收取的代價有關。本集團的建築合約中包括付款時間表，要求於達成里程碑時就相關建築期間作出階段性付款。本集團一般按合約價值的3%至5%協定質保金。質保期通常為工程結束後一至兩年。由於本集團有權收取的最終款項視乎本集團的工程是否順利通過驗收，因而於質保期結束前，相關金額須計入合約資產。

於2020年12月31日，預期一年後可收回合約資產的金額為人民幣216,390,000元（2019年：人民幣162,115,000元）。

當相關權利成為無條件，合約資產轉入貿易應收款項。

截至2020年12月31日止年度，於過往期間完成（或部分完成）履約責任而確認的收益金額分別為人民幣3,263,000元（2019年：人民幣3,308,000元）。

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

15 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(b) Contract liabilities

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Billings in advance for construction contracts 建築合約之預收賬款	5,634	13,232
Sales deposits received 已收銷售定金	86	90
	5,720	13,322

Contract liabilities primarily relate to the consideration received from customers in advance, for which revenue is recognised based on the progress of the provision of related services.

For the year ended 31 December 2020, revenue recognised in the year that was included in the contract liabilities balance at the beginning of the year was RMB10,344,000 (2019: RMB4,834,000).

合約負債主要與提前向客戶收取的代價有關，其收益根據所提供相關服務的進度確認。

截至2020年12月31日止年度，於年初計入合約負債餘額且於年內確認的收益為人民幣10,344,000元（2019年：人民幣4,834,000元）。

16 TRADE AND OTHER RECEIVABLES

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Trade receivables, net of loss allowance 貿易應收款項 (扣除損失準備)		
— third parties 一 第三方	769,360	350,740
— related parties 一 關聯方	3,322	3,402
Bills receivable 應收票據	64,623	73,700
Prepayments to suppliers 向供應商作出的預付款項	21,816	27,642
Amounts due from related parties 應收關聯方款項	—	1,368
Deposits and other receivables 按金及其他應收款項	44,122	19,657
	903,243	476,509

16 貿易及其他應收款項

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2020, the amount of deposits expected to be recovered or recognised as expense after more than one year is RMB3,201,000 (2019: RMB3,000,000). All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

As part of its normal business, the Group has entered into certain factoring agreements with certain banks and factoring companies. During the year ended 31 December 2020, outstanding trade receivables of RMB46,914,000 (2019: RMB630,160,000) were sold to certain banks or factoring companies in accordance with non-recourse factoring agreements, and the corresponding trade receivables were derecognised as the directors are of the view that the substantial risks and rewards associated with the trade receivables have been transferred and therefore these receivables were qualified for derecognition.

As at 31 December 2020, outstanding commercial acceptance bills of RMB18,499,000 (2019: RMB52,477,000) were endorsed to certain suppliers with recourse and the Group continued to recognise the corresponding receivables. The associated liabilities with the same amount were included in trade and other payables (Note 20).

As at 31 December 2020, outstanding commercial acceptance bills of RMB49,957,000 were discounted to banks with recourse and were not derecognised. The associated liabilities with the same amount were included in bank loans (Note 21(a)).

16 貿易及其他應收款項(續)

於2020年12月31日，預期將於超過一年後收回並確認為開支的按金金額為人民幣3,201,000元(2019年：人民幣3,000,000元)。所有其他貿易及其他應收款項預計將於一年內收回或確認為開支。

作為本集團的正常業務的一部分，本集團已與若干銀行及保理公司訂立若干保理協議。截至2020年止年度，金額為人民幣46,914,000元(2019年：人民幣630,160,000元)的尚未償還貿易應收款項根據無追索權保理協議出售予若干銀行或保理公司，且相應貿易應收款項終止確認，由於董事們認為與貿易應收款項相關的重大風險與回報已轉移，因此該等應收款項符合終止確認的資格。

於2020年12月31日，金額為人民幣18,499,000元(2019年：人民幣52,477,000元)的尚未償還商業承兌票據向若干供應商背書(附追索權)，而本集團繼續確認相應應收款項。具相同金額的相關負債計入貿易及其他應付款項(附註20)。

於2020年12月31日，金額為人民幣49,957,000元的尚未償還商業承兌票據已貼現予銀行(附追索權)，並未終止確認。具相同金額的相關負債計入銀行貸款(附註21(a))。

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16 TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade and bills receivables (which are included in trade and other receivables), based on date of progress certificates or date of issuance of bills and net of loss allowance, is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Within 1 month	1個月內	130,223	93,800
More than 1 month but within 3 months	1至3個月	192,551	106,109
More than 3 months but within 6 months	3至6個月	179,168	109,068
More than 6 months but within 12 months	6至12個月	231,328	100,055
More than 12 months	超過12個月	104,035	18,810
		837,305	427,842

According to the payment terms in contracts, the Group is entitled to request for progress payments that are usually measured by reference to a prescribed percentage of the certified amount of work completed. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 26(a).

16 貿易及其他應收款項(續)

賬齡分析

於報告期末，按進度證明日期或票據開具日期分類並扣除損失準備的貿易應收款項及應收票據(計入貿易及其他應收款項)的賬齡分析如下：

根據合約的支付條款，本集團有權要求支付進度款，通常參考經核證已完工工程金額的特定百分比計量。本集團信貸政策及貿易應收款項產生的信貸風險之進一步詳情載於附註26(a)。

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17 RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENT

In January 2018, the Group entered into a service agreement to provide sewage treatment service in Changle District. Details of the Group's service concession arrangement for providing sewage treatment service are listed below:

Term of concession rights
特許權期限

Till 30 April 2030
直至2030年4月30日

Rights to use specific assets
使用特定資產的權利

All relevant sewage treatment infrastructure
所有相關污水處理設施

Pricing
定價

Initial sewage treatment unit tariff price is set out in the relevant service agreement. Non-routine review of sewage treatment unit tariff price is conducted upon change in production costs or additional capital expenditure incurred due to compliance with new environmental requirements
污水處理費最初單價載列於相關服務協議。污水處理費單價的非常規審閱於生產成本出現變動或由於遵循新環境要求而產生額外資本開支後進行

Minimum sewage treatment volume guaranteed
保證最低污水處理量

40,000 tonnes per day
每天40,000噸

Responsibilities
職責

During the concession period, the Group shall:
於特許權期間，本集團須：

- Maintain the sewage treatment facilities and operation of sewage treatment
• 維護污水處理設施及經營污水處理
- Monitor water quality
• 監控水質
- Disclose to the public the relevant tap water supply parameters, including quality, supply pressure and other service measures
• 向公眾披露自來水供應的相關參數，包括水質、水壓及其他服務措施

Term of termination
終止期限

Upon expiry of the concession period
特許權期屆滿後

Obligations to deliver specified assets at the end of the concession period
於特許權期末交付特定資產的責任

At the end of the concession period, the Group is obliged to deliver all the relevant sewage treatment infrastructure to the Grantor at nil consideration
於特許權期末，本集團須無償向授予方交付所有相關污水處理基礎設施

Term of renewal
重續條款

Not determined
尚未釐定

17 服務特許權安排項下的應收款項

於2018年1月，本集團就於長樂區提供污水處理服務訂立服務協議。有關本集團提供污水處理服務的服務特許權安排的詳情如下：

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

17 RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENT (CONTINUED)

The Group's receivables under service concession arrangement in respect of sewage treatment service concession arrangement are as follows:

17 服務特許權安排項下的應收款項 (續)

本集團涉及污水處理服務特許權安排項下的應收款項載列如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current portion	非即期部分	29,201	32,909
Current portion	即期部分	6,448	17,436
		35,649	50,345
Expected collection schedule is as follows:	預計收取時間表如下：		
Within 1 year	1年內	6,448	17,436
After 1 year but within 5 years	1至5年	14,334	14,478
After 5 years but within 10 years	5至10年	14,867	17,326
After 10 years	10年以後	—	1,105
		35,649	50,345

The effective interest rate for the above financial assets was 3.85% per annum.

