



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



2022
ANNUAL REPORT
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. Wang Wei
Mr. Xun Liangbao

Independent Non-executive Directors

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

COMPANY SECRETARY

Mr. Ma Chun Kei

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
KY1-1209, 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
王偉先生
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

公司秘書

馬濬琦先生

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
KY1-1209, 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

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

4/F, Wah Yuen Building,
149 Queen's Road Central,
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

Deacons

AUDITOR

KPMG

(Public Interest Entity Auditor registered in accordance with the Accounting and 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)
Industrial Bank Co., Ltd.
(Pilot Free Pilot Zone, Fuzhou City Branch)
Bank of Dongguan Co., Ltd. (Changsha Branch)
China Merchants Bank Co., Ltd. (Fuzhou City Dongjiekou Branch)
China Everbright Bank (Fuzhou City Branch)
China Zheshang Bank Co., Ltd. (Fuzhou City 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
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

589

WEBSITE

www.fjjzkj.com

根據公司條例第16部登記之 香港主要營業地點

香港
皇后大道中149號
華源大廈4樓

有關香港法律的法律顧問

的近律師行

核數師

畢馬威會計師事務所
(於《會計及財務匯報局條例》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)
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)
招商銀行股份有限公司(福州東街口支行)
中國光大銀行(福州分行)
浙商銀行股份有限公司(福州分行)

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
夏慤道16號
遠東金融中心17樓

股份代號

589

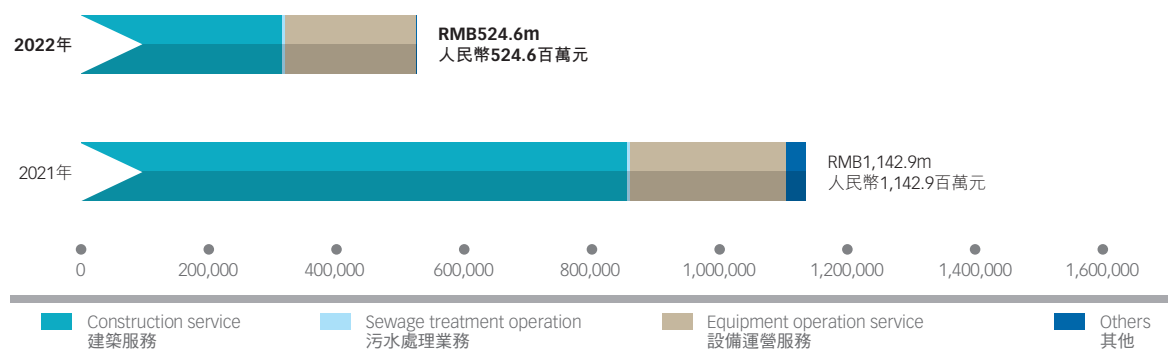
網站

www.fjjzkj.com

FINANCIAL HIGHLIGHTS

財務摘要

REVENUE 收益



GROSS PROFIT 毛利

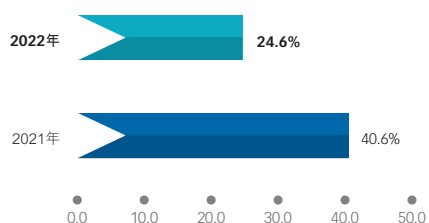
		For the year ended 31 December 截至12月31日止年度	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Construction service	建築服務	(55,030)	44,453
Equipment operation service	設備運營服務	63,623	85,413
Sewage treatment operation	污水處理業務	647	696
Others	其他	65	1,451
Overall	整體	9,305	132,013

GROSS PROFIT MARGINS 毛利率

		2022 2022年	2021 2021年
Construction service	建築服務	(17.6)	5.2
Equipment operation service	設備運營服務	31.1	35.0
Sewage treatment operation	污水處理業務	12.7	13.5
Others	其他	3.9	3.7
Overall	整體	1.8	11.6

KEY FINANCIAL RATIOS 主要財務比率

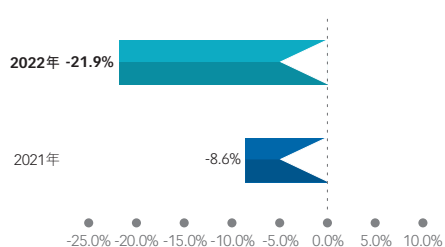
GEARING RATIO 資本負債比率⁽¹⁾



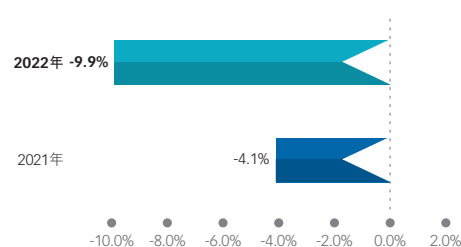
CURRENT RATIO 流動比率⁽²⁾



RETURN ON EQUITY 權益回報率⁽³⁾



RETURN ON TOTAL ASSETS 總資產回報率⁽⁴⁾



Notes:

附註：

- 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。
- 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。
- Return on equity equals profit for the year divided by the opening balance of total equity and multiplied by 100%.
權益回報率等於年內利潤除以權益總額年初結餘再乘以100%計算得出。
- Return on total assets equals profit for the year divided by the opening balance of total assets and multiplied by 100%.
總資產回報率等於年內利潤除以資產總值年初結餘再乘以100%計算得出。

CHAIRMAN'S STATEMENT

主席報告



Chairman and
Executive Director : Mr. Xun Minghong
主席兼執行董事 : 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**”), I hereby present to you the annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2022.

During the year ended 31 December 2022, the Group’s primary focus was on improving its liquidity position. To achieve this, the Group reduced capital expenditures and disposed of idle property, plant, and equipment. The payments for the purchase of property, plant, and equipment decreased by approximately 90.1% from around RMB290.4 million in the year ended 31 December 2021 to around RMB28.7 million in the year ended 31 December 2022. In contrast, the proceeds from the disposal of property, plant, and equipment increased by approximately 89.4%, from approximately RMB48.3 million in the year ended 31 December 2021 to around RMB91.5 million in the year ended 31 December 2022. These actions indicate that the Group was actively managing its assets to improve its financial position.

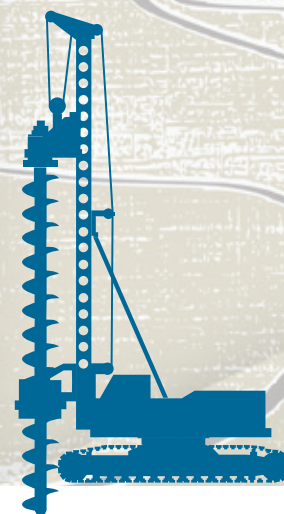
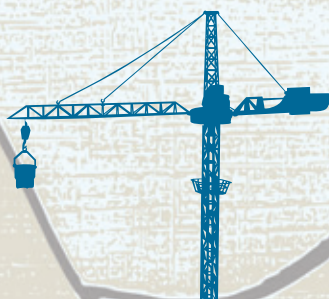
While at the same time, the Group’s net cash used in financing activities, which mainly measures the net cash used in repayment of

各位股東：

本人謹代表建中建設發展有限公司(「本公司」)董事(「董事」)會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至2022年12月31日止年度的全年業績。

截至2022年12月31日止年度，本集團的重點是改善其流動資金狀況。為實現這一目標，本集團減少資本開支及出售閒置物業、廠房及設備。購買物業、廠房及設備的付款由截至2021年12月31日止年度的約人民幣290.4百萬元減少約90.1%至截至2022年12月31日止年度的約人民幣28.7百萬元。相比之下，出售物業、廠房及設備所得款項由截至2021年12月31日止年度的約人民幣48.3百萬元增加約89.4%至截至2022年12月31日止年度的約人民幣91.5百萬元。該等行動表明本集團正積極管理其資產以改善財務狀況。

與此同時，本集團融資活動所用現金淨額(主要計量償還貸款及其他借款所用現金淨額)由



loans and other borrowings, increased from around RMB139.7 million in the year ended 31 December 2021 to around RMB217.6 million in the year ended 31 December 2022, thereby reducing the amounts of debts as at 31 December 2022. Consequently, the Group's gearing ratio decreased from 40.6% as of 31 December 2021 to 24.6% as of 31 December 2022.

Given the current sentiment of the real estate sector in the People's Republic of China (the "PRC"), the Group became more cautious in tendering new construction projects, which led to the decrease in revenue from provision of construction service. Moreover, as the repayment from the Group's customers did not improve in the second half of 2022, the Group expects that less construction revenue will be generated in the future. This indicates that the property, plant and equipment of the Group may be impaired. The Group assessed the recoverable amount of the property, plant and equipment, which mainly comprise machinery, equipment, and tools, as at 31 December 2022. An impairment loss of approximately RMB93.4 million (2021: Nil) was recognised for the year ended 31 December 2022 to reduce the value of the property, plant and equipment to their recoverable amount.

Despite recording a net loss for the year, the Group was able to generate a net operating cash inflow of approximately RMB211.5 million (2021: approximately RMB274.2 million), resulting from the effort to recover outstanding receivables from customers. However, the Group recognised additional amount of loss allowance in respect of trade and other receivables and contract assets of approximately RMB70.0 million (2021: approximately RMB138.3 million) during the year ended 31 December 2022, to reflect the increased credit risk of the Group's debtors.

Looking forward, the Group will continue to focus on strengthening its liquidity condition, collecting debts from its customers, and increasing utilisation rate of its assets. On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers and employees for their ongoing support.

Mr. Xun Minghong
Chairman and Executive Director

Fujian, 31 March 2023

截至2021年12月31日止年度的約人民幣139.7百萬元增加至截至2022年12月31日止年度的約人民幣217.6百萬元，因而減少了於2022年12月31日的債務金額。因此，本集團資本負債比率由截至2021年12月31日的40.6%減少至截至2022年12月31日的24.6%。

鑑於中華人民共和國（「中國」）房地產行業的當前情緒，本集團於招標新建築項目時更加謹慎，導致提供建築服務的收益減少。此外，由於2022年下半年本集團客戶的還款並無改善，本集團預計未來產生的建築收益將會減少。這表明本集團的物業、廠房及設備可能出現減值。本集團已評估物業、廠房及設備（主要包括機械、設備及工具）於2022年12月31日的可收回金額。截至2022年12月31日止年度，已確認減值虧損約人民幣93.4百萬元（2021年：無），以將物業、廠房及設備的價值減至其可收回金額。

儘管錄得年內虧損淨額，本集團仍因努力收回客戶尚未償還應收款項而產生淨經營現金流入約人民幣211.5百萬元（2021年：約人民幣274.2百萬元）。然而，本集團於截至2022年12月31日止年度確認貿易及其他應收款項以及合約資產的額外損失準備金額約人民幣70.0百萬元（2021年：約人民幣138.3百萬元），以反映本集團應收賬款的信貸風險增加。

展望未來，本集團將繼續專注於加強其流動資金狀況、追討客戶債務及提升資產利用率。本人謹代表董事會對股東、客戶及員工一直以來的支持致以衷心謝意。

主席兼執行董事
荀名紅先生

福建，2023年3月31日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The Group is a construction services provider based in Fujian Province, the PRC. The construction services provided by the Group include general construction works as a main contractor and sub-contractor works (“**Construction service**”). The Group also has an extensive fleet of construction machinery and equipment, which enables itself to handle complicated and/or sizable construction works, thus allowing itself to capture more opportunities in the construction market and engage in construction machinery, equipment and tools leasing services. The Group also engages in provision of equipment operation service, sales of construction materials, and operates a sewage treatment plant in the PRC. The Group has developed as a regional construction works service provider in Fujian and has further extended the footprint across a number of other provinces in the PRC.

In view of the current economic condition, the primary focus of the Group is to improve liquidity position and to retain more cash to cope with the challenging operating environment. During the year ended 31 December 2022, the Group became more cautious in tendering new construction projects, which led to a decline in revenue from construction service. The revenue from construction service decreased by approximately RMB541.2 million, or approximately 63.3%, as compared to the year ended 31 December 2021, from approximately RMB854.8 million to approximately RMB313.6 million.

Moreover, during the year ended 31 December 2022, the Group has adopted certain cost reduction measures to reduce administrative and other expenses. Comparing to the year ended 31 December 2021, the research and development costs reduced by approximately 67.6%, from approximately RMB62.9 million to approximately RMB20.4 million. On the other hand, the administrative and other expenses decreased by approximately 4.3%, from approximately RMB65.1 million to approximately RMB62.3 million.

In addition, the Group has reduced the capital expenditure during the year ended 31 December 2022. The payments for purchase of property, plant and equipment reduced from approximately RMB290.4 million during the year ended 31 December 2021 to approximately RMB28.7 million during the year ended 31 December 2022.

業務回顧

本集團為一家建築服務提供商，總部位於中國福建省。本集團提供的建築服務包括建築工程施工總承包及分包工程（「**建築服務**」）。本集團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，有利於搶佔更多建築市場商機及從事建築機械、設備及工具租賃服務。本集團亦於中國從事提供設備運營服務、建築材料銷售及經營污水處理廠。本集團發展成為福建省的區域性建築工程服務提供商，並進一步將業務範圍擴展至中國其他多個省份。

鑑於當前的經濟狀況，本集團的重點是改善流動資金狀況及保留更多現金以應對充滿挑戰的經營環境。截至2022年12月31日止年度，本集團於招標新建建築項目時更加謹慎，導致建築服務收益下降。建築服務收益較截至2021年12月31日止年度的約人民幣854.8百萬元減少約人民幣541.2百萬元或約63.3%至約人民幣313.6百萬元。

此外，截至2022年12月31日止年度，本集團已採納若干降低成本的措施以減少行政及其他開支。研發費用較截至2021年12月31日止年度的約人民幣62.9百萬元減少約67.6%至約人民幣20.4百萬元。另一方面，行政及其他開支由約人民幣65.1百萬元減少約4.3%至約人民幣62.3百萬元。