上述金融資產的實際年利率為3.85%。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

18 RESTRICTED BANK BALANCES

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Pledged deposits	已抵押存款	17,042	2,727

As at 31 December 2020, these deposits were pledged to banks as security for bills payable (Note 20).

於2020年12月31日，該等存款已抵押予銀行作為應付票據的擔保(附註20)。

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	200,884	102,968

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

銀行現金根據每日銀行存款利率得出的浮動利率賺取利息。銀行結餘存放於信譽良好且近期無違約記錄的銀行。

At 31 December 2020, cash and deposits that were placed with banks in the mainland China amounted to RMB190,404,000 (2019: RMB102,889,000). Remittance of funds out of mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

於2020年12月31日，存放於中國內地銀行的現金及存款為人民幣190,404,000元(2019年：人民幣102,889,000元)。從中國內地匯出款項須遵守中國政府頒佈的外匯管制規則及規例。

18 受限制銀行結餘

19 現金及現金等價物及其他現金流量資料

(a) 現金及現金等價物包括：

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of profit before taxation to cash (used in)/generated from operations:

19 現金及現金等價物及其他現金流量資料(續)

(b) 稅前利潤與經營(所用)/所得現金之對賬:

	Note	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Operating activities			
Profit before taxation		69,049	208,322
Adjustments for:			
Depreciation of property, plant and equipment owned and right-of-use assets	5(c)	89,601	102,899
Amortisation	5(c)	384	91
Gain on disposal of property, plant and equipment	4	(3,142)	(1,509)
Impairment losses on trade and other receivables and contract assets	5(c)	114,767	20,808
Finance costs	5(a)	18,458	17,363
Changes in working capital:			
(Increase)/decrease in inventories		(1,707)	16,018
Increase in contract assets		(116,226)	(246,153)
Increase in trade and other receivables		(503,926)	(115,160)
Decrease/(increase) in receivables under service concession arrangement		14,696	(4,343)
Increase in restricted bank balances		(14,315)	(492)
Increase in trade and other payables		132,003	132,037
(Decrease)/increase in contract liabilities		(7,602)	8,199
Cash (used in)/generated from operations		(207,960)	138,080

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

19 現金及現金等價物及其他現金流量資料(續)

(c) 融資活動所產生的負債之對賬

下表載列本集團融資活動所產生的負債之變動(包括現金及非現金變動)詳情。倘某項負債之現金流量已經或未來現金流量將要於本集團的綜合現金流量表中分類為融資活動所產生的現金流量，則該項負債屬融資活動產生的負債。

		Bank loans	Interest payable	Lease liabilities	Payables for acquisition of equipment by instalments	Obligations arising from sale and leaseback transactions	Total
		銀行貸款	應付利息	租賃負債	以分期付款購入設備的應付款項	售後租回交易產生的義務	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 21(a))	(Note 20)	(Note 21(b))	20 & 24	(Note 21(c))	
		(附註21(a))	(附註20)	(附註21(b))	及24	(附註21(c))	
At 1 January 2020	於2020年1月1日	115,210	417	2,002	30,672	4,536	152,837
Changes from financing cash flows:	融資現金流量帶來的變動:						
Proceeds from bank loans	銀行貸款所得款項	282,618	—	—	—	—	282,618
Repayment of bank loans	償還銀行貸款	(62,477)	—	—	—	—	(62,477)
Payments of lease liabilities	支付租賃負債	—	—	(859)	—	—	(859)
Payment for acquisition of equipment by instalments	以分期付款購入設備之付款	—	—	—	(35,563)	—	(35,563)
Payments for capital element of obligations arising from sale and leaseback transactions	售後租回交易產生的義務的資本部分付款	—	—	—	—	(2,411)	(2,411)
Proceeds from borrowings under sale and leaseback transaction	售後租回交易的借款所得款項	—	—	—	—	50,000	50,000
Interests paid	已付利息	—	(16,746)	—	—	—	(16,746)
Total changes from financing cash flows	融資現金流量帶來的變動合計	220,141	(16,746)	(859)	(35,563)	47,589	214,562
Other changes:	其他變動:						
Acquisition of equipment by instalments	以分期付款購入設備	—	—	—	74,866	—	74,866
Interest expenses (Note 5(a))	利息支出(附註5(a))	—	18,458	—	—	—	18,458
Others	其他	—	—	—	—	(2,125)	(2,125)
Total other changes	其他變動合計	—	18,458	—	74,866	(2,125)	91,199
At 31 December 2020	於2020年12月31日	335,351	2,129	1,143	69,975	50,000	458,598

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (Continued)

		Bank loans	Interest payable	Amounts due to related parties	Lease liabilities	Payables for acquisition of equipment by instalments	Obligations arising from sale and leaseback transactions	Total
		銀行貸款	應付利息	應付關聯方款項	租賃負債	以分期付款購入設備的應付款項	售後租回交易的義務	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 21(a))	(Note 20)	(Note 20)	(Note 21(b))	(Notes 20 & 24)	(Note 21(c))	
		(附註21(a))	(附註20)	(附註20)	(附註21(b))	(附註20及24)	(附註21(c))	
At 1 January 2019	於2019年1月1日	122,751	105	13,872	3,693	34,948	13,961	189,330
Changes from financing cash flows:	融資現金流量帶來的變動：							
Proceeds from bank loans	銀行貸款所得款項	153,210	—	—	—	—	—	153,210
Repayment of bank loans	償還銀行貸款	(160,751)	—	—	—	—	—	(160,751)
Payments of lease liabilities	支付租賃負債	—	—	—	(1,691)	—	—	(1,691)
Payment for acquisition of equipment by instalments	以分期付款購入設備之付款	—	—	—	—	(28,779)	—	(28,779)
Payments for capital element of obligations arising from sale and leaseback transactions	售後租回交易產生的義務的資本部分付款	—	—	—	—	—	(9,425)	(9,425)
Interests paid	已付利息	—	(17,051)	—	—	—	—	(17,051)
Advances from related parties	關聯方墊款	—	—	25,972	—	—	—	25,972
Repayments to related parties	向關聯方還款	—	—	(38,127)	—	—	—	(38,127)
Transactions with shareholders during the reorganisation	重組期間與股東進行的交易	—	—	(4,125)	—	—	—	(4,125)
Total changes from financing cash flows	融資現金流量帶來的變動合計	(7,541)	(17,051)	(16,280)	(1,691)	(28,779)	(9,425)	(80,767)
Other changes:	其他變動：							
Acquisition of equipment by instalments	以分期付款購入設備	—	—	—	—	26,649	—	26,649
Interest expenses (Note 5(a))	利息支出(附註5(a))	—	17,363	—	—	—	—	17,363
Payables to shareholders due to Reorganisation	因重組而應付股東款項	—	—	4,125	—	—	—	4,125
Others	其他	—	—	(1,717)	—	(2,146)	—	(3,863)
Total other changes	其他變動合計	—	17,363	2,408	—	24,503	—	44,274
At 31 December 2019	於2019年12月31日	115,210	417	—	2,002	30,672	4,536	152,837

19 現金及現金等價物及其他現金流量資料(續)

(c) 融資活動所產生的負債之對賬(續)

(d) Significant non-cash transactions

During the year ended 31 December 2020, the Group acquired equipment with an aggregate cost of RMB74,866,000 (2019: RMB26,649,000) by instalments.

(d) 重大非現金交易

於截至2020年12月31日止年度，本集團以分期付款購入設備，總成本為人民幣74,866,000元(2019年：人民幣26,649,000元)。

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(e) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Within operating cash flows	經營現金流量	(21,571)	(40,595)
Within financing cash flows	融資現金流量	(894)	(1,871)
		(22,465)	(42,466)

These amounts all relate to lease rentals paid.

(f) Net cash outflow arising from the acquisition of a subsidiary

The recognised amounts of assets acquired and liabilities at the date of acquisition of the subsidiary comprise the following:

		RMB'000 人民幣千元
Licenses (Note 11)	牌照(附註11)	3,300
Total consideration paid in cash	以現金支付的總代價	3,300
Less: cash of subsidiary acquired	減：已收購附屬公司的現金	—
		3,300

19 現金及現金等價物及其他現金流量資料(續)

(e) 租賃現金流出總額

計入現金流量表的租賃金額組成如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Within operating cash flows	經營現金流量	(21,571)	(40,595)
Within financing cash flows	融資現金流量	(894)	(1,871)
		(22,465)	(42,466)

該等金額均與已付租金有關。

(f) 收購附屬公司產生的現金流出淨額

於收購附屬公司日期已收購資產及負債的已確認金額包括以下：

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20 TRADE AND OTHER PAYABLES

20 貿易及其他應付款項

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Trade payables	貿易應付款項		
— third parties	— 第三方	405,734	304,871
Bills payable	應付票據	127,677	53,787
Payables to suppliers of property, plant and equipment	應付物業、廠房及設備供應 商款項	25,804	39,813
Payables for acquisition of equipment by instalments — current portion	以分期付款購入設備的 應付款項 — 即期部分	47,400	21,471
Other payables and accruals	其他應付款項及應計款項	126,691	108,523
Obligation for bills endorsed with recourse	具追索權的背書票據責任	18,499	52,477
Interest payable	應付利息	2,129	417
		753,934	581,359

As at 31 December 2020 and 2019, all the other trade and other payables are expected to be settled within one year or are repayable on demand.

於2020年及2019年12月31日，所有其他貿易及其他應付款項預期於一年內結清或按要求支付。

As of the end of the reporting period, the ageing analysis of trade and bills payable (which are included in trade and other payables), based on the invoice date/transaction date, is as follows:

截至報告期末，按發票日期／交易日期劃分之貿易應付款項及應付票據(包含在貿易及其他應付款項之中)之賬齡分析如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Within 1 month	1個月內	178,426	78,095
More than 1 month but within 3 months	1至3個月	99,529	90,964
More than 3 months but within 6 months	3至6個月	88,330	99,036
More than 6 months but within 12 months	6至12個月	62,392	47,579
More than 12 months	超過12個月	104,734	42,984
		533,411	358,658

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

21 LOANS AND BORROWINGS

21 貸款及借款

		Note	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current	非即期			
Bank loans — secured	銀行貸款 — 有擔保	(a)	56,131	64,089
Lease liabilities	租賃負債	(b)	44	403
Obligations arising from sale and leaseback transactions	售後租回交易產生的義務	(c)	33,366	—
			89,541	64,492
Current	即期			
Bank loans — secured	銀行貸款 — 有擔保	(a)	279,220	51,121
Lease liabilities	租賃負債	(b)	1,099	1,599
Obligations arising from sale and lease back transactions	售後租回交易產生的義務	(c)	16,634	4,536
			296,953	57,256
Total	總計		386,494	121,748

(a) Bank loans

Bank loans were repayable as follows:

(a) 銀行貸款

銀行貸款還款安排如下所示：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Less than 1 year	一年內	279,220	51,121
1 to 2 years	一至兩年	19,015	64,089
2 to 5 years	兩至五年	37,116	—
		335,351	115,210

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

21 LOANS AND BORROWINGS (CONTINUED)

(a) Bank loans (Continued)

As at 31 December 2020, bank loans of RMB210,229,000 (2019: RMB115,210,000) were secured by pledged properties of an independent property developer, among which bank loan of RMB50,000,000 (2019: RMB44,000,000) was also guaranteed by an indirect wholly-owned subsidiary of the Company.

As at 31 December 2020, bank loans of RMB75,165,000 (2019: nil) were secured by pledged machinery and equipment of the Group (Note 10(iii)).

As at 31 December 2020, bank loans of RMB49,957,000 (2019: nil) were related to the outstanding commercial acceptance bills discounted to banks with recourse.

In July 2020, Jianzhong Construction Technology entered into a credit line agreement with Industrial Bank Co., Ltd., pursuant to which Jianzhong Construction Technology was granted bank facilities of up to RMB150,000,000. Such bank facilities were guaranteed by the Company, the controlling shareholder of the Company and an independent property developer with a guarantee fee based on the drawdown amount. As at 31 December 2020, bank loans of RMB100,000,000 and undrawn bank facilities that are available for use of RMB50,000,000 were guaranteed by the controlling shareholder of the Company.

21 貸款及借款(續)

(a) 銀行貸款(續)

於2020年12月31日，銀行貸款人民幣210,229,000元(2019年：人民幣115,210,000元)均以一間獨立物業開發商之抵押物業作為抵押，其中銀行貸款人民幣50,000,000元(2019年：人民幣44,000,000元)亦由本公司之間接全資附屬公司提供擔保。

於2020年12月31日，銀行貸款人民幣75,165,000元(2019年：無)以本集團的已抵押機械及設備作為抵押(附註10(iii))。

於2020年12月31日，銀行貸款人民幣49,957,000元(2019年：無)以本集團已貼現予銀行的尚未償還商業承兌票據(附追索權)作為抵押。

於2020年7月，建中建設科技與興業銀行股份有限公司訂立授信協議，據此，建中建設科技獲授最高為人民幣150,000,000元的銀行融資。有關銀行融資由本公司、本公司控股股東及一名獨立房地產開發商作擔保，擔保費根據提取金額收取。於2020年12月31日，銀行貸款人民幣100,000,000元及未提取的可供使用銀行融資人民幣50,000,000元由本集團控股股東提供擔保。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

21 LOANS AND BORROWINGS (CONTINUED)

(b) Lease liabilities

Maturity analysis — contractual undiscounted cash flows

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Less than 1 year	一年內	1,125	1,649
1 to 2 years	一至兩年	45	375
2 to 5 years	兩至五年	—	45
Total undiscounted lease liabilities	未貼現租賃負債總額	1,170	2,069
Less: total future interest expenses	減：未來利息開支總額	(27)	(67)
Lease liabilities included in the consolidated statements of financial position	計入綜合財務狀況表的租賃負債	1,143	2,002

Maturity analysis — present value of lease liabilities

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Less than 1 year	一年內	1,099	1,599
1 to 2 years	一至兩年	44	359
2 to 5 years	兩至五年	—	44
Present value of lease liabilities	租賃負債的現值	1,143	2,002

21 貸款及借款(續)