此外，截至2022年12月31日止年度，本集團已減少資本開支。購買物業、廠房及設備付款由截至2021年12月31日止年度的約人民幣290.4百萬元減少至截至2022年12月31日止年度的約人民幣28.7百萬元。

PROSPECTS

The construction industry in the PRC is highly fragmented and there are opportunities for the Group to further develop its businesses. However, given current economic environment, the Group will continue to focus on improving its liquidity condition whilst developing new business opportunities, with the view to create long term value for the shareholders.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Save as disclosed in this announcement, there was no significant subsequent event took place.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2022, the overall revenue of the Group has decreased by approximately RMB618.3 million, or approximately 54.1%, as compared to the year ended 31 December 2021, from approximately RMB1,142.9 million to approximately RMB524.6 million.

To preserve more cash under current economic environment, the Group became more cautious in tendering new construction projects, which led to a decline in revenue from Construction service. The revenue from Construction service decreased by approximately RMB541.2 million, or approximately 63.3%, as compared to the year ended 31 December 2021, from approximately RMB854.8 million to approximately RMB313.6 million.

Revenue from provision of leasing services of construction machinery, equipment and tools, and equipment operation service (“**Equipment operation service**”) decreased by approximately RMB39.5 million, or approximately 16.2%, from approximately RMB243.8 million in the year ended 31 December 2021, to approximately RMB204.3 million in the year ended 31 December 2022.

In terms of percentage of total revenue, the revenue from provision of sewage treatment service (“**Sewage treatment operation**”) and sales of construction materials and others (“**Others**”) remained stable during the year ended 31 December 2022.

展望

中國建築行業高度分散，本集團有機會進一步發展其業務。然而，鑑於當前經濟環境，本集團將繼續專注於改善流動資金狀況，同時開拓新商機，旨在為股東創造長期價值。

報告期結束後事項

除本公告所披露者外，並無發生重大期後事項。

財務回顧

收益

截至2022年12月31日止年度，本集團的總體收益較截至2021年12月31日止年度的約人民幣1,142.9百萬元減少約人民幣618.3百萬元或約54.1%至約人民幣524.6百萬元。

在當前經濟環境下，為保留更多的現金，本集團於招標新建築項目時更加謹慎，導致建築服務收益下降。建築服務收益較截至2021年12月31日止年度的約人民幣854.8百萬元減少約人民幣541.2百萬元或約63.3%至約人民幣313.6百萬元。

提供建築機械、設備及工具租賃服務以及設備運營服務（「**設備運營服務**」）收益由截至2021年12月31日止年度的約人民幣243.8百萬元減少約人民幣39.5百萬元或約16.2%至截至2022年12月31日止年度的約人民幣204.3百萬元。

截至2022年12月31日止年度，按佔總收益的百分比計，提供污水處理服務（「**污水處理服務**」）及建築材料銷售及其他（「**其他**」）的收益保持穩定。

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Cost of sales

Cost of sales mainly comprises of material cost, labour subcontracting fee, depreciation and others. During the year ended 31 December 2022, as a result of the decline in revenue, the overall cost of sales of the Group has decreased by approximately RMB495.6 million, or approximately 49.0% compared to the year ended 31 December 2021, from approximately RMB1,010.9 million to approximately RMB515.3 million.

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 year in 2021:

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。截至2022年12月31日止年度，由於收益下降，本集團的總體銷售成本較截至2021年12月31日止年度的約人民幣1,010.9百萬元減少約人民幣495.6百萬元或約49.0%至約人民幣515.3百萬元。

毛利及毛利率

於回顧年度及2021年相應年度按業務分部及工程類型分類的本集團毛利及毛利率明細載列如下：

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

		2022 2022年		2021 2021年	
		RMB'000 人民幣千元	GP% 毛利率%	RMB'000 人民幣千元	GP% 毛利率%
Construction services	建築服務	(55,030)	(17.6)	44,453	5.2
Equipment operation service	設備運營服務	63,623	31.1	85,413	35.0
Sewage treatment operation	污水處理業務	647	12.7	696	13.5
Others	其他	65	3.9	1,451	3.7
		9,305	1.8	132,013	11.6

During the year ended 31 December 2022, the Group's overall gross profit margin decreased by 9.8 percentage point, from 11.6% for the year ended 31 December 2021 to 1.8% for the year ended 31 December 2022. The decrease in overall gross profit margin was mainly due to the decrease in gross profit margin of Construction service, as a result of the combined effect of the following:

- due to significant decrease in revenue for Construction service in the year ended 31 December 2022, the gross profit margin was significantly impacted by fixed costs, mainly depreciation. Despite having similar sized machinery and equipment compared to the previous year, the depreciation for idle machinery and equipment recognised in the cost of sales had larger impact on the gross profit margin in the year ended 31 December 2022. The Group is disposing off idle machinery and equipment to improve operation efficiency;
- certain customers demanded reduction in final contract sum for certain construction projects, to compensate for delays in construction works or any extra costs incurred; and
- pursuant to relevant accounting standards and policies adopted by the Group, construction revenue is recognised progressively over time using the output method, based on direct measurements of the value of contract work performed, whilst costs for construction services are expensed in the period in which they are incurred. During the year ended 31 December 2022, a relatively high portion of construction projects of the Group, as compared to the corresponding period in 2021, went through completion phases, in which a relatively lower gross profit margin is generally recorded since revenue has been recognised in earlier stage of the projects according to the progress certificates issued by customers while certain unbillable costs, such as inspection costs and costs to make good of defects in relation to works done by the Group in such projects, were incurred in the completion phases.

截至2022年12月31日止年度，本集團的整體毛利率由截至2021年12月31日止年度的11.6%下降9.8個百分點至截至2022年12月31日止年度的1.8%。整體毛利率下降乃主要由於受到以下各項的綜合影響，建築服務的毛利率下降所致：

- 由於截至2022年12月31日止年度建築服務收益大幅下降，固定成本（主要為折舊）對毛利率造成重大影響。儘管較上年度擁有相若規模的機械及設備，惟於銷售成本確認的閒置機械及設備折舊對截至2022年12月31日止年度的毛利率造成較大影響。本集團正在出售閒置機械及設備以提高運營效率；
- 若干客戶要求減少若干建築項目的最終合約金額，以彌補建築工程的延誤或產生的任何額外成本；及
- 根據本集團採納的相關會計準則及政策，建築收益乃基於所履行合約工程的價值直接計量，以產出法隨時間推移逐步確認，而建築服務成本則在其產生當期轉化為開支。截至2022年12月31日止年度，與2021年同期相比，本集團有相對較高比例的建築項目進入竣工階段，由於收益已根據客戶出具的進度憑證於項目早期確認，而於竣工階段產生若干不可回收的成本，如檢驗成本及就本集團於有關項目中完成的工作進行缺陷修繕產生的成本，該階段一般錄得較低的毛利率。

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Other net (loss)/income

During the year ended 31 December 2022, the Group recorded other net loss of approximately RMB56.1 million (2021: net gain of approximately RMB51.2 million). The other net loss recorded for the year ended 31 December 2022 was mainly attributable to the recognition of impairment loss on property, plant and equipment of approximately RMB93.4 million (2021: Nil), offset by the gain on disposal of property, plant and equipment of approximately RMB30.9 million (2021: approximately RMB40.6 million).

In view of the weak sentiment of the real estate sector in the PRC, and the slowdown of repayment from the Group's customers in the second half of 2022, the Group expects that less construction revenue will be generated in the future. This indicates that the property, plant and equipment of the Group may be impaired. As a result, the Group assessed the recoverable amount of the property, plant and equipment, which mainly includes machinery and equipment, and tools, as at 31 December 2022. An impairment loss was recognised for the year ended 31 December 2022 to reduce the value of the property, plant and equipment to their recoverable amount of approximately RMB420.5 million.

The recoverable amount of these assets were estimated based on value in use calculations. The calculations were carried out by an independent valuer using cash flow projections based on financial budgets approved by management, which cover the estimated remaining useful life of the assets. To account for the expected reduction in construction revenue, these cash flow projections use sales growth rate of -63% and 3% for the first two years, respectively, and 0% for the next three years. Other key assumptions for the value in use calculations include gross profit margins estimated on the basis of historical performance and management's expectation of the market development. Cash flows beyond the five-year period are extrapolated using a 0% sale growth rate. These sales growth rates are based on the Group's budget, future business plan and forecasts of relevant industries, and do not exceed the average long-term sales growth rate for the relevant industries. The cash flows are discounted using a 14.5% pre-tax discount rate, which was determined by the weighted average cost of capital.