(b) 租賃負債

到期分析 — 未貼現合約現金流

到期分析 — 租賃負債的現值

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

21 LOANS AND BORROWINGS (CONTINUED)

(c) Obligations arising from sale and leaseback transactions

Obligations arising from sale and leaseback transactions were repayable as below:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Less than 1 year	一年內	18,707	4,951
1 to 2 years	一至兩年	17,970	—
2 to 3 years	兩至三年	17,173	—
Total undiscounted obligations arising from sale and leaseback transactions	未貼現售後租回交易產生義務總額	53,850	4,951
Less: total future interest expenses	減：未來利息開支總額	(3,850)	(415)
Obligations arising from sale and leaseback transactions included in the consolidated statements of financial position	計入綜合財務狀況表的售後租回交易產生的義務	50,000	4,536

Maturity analysis — present value of obligations arising from sale and leaseback transactions

到期分析 — 售後租回交易產生的義務現值

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Less than 1 year	一年內	16,634	4,536
1 to 2 years	一至兩年	16,687	—
2 to 3 years	兩至三年	16,679	—
Present value of obligations arising from sale and leaseback transactions	售後租回交易產生的義務現值	50,000	4,536

21 貸款及借款(續)

(c) 售後租回交易產生的義務

售後租回交易產生的義務的還款安排如下：

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

21 LOANS AND BORROWINGS (CONTINUED)

(c) Obligations arising from sale and leaseback transactions (Continued)

Maturity analysis — present value of obligations arising from sale and leaseback transactions (Continued)

As at 31 December 2020, obligations arising from sale and leaseback transactions of RMB50,000,000 (2019: RMB1,686,000) were secured by underlying assets with carrying values of RMB92,585,000 (2019: RMB14,789,000) respectively as mentioned in Note 10(iii). All the obligations arising from sale and leaseback transactions for the years ended 31 December 2020 and 2019 were guaranteed by the controlling shareholder of the Group.

22 EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plan

Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organised by the PRC municipal government authorities whereby the Group is required to make contributions to the Schemes based on a percentage of the participating employee's salaries. The local government authorities are responsible for the entire pension obligations payable to retired employees.

The Group has no other material obligation for the payment of pension benefits associated with the Schemes beyond the contributions described above.

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
PRC corporate income tax payable 應付中國企業所得稅	9,190	12,238

21 貸款及借款(續)

(c) 售後租回交易產生的義務(續)

到期分析 — 售後租回交易產生的義務現值(續)

於2020年12月31日，售後租回交易產生的義務人民幣50,000,000元(2019年：人民幣1,686,000元)以賬面值為人民幣92,585,000元(2019年：人民幣14,789,000元)的相關資產作抵押(如附註10(iii)所述)。截至2020年及2019年12月31日止年度，售後租回交易產生的所有義務均由本集團控股股東擔保。

22 僱員退休福利

定額供款退休計劃

根據中國相關勞工規則及法規，本集團於中國的附屬公司參與由中國市政府機關組織的定額供款退休福利計劃(「計劃」)，據此本集團須根據參與僱員工資的一定百分比率向計劃供款。地方政府機關就應付退休僱員全部退休金之責任負責。

除上述供款外，本集團概無其他與計劃有關的重大退休金福利支付義務。

23 綜合財務狀況表內的所得稅

(a) 綜合財務狀況表內的即期稅項指：

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:		Credit loss allowances	Construction costs	Depreciation	Others	Total
遞延稅項來源：		損失準備	建築成本	折舊	其他	合計
		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
At 1 January 2019	於2019年1月1日	7,050	3,916	(10,424)	1,090	1,632
Effect on deferred tax balances resulting from a change in tax rate (Note 6(b)(iii))	稅率變動對遞延稅項結餘之影響 (附註6(b)(iii))	(2,781)	(1,566)	3,839	(208)	(716)
Credited/(charged) to profit or loss	於損益內計入/ (扣除)	3,214	4,775	(4,926)	52	3,115
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	7,483	7,125	(11,511)	934	4,031
Effect on deferred tax balances resulting from a change in tax rate (Note 6(b)(iii))	稅率變動對遞延稅項結餘之影響 (附註6(b)(iii))	(120)	—	147	(16)	11
Credited/(charged) to profit or loss	於損益內計入/ (扣除)	17,773	(3,336)	(19,454)	(467)	(5,484)
At 31 December 2020	於2020年12月31日	25,136	3,789	(30,818)	451	(1,442)

23 綜合財務狀況表內的所得稅 (續)

(b) 已確認遞延稅項資產及負債：

(i) 遞延稅項資產及負債的各組成部分的變動

於綜合財務狀況表內確認的遞延稅項資產/(負債)的組成部分以及年內變動如下：

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised: (Continued)

(ii) Reconciliation to the consolidated statement of financial position

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Net deferred tax (liabilities)/asset recognised in the consolidated statement of financial position	(1,442)	4,031

(c) Deferred tax assets not recognised

In accordance with Note 1(q), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB104,000 (2019: RMB2,373,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses expire within five years under current tax legislation.

(d) Deferred tax liabilities not recognised

At 31 December 2020, deferred tax liabilities of RMB42,193,000 (2019: RMB35,460,000) in respect of the PRC dividend withholding tax relating to the undistributed profits of the Company's PRC subsidiaries were not recognised as the Company controls the dividend policy of these subsidiaries. Based on the assessment made by management as at the end of each of the reporting period, it was determined that the undistributed profits of the Company's PRC subsidiaries would not be distributed in the foreseeable future.

24 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities represent the non-current portion of payables for acquisition of equipment by instalments. For the year ended 31 December 2020, the effective interest rate of the payables is 7.2% (2019: 7.2%).

23 綜合財務狀況表內的所得稅 (續)

(b) 已確認遞延稅項資產及負債：(續)

(ii) 與綜合財務狀況表的對賬

(c) 未確認遞延稅項資產

根據附註1(q)，本集團並未就累計稅項虧損人民幣104,000元(2019年：人民幣2,373,000元)確認遞延稅項資產，因為在相關稅務司法管轄區及實體不太可能獲得可動用此等虧損的未來應課稅溢利。根據現行稅法，稅項虧損於五年內到期。

(d) 未確認遞延稅項負債

於2020年12月31日，並無就與本公司中國附屬公司未分配利潤相關的中國股息預扣稅確認遞延稅項負債人民幣42,193,000元(2019年：人民幣35,460,000元)，因為本公司控制該等附屬公司的股息政策。根據管理層於各報告期末作出的評估，已確定本公司中國附屬公司的未分派利潤於可見未來不會進行分派。

24 其他非流動負債

其他非流動負債指以分期付款購入設備的應付款項的非流動部分。截至2020年12月31日止年度，應付款項的實際利率為7.2%(2019年：7.2%)。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

25 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

Company 本公司		Share capital 股本 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累積虧損 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
	Note 附註				
Balance as at 5 February 2019 (date of incorporation)	於2019年2月5日 (註冊成立日期) 的結餘	—	—	—	—
Changes in equity for 2019:	於2019年的權益 變動：				
Loss for the period	期內虧損	—	—	(968)	(968)
Other comprehensive income	其他全面收益	—	4	—	4
Total comprehensive income	全面收益總額	—	4	(968)	(964)
Issuance of new shares	發行新股 25(c)	—*	—	—	—*
At 31 December 2019	於2019年 12月31日	—*	4	(968)	(964)

Company 本公司		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累積虧損 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
	Note 附註					
Balance as at 1 January 2020	於2020年1月1日的 結餘	—*	—	4	(968)	(964)
Changes in equity for 2020:	於2020年的權益 變動：					
Loss for the year	年內虧損	—	—	—	(4,466)	(4,466)
Other comprehensive income	其他全面收益	—	—	(16,579)	—	(16,579)
Total comprehensive income	全面收益總額	—	—	(16,579)	(4,466)	(21,045)
Capitalisation issue	資本化發行 25(c)(i)	4,246	(4,246)	—	—	—
Issuance of ordinary shares upon initial public offering	於首次公開發售後 發行普通股 25(c)(ii)	1,425	209,160	—	—	210,585
At 31 December 2020	於2020年12月31日	5,671	204,914	(16,575)	(5,434)	188,576

* The balances represent amounts less than RMB1,000.

* 該等結餘金額不足人民幣1,000元。

25 資本、儲備及股息

(a) 權益部分變動

本集團綜合權益各項的期初及期末結餘對賬載列於綜合權益變動表。於年初至年末期間，本公司股權個別項目的變動詳情載列如下：

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

25 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

Dividends payable to equity shareholders of the Company attributable to the year:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Final dividend proposed after the end of the reporting period of HK2.08 cents per ordinary share (2019: Nil)	10,941	—

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

於報告期末後建議的末期股息於報告期末尚未確認為負債。

(c) Share capital

Issued share capital

Issued and fully paid: 已發行及繳足：	Note 附註	Number of shares 股份數目 '000 千股	ordinary shares 普通股	
			HK\$'000 千港元	RMB'000 人民幣千元
At 1 January 2020		10	—*	—*
Capitalisation issue	(i)	468,740	4,687	4,246
Issuance of ordinary shares upon initial public offering	(ii)	156,250	1,563	1,425
At 31 December 2020		625,000	6,250	5,671

* The balances represent amounts less than RMB1,000.

* 該等結餘金額不足人民幣1,000元。

25 資本、儲備及股息(續)

(b) 股息

年內應付本公司權益股東的股息：

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Final dividend proposed after the end of the reporting period of HK2.08 cents per ordinary share (2019: Nil)	10,941	—

於報告期末後建議的末期股息於報告期末尚未確認為負債。

(c) 股本

已發行股本

Issued and fully paid: 已發行及繳足：	Note 附註	Number of shares 股份數目 '000 千股	ordinary shares 普通股	
			HK\$'000 千港元	RMB'000 人民幣千元
At 1 January 2020		10	—*	—*
Capitalisation issue	(i)	468,740	4,687	4,246
Issuance of ordinary shares upon initial public offering	(ii)	156,250	1,563	1,425
At 31 December 2020		625,000	6,250	5,671

* The balances represent amounts less than RMB1,000.

* 該等結餘金額不足人民幣1,000元。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

25 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (Continued)

Issued share capital (Continued)

(i) Capitalisation issue

In accordance with the shareholders' resolution of the Company dated 18 February 2020, the Company allotted and issued 468,740,000 shares on 18 March 2020, credited as fully paid, at par to the shareholders whose names were on the register of member of the Company as of the close of business on 13 March 2020. This resolution was conditional on the share premium account being credited as a result of the Company's initial public offering and pursuant to the written resolution; the existing issued shares shall rank pari passu in all respects.

(ii) Issuance of ordinary shares upon initial public offering

On 18 March 2020, the Company issued 156,250,000 shares with par value of HK\$0.01 each, at a price of HK\$1.65 per share by initial public offering. Net proceeds (after offsetting listing expenses of RMB24,456,000) from such issue amounted to approximately RMB210,585,000, out of which RMB1,425,000 and RMB209,160,000 were recorded in share capital and share premium respectively.

(d) Share premium

Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the equity shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

25 資本、儲備及股息(續)

(c) 股本(續)

已發行股本(續)

(i) 資本化發行

根據本公司日期為2020年2月18日的股東決議案，本公司於2020年3月18日按面值向於截至2020年3月13日營業時間結束時名列本公司股東名冊的股東配發及發行468,740,000股入賬列為繳足股份。此項決議案須待股份溢價賬因本公司的首次公開發售錄得進賬後及根據書面決議案，方可作實；現有已發行股份將在所有方面享有同等地位。

(ii) 於首次公開發售後發行普通股

於2020年3月18日，本公司通過首次公开发售以每股1.65港元的價格發行156,250,000股每股面值0.01港元的股份。有關發行的所得款項淨額(於抵銷上市費用人民幣24,456,000元後)為人民幣210,585,000元。其中人民幣1,425,000元及人民幣209,160,000元分別計入股本及股份溢價。

(d) 股份溢價

根據開曼群島公司法，本公司股份溢價賬可供分派股息予本公司權益股東，前提為緊隨建議分派股息當日後，本公司將會有能力於其正常業務過程中付清其到期債務。

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

25 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves

(i) Capital reserve

Pursuant to the shareholders' resolution on 24 January 2019, the paid-in capital of Jianzhong Construction Technology was increased by RMB20,450,000. Two investors injected a total amount of RMB92,025,000 and the premium of RMB71,575,000 over nominal share value arising from the capital injections was credited into capital reserve.

(ii) Statutory reserve

As stipulated by regulations in the PRC, the Company's subsidiaries established and operated in the PRC are required to appropriate 10% of their profit after tax (after offsetting prior year losses), as determined in accordance with the PRC accounting standards, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity owners.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into capital provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(iii) Special reserve

Pursuant to the relevant PRC regulations, a reserve for production safety is required to be set up and to be appropriated at a fixed rate on the revenue of the subsidiaries of the Group established in the PRC. The reserve can be utilised for expenses or capital expenditures incurred in connection with production safety.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities incorporated outside mainland China. The reserve is dealt with in accordance with the accounting policies set out in Note 1(t).

25 資本、儲備及股息(續)

(e) 儲備的性質及目的

(i) 資本儲備

根據2019年1月24日之股東決議，建中建設科技的實繳股本增加人民幣20,450,000元。兩名投資者合計注資人民幣92,025,000元，因注資產生的較股份面值溢價人民幣71,575,000元入賬列為資本儲備。

(ii) 法定儲備

根據中國法規的規定，本公司在中國成立及經營的附屬公司須將按照中國會計準則釐定的稅後利潤(經對銷上年虧損後)的10%撥充法定盈餘儲備，直至儲備結餘達到註冊資本的50%。企業須在向股權持有者分配股息之前轉撥該項儲備。

法定盈餘儲備可用於抵銷以往年度的虧損(如有)，並可轉增資本(前提是該項轉換後的儲備餘額不低於實體註冊資本的25%)。

(iii) 專項儲備

根據相關中國法規，本集團須設立安全生產儲備，並按固定利率以本集團於中國成立的附屬公司的收益撥付。該儲備可用於與安全生產有關的費用或資本支出。

(iv) 匯兌儲備

匯兌儲備包括換算於中國內地境外註冊成立的實體財務報表所產生的所有外匯差額。該儲備根據附註1(t)所載的會計政策處理。

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

25 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves (Continued)

(v) Other reserve

On 7 May 2019, in connection with the Reorganisation, Mr. Xun Minghong and a number of shareholders (collectively the “then shareholders”) entered into an equity transfer agreement with Fujian Fuhai Rui Construction Development Co, Ltd, formerly known as Fujian Jianzhong Investment Consultancy Co., Ltd. (“Jianzhong Investment Consultancy”), an indirectly wholly-owned subsidiary of the Company, pursuant to which the then shareholders transferred 100% equity interest in Jianzhong Construction Technology to Jianzhong Investment Consultancy, in exchange for 1% additional equity interest in Jianzhong Investment Consultancy respectively.

On 16 May 2019, Fujian Hairuncheng Construction Development Co., Ltd., formerly known as Fujian Jianzhong Corporate Management Co., Ltd., entered into an equity transfer agreement with the then shareholders to acquire the 1% equity interest in Jianzhong Investment Consultancy for an aggregate consideration of approximately RMB4,125,000. The difference between the historical carrying value of paid-in capital of Jianzhong Construction Technology amounting to RMB168,450,000 and the consideration payable to the then shareholders was transferred into other reserve.