其他淨(虧損)/收入

截至2022年12月31日止年度，本集團錄得其他淨虧損約人民幣56.1百萬元(2021年：淨收益約人民幣51.2百萬元)。截至2022年12月31日止年度錄得其他淨虧損主要歸因於確認物業、廠房及設備減值虧損約人民幣93.4百萬元(2021年：無)，由出售物業、廠房及設備收益約人民幣30.9百萬元(2021年：約人民幣40.6百萬元)所抵銷。

鑑於中國房地產行業情緒低迷，2022年下半年本集團客戶的還款放緩，本集團預計未來產生的建築收益將會減少。這表明本集團的物業、廠房及設備可能出現減值。因此，本集團已評估物業、廠房及設備(主要包括機械、設備及工具)於2022年12月31日的可收回金額。截至2022年12月31日止年度，已確認減值虧損，以將物業、廠房及設備的價值減至其可收回金額約人民幣420.5百萬元。

該等資產的可收回金額乃根據使用價值計算估計得出。計算乃由獨立估值師根據管理層批准的財務預算採用現金流量預測進行，涵蓋資產的估計剩餘可使用年期。考慮到建築收益的預期減少，該等現金流量預測分別採用前兩年-63%及3%以及未來三年0%的銷售增長率。使用價值計算的其他主要假設包括根據歷史業績及管理層對市場發展的預期估計的毛利率。五年期後的現金流量乃採用0%的銷售增長率推斷。該等銷售增長率乃根據本集團的預算、未來業務計劃及相關行業預測而制定，不會超過相關行業的平均長期銷售增長率。現金流量按資本加權平均成本釐定的14.5%稅前貼現率貼現。

Administrative and other expenses

The administrative and other expenses mainly include staff cost, professional fees and office expenses. The administrative and other expenses decreased by approximately RMB2.8 million from RMB65.1 million for the year ended 31 December 2021 to RMB62.3 million for the year ended 31 December 2022. During the year ended 31 December 2022, the Group has adopted certain cost reduction measures, such as streamlining headcount and restructuring of remuneration packages, to reduce the administrative and other expenses.

Research and development costs

The research and development costs mainly include (i) staff costs; (ii) and raw materials costs. In view of recent market condition, the Group has kept the research and development activities at minimum level, which led to a decrease in research and development costs by approximately RMB42.5 million from RMB62.9 million for the year ended 31 December 2021 to RMB20.4 million for the year ended 31 December 2022.

Impairment losses on trade and other receivables and contract assets

As part of the ordinary course of business, the Group enters into contracts with its customers in connection to (a) Construction service; and (b) Equipment operation service. Such customers are mainly real estate companies or main contractors in the PRC. 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. Accordingly, the Group's credit risk is primarily attributable to trade receivables, bills receivable and contract assets.

行政及其他開支

行政及其他開支主要包括員工成本、專業費用及辦公開支。行政及其他開支由截至2021年12月31日止年度的人民幣65.1百萬元減少約人民幣2.8百萬元至截至2022年12月31日止年度的人民幣62.3百萬元。截至2022年12月31日止年度，本集團已採取若干成本削減措施，例如精簡人員及重組薪酬待遇，以減少行政及其他開支。

研發費用

研發費用主要包括(i)員工成本；及(ii)原材料成本。鑑於近期市況，本集團已將研發活動保持在最低水平，導致研發費用由截至2021年12月31日止年度的人民幣62.9百萬元減少約人民幣42.5百萬元至截至2022年12月31日止年度的人民幣20.4百萬元。

貿易及其他應收款項以及合約資產的資產減值虧損

作為日常業務的一部分，本集團就(a)建築服務；及(b)設備運營服務與客戶訂立合約。有關客戶主要為中國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。因此，本集團的信貸風險主要來自貿易應收款項、應收票據及合約資產。

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The following table sets out the breakdown of trade receivables, bills receivable and contract assets of the Group as at the dates indicated, respectively:

下表載列本集團分別於所示日期的貿易應收款項、應收票據及合約資產明細：

		As at 31 December 2022 於2022年 12月31日 RMB'000 人民幣千元	As at 31 December 2021 於2021年 12月31日 RMB'000 人民幣千元
Contract assets (as disclosed in the consolidated statement of financial position)	合約資產(於綜合財務狀況表披露)	280,659	470,144
Trade and bills receivables, net of loss allowance (as disclosed in note 16 to the consolidated financial statements)	貿易應收款項及應收票據(扣除損失準備)(於綜合財務報表附註16披露)	635,613	737,895
Net carrying amount of trade receivables, bills receivable and contract assets	貿易應收款項、應收票據及合約資產賬面淨值	916,272	1,208,039
Add: loss allowance for ECLs (as disclosed in note 27 to the consolidated financial statements)	加：預期信貸損失的損失準備(於綜合財務報表附註27披露)	222,816	217,660
Gross carrying amount of trade receivables, bills receivable and contract assets used under the provision matrix in relation to the calculation of the loss allowance for ECL	就計算預期信貸損失的損失準備根據撥備矩陣所用的貿易應收款項、應收票據及合約資產的賬面總值	1,139,088	1,425,699
Add: individual loss allowance for customers	加：客戶個別損失準備	136,895	84,339
Gross carrying amount of trade receivables, bills receivable and contract assets	貿易應收款項、應收票據及合約資產賬面總值	1,275,983	1,510,038

As indicated below, among the gross carrying amount of trade receivables, bills receivable and contract assets of approximately RMB1,276.0 million (2021: approximately RMB1,510.0 million), approximately RMB814.4 million (2021: approximately RMB843.5 million) was past due. In particular, two of the Group's major customers, namely Customer A and Customer B, contributed approximately 58.6% and 11.0% (2021: approximately 53.6% and 12.5%) of the total gross carrying amount of trade receivables, bills receivable and contract assets which was past due, respectively.