25 資本、儲備及股息(續)

(e) 儲備的性質及目的(續)

(v) 其他儲備

於2019年5月7日，就重組而言，荀名紅先生及數名股東（統稱「當時股東」）與 Fujian Fuhai Rui Construction Development Co, Ltd（前稱為福建省建中投資諮詢有限公司，「建中投資諮詢」，本公司一間間接全資附屬公司）訂立股權轉讓協議，據此，當時股東將建中建設科技的全部股權轉讓予建中投資諮詢，以分別換取建中投資諮詢1%的額外股權。

於2019年5月16日，福建海潤城建設發展有限公司（前稱為福建省建中企業管理有限公司）與當時股東訂立股權轉讓協議，以收購建中投資諮詢的1%股權，總代價約為人民幣4,125,000元。建中建設科技實繳資本的過往賬面值人民幣168,450,000元與應付當時股東的代價之間的差額轉入其他儲備。

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

25 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio.

For this purpose, net debt is defined as total debt (which includes interest-bearing loans and borrowings, and payables for acquisition of equipment by instalments) less cash and cash equivalents.

25 資本、儲備及股息(續)

(f) 資本管理

本集團資本管理的主要目標是保障本集團的持續經營能力，通過為產品及服務釐定與風險相稱的價格並以合理成本獲得融資，確保繼續為股東提供回報，為其他利益相關者創造利益。

本集團積極定期檢討及管理其資本架構，在較高借款水平可能帶來的更高股東回報與穩健的資本狀況能帶來的益處及保障之間把握平衡，並因應經濟環境的變化對資本架構作出調整。

本集團根據經調整淨負債資本比率監察其資本架構。

為此，淨負債界定為負債總額(包括計息貸款及借款以及以分期付款購入設備的應付款項)減現金及現金等價物。

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Loans and borrowings	貸款及借款	386,494	121,748
Payables for acquisition of equipment by instalments	以分期付款購入設備的應付款項	69,975	30,672
Sub-total	小計	456,469	152,420
Less: Cash and cash equivalents	減：現金及現金等價物	(200,884)	(102,968)
Net debt	淨負債	255,585	49,452
Equity	權益	1,093,345	824,132
Net debt-to-capital ratio	淨負債資本比率	23.4%	6.0%

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade receivables, bills receivable, contract assets and receivables under service concession arrangement. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers. These evaluations focus on the customer's history of making payments and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group's customers are mainly real estate companies or main contractors in mainland China. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 66.6% (2019: 62.2%) and 80.4% (2019: 85.2%) of the total trade receivables and contract assets was due from the Group's largest customer and the five largest customers respectively.

The Group measures loss allowances for trade receivables, bills receivable and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance is not further distinguished between the Group's different customer bases.

26 財務風險管理及金融工具的公平值

本集團正常業務過程中會產生信貸、流動性、利率及貨幣風險。本集團面臨的該等風險以及本集團用於管理該等風險的財務風險管理政策及常規載列如下。

(a) 信貸風險

本集團的信貸風險主要來自貿易應收款項、應收票據、合約資產及服務特許權安排項下的應收款項。管理層已制定信貸政策，並已持續監控此等信貸風險。

本集團已設立信貸風險管理政策，據此，所有客戶均須進行個別信貸評估。此等評估側重關注客戶付款歷史及當前支付能力，並考慮客戶的特定資料及與客戶業務所處經濟環境有關的資料。本集團通常不會從客戶處獲得抵押品。

本集團的客戶主要為中國內地的房地產公司或總承包商。本集團主要在面臨個別客戶帶來的重大風險時產生高度集中的信貸風險。於報告期末，66.6% (2019年：62.2%) 及80.4% (2019年：85.2%) 的貿易應收款項總額及合約資產分別來自本集團最大客戶及五大客戶。

本集團按等同於存續期預期信貸損失的金額計量貿易應收款項、應收票據及合約資產的損失準備，並以撥備矩陣計算。由於本集團的歷史信貸損失經驗並未表明不同客戶群的虧損模式存在顯著差異，本集團不同客戶群的損失準備未作進一步區分。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, bills receivable and contract assets:

		2020 2020年		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 損失準備 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	7.1	626,374	(44,762)
Less than 12 months past due	逾期少於12個月	10.0	814,365	(81,095)
More than 12 months past due	逾期超過12個月	26.4	141,257	(37,222)
			1,581,996	(163,079)
		2019 2019年		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 損失準備 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	3.9	510,147	(19,946)
Less than 12 months past due	逾期少於12個月	5.6	433,314	(24,282)
More than 12 months past due	逾期超過12個月	17.9	22,905	(4,095)
			966,366	(48,323)

In addition to above provision matrix, the Group has made individual loss allowance for a certain customer. As at 31 December 2020, the accumulated individual loss allowance was RMB686,000 (2019: RMB686,000) with the carrying amounts before loss allowance of RMB686,000 (2019: RMB686,000).

26 財務風險管理及金融工具的公平值(續)

(a) 信貸風險(續)

下表載列本集團貿易應收款項、應收票據及合約資產的信貸風險及預期信貸損失資料：

除上述撥備矩陣外，本集團已就一名特定客戶計提個別損失準備。於2020年12月31日，累計個別損失準備為人民幣686,000元(2019年：人民幣686,000元)，除損失準備前賬面值為人民幣686,000元(2019年：人民幣686,000元)。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

Expected loss rates are based on historical credit loss experience over the past years or loss rates of comparable companies with published financials when there was no sufficient historical experience. These rates are adjusted for factors that are specific to the debtors, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables, bills receivable and contract assets.

For receivables under service concession arrangement, the Group estimated loss allowances based on expected cash short falls calculated by discounting using the corresponding effective interest rate. As at 31 December 2020, the Group considered the loss allowances for receivables under service concession arrangement to be immaterial.

The impact of the COVID-19 pandemic on the Group's expected credit losses was mainly reflected in the delays in collection from customers. The Group reviewed the current conditions as to delay of payments by its customers compared to historical data. Based on such review, the loss allowance for expected credit losses as at 31 December 2020 increased significantly as compared to 31 December 2019.

Movement in the loss allowance account in respect of trade receivables, bills receivable, contract assets and receivables under service concession arrangement during the year is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Balance at 1 January	於1月1日的結餘	49,009	28,201
Amounts written off during the year	年內撇銷金額	(11)	—
Impairment losses recognised during the year	年內已確認減值虧損	114,767	20,808
Balance at 31 December	於12月31日的結餘	163,765	49,009

26 財務風險管理及金融工具的公平值(續)

(a) 信貸風險(續)

預期虧損率根據過往年度歷史信貸損失情況或倘無充足歷史經驗則按已刊發財務資料的可資比較公司的損失率計算。該等比率根據債務人的特定因素、當前狀況及本集團對貿易應收款項、應收票據及合約資產預計存續期內的經濟狀況的看法作出調整。

就服務特許權安排項下的應收款項而言，本集團根據使用相應實際利率折現計算的預計現金短缺額估計損失準備。於2020年12月31日，本集團認為服務特許權安排項下的應收款項計提的損失準備並不重大。

COVID-19大流行病對本集團預期信貸損失的影響主要體現在客戶收款延遲。本集團已對比歷史數據審閱有關客戶延遲付款的當前條件。基於有關審閱，於2020年12月31日的預期信貸損失的虧損撥備較2019年12月31日大幅增加。

貿易應收款項、應收票據、合約資產及服務特許權安排項下的應收款項的損失準備賬目於年內的變動情況如下：

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

		2020 2020年					2019 2019年				
		Contractual undiscounted cash outflow 未貼現合約現金流出				Carrying amount on consolidated statements of financial position 綜合財務狀況表內之賬面值 RMB'000 人民幣千元	Contractual undiscounted cash outflow 未貼現合約現金流出				Carrying amount on consolidated statements of financial position 綜合財務狀況表內之賬面值 RMB'000 人民幣千元
		Within 1 year or on demand 1年以內或按 要求償還 RMB'000 人民幣千元	More than 1 year but less than 2 years 1年以上 2年以內 RMB'000 人民幣千元	More than 2 years but less than 5 years 2年以上 5年以內 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元		Within 1 year or on demand 1年以內或 按 要求償還 RMB'000 人民幣千元	More than 1 year but less than 2 years 1年以上 2年以內 RMB'000 人民幣千元	More than 2 years but less than 5 years 2年以上 5年以內 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	
Trade payables	貿易應付款項	405,734	—	—	405,734	405,734	304,871	—	—	304,871	304,871
Bills payable	應付票據	127,677	—	—	127,677	127,677	53,787	—	—	53,787	53,787
Payables to suppliers of property, plant and equipment	應付物業、廠房及設備供應商款項	25,804	—	—	25,804	25,804	39,813	—	—	39,813	39,813
Payables for acquisition of equipment by instalments	以分期付款購入設備的應付款項	48,890	17,002	6,403	72,295	69,975	22,533	9,495	—	32,028	30,672
Other payables and accruals	其他應付款項及應計款項	39,654	—	—	39,654	39,654	44,315	—	—	44,315	44,315
Interest payable	應付利息	2,129	—	—	2,129	2,129	417	—	—	417	417
Obligation for bills endorsed with recourse	具追索權的背書票據責任	18,499	—	—	18,499	18,499	52,477	—	—	52,477	52,477
Bank loans	銀行貸款	292,714	21,963	39,980	354,657	335,351	58,427	67,577	—	126,004	115,210
Lease liabilities	租賃負債	1,125	45	—	1,170	1,143	1,649	375	45	2,069	2,002
Obligations arising from sale and leaseback transactions	售後租回交易產生的義務	18,707	17,970	17,173	53,850	50,000	4,951	—	—	4,951	4,536
		980,933	56,980	63,556	1,101,469	1,075,966	583,240	77,447	45	660,732	648,100

26 財務風險管理及金融工具的公平值 (續)

(b) 流動性風險

本集團政策規定須定期監控流動資金需求及對借款條款的遵守情況，確保維持充足的現金儲備及由大型金融機構授予的承諾融資額度，以滿足短期及長期的流動資金需求。

下表乃基於未貼現合約現金流量以及本集團可能被要求還款的最早日期列示的本集團於報告期末的金融負債的餘下合約到期詳情：

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk

The Group's interest rate risk arising primarily from the bank loans, lease liabilities, payables for acquisition of equipment by instalments and obligations arising from sale and leaseback transactions. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

(i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group's borrowings at the end of the reporting period:

		2020 2020年		2019 2019年	
		Effective interest rate 實際利率		Effective interest rate 實際利率	
		%	RMB'000 人民幣千元	%	RMB'000 人民幣千元
Fixed rate borrowings:	固定利率借款：				
Lease liabilities	租賃負債	6.9	1,143	6.9	2,002
Obligations arising from sale and leaseback transactions	售後租回交易產生的義務	4.8	50,000	7.2	4,536
Bank loans	銀行貸款	3.4-8.0	199,957	6.4	44,000
Payables for acquisition of equipment by instalments	以分期付款購入設備的應付款項	7.2	69,975	7.2	30,672
			321,075		81,210
Variable rate borrowings:	浮動利率借款：				
Bank loans	銀行貸款	5.3-6.8	135,394	6.8	71,210
Total borrowings	借款總額		456,469		152,420
Fixed rate borrowings as a percentage of total borrowings	固定利率借款佔借款總額的百分比		70.3%		53.3%

26 財務風險管理及金融工具的公平值(續)

(c) 利率風險

本集團的利率風險主要來自銀行貸款、租賃負債、以分期付款購入設備的應付款項及售後租回交易產生的義務。浮動利率及固定利率的借款分別令本集團面臨現金流量利率風險及公平值利率風險。

(i) 利率風險概況

下表詳列本集團於報告期末的借款的利率風險概況：

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(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instrument, a change in interest rates at the reporting date would not affect the profit or loss.

In respect of the exposure to cash flow interest rate risk arising from floating rate bank loans held by the Group at the end of the reporting period, the impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates. As at 31 December 2020, it is estimated that a general increase/decrease of 500 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately RMB5,754,000 (2019: RMB3,026,000). The analysis is performed on the same basis as 2019.

(d) Currency risk

The Group had no significant foreign exchange exposure as substantially all the Group's transactions are denominated in RMB.

(e) Fair value

The carrying amounts of the Group's financial instruments carried at amounts not materially different from their fair values as at 31 December 2020 and 2019.

27 CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2020 not provided for in the financial statements were as follows:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Contracted for 已訂約	10,044	8,110

26 財務風險管理及金融工具的公平值(續)

(c) 利率風險(續)

(ii) 敏感度分析

本集團未有計入透過損益按公平值計量的任何定息金融負債。因此，就定息工具而言，於報告日期的利息變動不會影響損益。

對於本集團於報告期末所持有的浮動利率銀行貸款產生的現金流量利率風險敞口，本集團的稅後利潤及保留利潤的影響是上述利率變動對按年度估算的利息費用或收入的影響。於2020年12月31日，估計利率整體上升/下降500個基準點，而所有其他變數維持不變，本集團稅後利潤及保留利潤將減少/增加約人民幣5,754,000元(2019年：人民幣3,026,000元)。該分析與2019年的分析基礎一致。

(d) 貨幣風險

因本集團絕大部分交易以人民幣計值，故本集團並無重大外匯風險。

(e) 公平值

於2020年及2019年12月31日，本集團金融工具的賬面值與其公平值並無重大分別。

27 資本承擔

於2020年12月31日，並未於財務報表計提撥備的尚未償付資本承擔如下：

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

28 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 7 and certain of the highest paid employees as disclosed in Note 8, is as follows:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Short-term employee benefits 短期僱員福利	3,817	3,138
Contributions to retirement benefit scheme 退休福利計劃供款	20	27
	3,837	3,165

Total remuneration is included in "staff costs" (see Note 5(b)).

(b) Other transactions with related parties

For the year ended 31 December 2020, the Group provided construction service to an entity controlled by the controlling shareholder. Revenue generated from such service during the period was RMB2,263,000 (2019: RMB2,363,000) and the balances of contract assets and trade receivables was RMB2,123,000 as at 31 December 2020 (2019: RMB480,000).