誠如下文所示，貿易應收款項、應收票據及合約資產的賬面總值約人民幣1,276.0百萬元(2021年：約人民幣1,510.0百萬元)中，約人民幣814.4百萬元(2021年：約人民幣843.5百萬元)已逾期。尤其是，本集團的兩名主要客戶(即客戶A及客戶B)分別佔已逾期貿易應收款項、應收票據及合約資產的賬面總值約58.6%及11.0%(2021年：約53.6%及12.5%)。

The following sets out the breakdown of the gross carrying amount of trade receivables, bills receivable and contract assets which was past due by customers:

下文載列客戶逾期的貿易應收款項、應收票據及合約資產的賬面總值明細：

		Listing status (Y/N) 上市狀況 (是/否)	As at 31 December 2022		As at 31 December 2021	
			於2022年12月31日 RMB'000 人民幣千元	%	於2021年12月31日 RMB'000 人民幣千元	%
State-owned enterprises	國有企業					
Customer A	客戶A	Y 是	476,840	58.6	452,174	53.6
Other state-owned customers ⁽¹⁾	其他國有客戶 ⁽¹⁾		94,721	11.6	107,042	12.7
Sub-total	小計		571,561	70.2	559,216	66.3
Non-state-owned enterprises	非國有企業					
Customer B	客戶B	Y 是	89,801	11.0	105,853	12.5
Other non-state owned customers ⁽²⁾	其他非國有客戶 ⁽²⁾		153,033	18.8	178,452	21.2
Sub-total	小計		242,834	29.8	284,305	33.7
Total	總計		814,395	100.0	843,521	100.0

Notes:

附註：

- (1) Other state-owned customers included a total of 34 entities (2021: 26 entities), each of which accounted for less than 4.0% (2021: 3.5%) of the above total amount as at 31 December 2022.
- (1) 於2022年12月31日，其他國有客戶包括合共34家實體（2021年：26家實體），有關企業各自佔上述總金額不到4.0%（2021年：3.5%）。
- (2) Other non-state owned customers included a total of 280 entities (2021: 244 entities), each of which accounted for less than 3.0% (2021: 5.0%) of the above total amount as at 31 December 2022.
- (2) 於2022年12月31日，其他非國有客戶包括合共280家實體（2021年：244家實體），有關企業各自佔上述總金額不到3.0%（2021年：5.0%）。

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The following sets out the background information of Customer A and Customer B: 下文載列客戶A及客戶B的背景資料：

Customer A	A state-owned enterprise which mainly carries out business management activities through a company listed on the Shanghai Stock Exchange (" Customer A's Principal Operating Subsidiary "), which in turn has seven subsidiaries which are listed on the Hong Kong Stock Exchange or Shenzhen Stock Exchange, as well as more than 100 investment-holding subsidiaries. To the best knowledge of the Directors after making reasonable enquiries, for the six months ended 30 June 2022, Customer A's Principal Operating Subsidiary recorded a total revenue and net profit attributable to equity owners which amounted to approximately RMB1,060.8 billion and RMB28.5 billion, respectively.
客戶A	為一家國有企業，其主要通過一間於上海證券交易所上市的公司（「 客戶A的主要營運附屬公司 」）開展業務管理活動，該公司擁有於香港聯交所或深圳證券交易所上市的七間附屬公司以及100多家投資控股附屬公司。據董事於作出合理查詢後所深知，截至2022年6月30日止六個月，客戶A的主要營運附屬公司的總收益及權益擁有人應佔淨利潤分別約為人民幣10,608億元及人民幣285億元。
Customer B	A group of companies which are subsidiaries of a company listed on the Shanghai Stock Exchange which is engaged in real estate development, property management and construction of public infrastructure. To the best knowledge of the Directors after making reasonable enquiries, for the six months ended 30 June 2022, such parent company recorded a total revenue and net profit amounting to approximately RMB2.1 billion and RMB37.7 million, respectively.
客戶B	由一間於上海證券交易所上市公司的附屬公司組成的公司集團，該公司從事房地產開發、物業管理及公共基礎設施建設。據董事於作出合理查詢後所深知，截至2022年6月30日止六個月，該母公司的總收益及淨利潤分別約為人民幣21億元及人民幣37.7百萬元。

Loss allowance for ECLs

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. Such loss allowances on trade and bills receivables, and contract assets only reflect the Group's credit risk as at the reporting date, and were subject to subsequent remeasurement reflecting the developments thereafter.