For the year ended 31 December 2020, the Group had short-term leases of factory and office premise from three related companies. The aggregate rental expenses incurred during the year amounted to RMB2,097,000 (2019: RMB2,471,000). The balances of other payables to the above companies was RMB2,218,000 as at 31 December 2020 (2019: RMB2,957,000)

28 重大關聯方交易

(a) 主要管理人員薪酬

本集團主要管理人員之薪酬(包括支付給本公司董事(披露於附註7)及若干最高薪酬僱員(披露於附註8)的金額)如下:

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Short-term employee benefits 短期僱員福利	3,817	3,138
Contributions to retirement benefit scheme 退休福利計劃供款	20	27
	3,837	3,165

薪酬總額計入「員工成本」(見附註5(b))。

(b) 與關聯方的其他交易

截至2020年12月31日止年度，本集團向由控股股東控制的實體提供建築服務。期內，該服務產生的收益為人民幣2,263,000元(2019年：人民幣2,363,000元)，而於2020年12月31日的合約資產及貿易應收款項結餘為人民幣2,123,000元(2019年：人民幣480,000元)。

截至2020年12月31日止年度，本集團向三間關聯公司短期租賃廠房及辦公場所。年內產生的租金開支總額為人民幣2,097,000元(2019年：人民幣2,471,000元)。於2020年12月31日應付上述公司的其他款項餘額為人民幣2,218,000元(2019年：人民幣2,957,000元)。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

28 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Other transactions with related parties (Continued)

As at 31 December 2020, the carrying amounts of right-of-use assets related to long-term leases from related parties were RMB nil (2019: RMB331,000), which were included in the carrying amount of property, plant and equipment in Note 10(ii). Balances of lease liabilities to related parties were RMB583,000 (2019: RMB1,085,000)

As at 31 December 2020, payables for acquisition of equipment by instalments of RMB6,836,000 (2019: RMB19,327,000) were guaranteed by a company controlled by the controlling shareholder.

Guarantees provided by the Controlling Shareholder relating to bank loans/facilities and obligations arising from sale and leaseback transactions were disclosed in Note 21(a) and Note 21(c) respectively.

Save as disclosed above, the Group did not have any other material transactions or outstanding balances with related parties.

28 重大關聯方交易 (續)

(b) 與關聯方的其他交易 (續)

於2020年12月31日，與關聯方長期租賃有關的使用權資產賬面值為人民幣零元（2019年：人民幣331,000元），計入附註10(ii)物業、廠房及設備的賬面值。應付關聯方租賃負債的結餘為人民幣583,000元（2019年：人民幣1,085,000元）。

於2020年12月31日，以分期付款購入設備的應付款項為人民幣6,836,000元（2019年：人民幣19,327,000元），由控股股東控制的公司提供擔保。

控股股東就銀行貸款／融資及售後租回交易產生的義務提供擔保已分別於附註21(a)及附註21(c)披露。

除上文所披露者外，本集團並無與關聯方進行任何其他重大交易或存在未結算結餘。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有所指外，均以人民幣列示)

29 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 29 公司層面財務狀況表

		Note 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Investment in a subsidiary	於一間附屬公司之投資		—*	—*
Amount due from a subsidiary	應收一間附屬公司之款項		185,066	—
			185,066	—*
Current assets	流動資產			
Prepayments and other receivables	預付款項及其他應收款項		—	6,100
Cash and cash equivalents	現金及現金等價物		14,774	79
			14,774	6,179
Current liabilities	流動負債			
Amount due to a subsidiary	應付一間附屬公司之款項		11,148	6,727
Other payables and accruals	其他應付款項及應計款項		116	416
			11,264	7,143
Net current assets/(liabilities)	流動資產/(負債)淨額		3,510	(964)
Total assets less current liabilities	總資產減流動負債		188,576	(964)
NET ASSETS/(LIABILITIES)	資產/(負債)淨額		188,576	(964)
CAPITAL AND RESERVES	資本及儲備	25		
Share capital	股本		5,671	—*
Reserves	儲備		182,905	(964)
TOTAL EQUITY	權益總額		188,576	(964)

* The balances represent amounts less than RMB1,000.

* 該等結餘金額不足人民幣1,000元。

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財務報表附註

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30 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2020, the directors consider the ultimate controlling shareholder of the Group to be Mr. Xun Minghong. As at 31 December 2020, the immediate controlling shareholder of the Group is MHX Investment Limited, which was incorporated in the BVI and does not produce financial statements available for public use.

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2020 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

30 直接及最終控股人士

於2020年12月31日，董事認為本集團的最終控股股東為荀名紅先生。於2020年12月31日，本集團的直接控股股東為MHX Investment Limited，其於英屬處女群島註冊成立且並無編製可供公眾使用之財務報表。

31 截至2020年12月31日止年度已頒佈但未生效的修訂、新訂準則及詮釋的潛在影響

截至該等財務報表的刊發日期，香港會計師公會已頒佈數項於截至2020年12月31日止年度尚未生效且尚未於該等財務報表內採納的修訂、新訂準則及詮釋。該等修訂包括以下可能與本集團有關的準則。

**Effective for
accounting periods
beginning on or after
於以下日期或之後開始
的會計期間生效**

Amendments to HKFRS 3, Reference to the Conceptual Framework	香港財務報告準則第3號之修訂， 概念框架的提述	1 January 2022 2022年1月1日
Amendments to HKAS 16, Property, Plant and Equipment: Proceeds before Intended Use	香港會計準則第16號之修訂， 物業、廠房及設備：擬定用途前的 所得款項	1 January 2022 2022年1月1日
Amendments to HKAS 37, Onerous Contracts — Cost of Fulfilling a Contract	香港會計準則第37號之修訂， 有償合約 — 履行合約的成本	1 January 2022 2022年1月1日
Annual Improvements to HKFRSs 2018–2020 Cycle	香港財務報告準則2018年至2020年 週期的年度改進	1 January 2022 2022年1月1日

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

本集團正評估預期於首次應用期間的該等經修訂、新訂準則及詮釋的影響。至目前為止，其結論為採納該等新訂準則對本集團的經營業績及財務狀況產生重大影響的機會不大。

FIVE YEARS SUMMARY

五年概要

A summary of the results and of the assets and liabilities of the Group for each of the last five financial years is set out below:

本集團過去五個財政年度各年的業績以及資產及負債概要載列如下：

		For the year ended 31 December 截至12月31日止年度				
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收益	1,278,769	1,578,218	1,192,750	498,857	156,754
Cost of sales	銷售成本	(990,338)	(1,224,195)	(907,228)	(368,999)	(118,618)
Gross profit	毛利	288,431	354,023	285,522	129,858	38,136
Other net income	其他淨收入	10,176	15,608	1,762	812	336
Administrative expenses	行政開支	(93,154)	(118,908)	(80,820)	(25,655)	(12,441)
Impairment loss on assets arising from contracts with customers	與客戶合約所產生的資產減值虧損	(114,767)	(20,608)	(15,496)	(9,963)	(2,430)
Other operating expenses	其他經營開支	(3,179)	(4,230)	(4,866)	(53)	(25)
Profit from operations	經營利潤	87,507	225,685	186,102	94,999	23,576
Finance costs	融資成本	(18,458)	(17,363)	(9,121)	(5,439)	(900)
Profit before taxation	稅前利潤	69,049	208,322	176,981	89,560	22,676
Income tax	所得稅	(9,299)	(29,082)	(36,487)	(22,011)	(5,764)
Profit for the year	年內利潤	59,750	179,240	140,494	67,549	16,912
Earnings per share	每股盈利					
Basic and diluted (RMB)	基本及攤薄(人民幣)	0.10	0.38	0.30	N/A 不適用	N/A 不適用

		As at 31 December 於12月31日				
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Total assets	總資產	2,273,919	1,562,000	1,244,978	771,495	314,626
Total liabilities	總負債	1,180,574	(737,868)	(687,990)	(458,601)	(259,281)
Total equity	權益總額	1,093,345	824,132	556,988	312,894	55,345



Jianzhong Construction Development Limited
建中建設發展有限公司