As at the reporting date, the expected credit losses for bills receivable and contract assets were calculated by applying the expected loss rate of trade receivables within the extended payment period to the outstanding balances of bills receivables and contract assets, as they have similar credit risk characteristics.

預期信貸損失的損失準備

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。有關貿易應收款項、應收票據及合約資產的損失準備僅反映本集團於報告日期的信貸風險，須進行反映其後發展的後續重新計量。

於報告日期，由於應收票據與合約資產具有相似的信貸風險特徵，故其預期信貸損失通過將於延期付款期限內的貿易應收款項的預期損失率應用於應收票據及合約資產的未償還餘額計算。

The following briefly illustrates the Group's calculation of the loss allowance for ECLs:

Step 1 — Categorisation of customers based on risk characteristic

The Group categorises customers based on their risk characteristic. In addition, based on the ageing report as at the reporting date, the Group's trade receivables were categorised into three time bands, i.e. "trade receivables within the extended payment period", "trade receivables exceeding the extended payment period by less than 1 year" and "trade receivables exceeding the extended payment period by more than 1 year".

Note: 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 according to the payment terms in the contracts. However, in practice, it normally takes months to complete the settlement of trade receivables due to the administrative process of different customers. Therefore, the Group generally grants an extended payment period based on the background of its customers — for stated-owned enterprises, 6 months from the issuance of progress certificates; for private entities, 3 months from the issuance of progress certificates.

Step 2 — Determination of expected loss rate for trade receivables

The Group first determined the expected loss rates for customers with different backgrounds and credit rating (if any), which was derived from historical observed default rates, adjusted by the growth rate of non-performing loans in the construction sector, which reflected the increased credit risk of the construction sector, as published by the China Banking and Insurance Regulatory Commission (中國銀行保險業監督管理委員會).

The expected loss rates for trade receivables in the other time bands were further determined based on the expected loss rate for the trade receivables exceeding the extended payment period by more than one year and roll rates. The Group derived roll rates based on historical ageing data, which represented the percentages of trade receivables that are not received in a time band and thus have rolled to the next time band, and reflected the probability of loss for trade receivables in each time band.

Step 3 — Construct the provision matrix to calculate the loss allowance for ECLs

With all parameters fixed, the Group constructed a provision matrix by applying the expected loss rate of each time band to the respective outstanding balances of trade receivables to compute the loss allowance for ECL for trade receivables as at the reporting date.

下文簡要說明本集團預期信貸損失的損失準備計算方法：

步驟1 — 根據風險特徵分類客戶

本集團根據客戶的風險特徵對其進行分類。此外，根據於報告日期的賬齡報告，本集團的貿易應收款項分為三個時間段，即「於延期付款期限內的貿易應收款項」、「超過延期付款期限不足1年的貿易應收款項」及「超過延期付款期限1年以上的貿易應收款項」。

附註：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。然而，實際上，由於不同客戶的行政程序，完成貿易應收款項的結算通常需要數月。因此，本集團一般會根據客戶的背景授出延長付款期限——就國有企業而言，有關期限為自進度證明簽發之日起6個月；就私人實體而言，則為自進度證明簽發之日起3個月。

步驟2 — 釐定貿易應收款項的預期損失率

本集團首先釐定不同背景客戶及信用評級（如有）的預期損失率，其來源於歷史觀察違約率，經中國銀行保險業監督管理委員會發佈反映建築行業信貸風險增加的建築業不良貸款增長率作出調整。

其他時間段的貿易應收款項的預期損失率乃根據超過延期付款期限1年以上的貿易應收款項的預期損失率及滾動率進一步釐定。本集團根據歷史賬齡數據得出滾動率，其指在一個時間段內未收取而因此轉入下一個時間段的貿易應收款項的百分比，並反映各時間段內貿易應收款項的損失概率。

步驟3 — 構建撥備矩陣以計算預期信貸損失的損失準備

在所有參數固定的情況下，本集團通過將各時間段的預期損失率應用於貿易應收款項的各自未償還餘額構建撥備矩陣，以計算貿易應收款項於報告日期的預期信貸損失的損失準備。

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The following tables sets out information about the Group's exposure to credit risk and ECLs for trade receivables, bills receivable and contract assets as at the dates indicated:

下表載列本集團於所示日期的貿易應收款項、應收票據及合約資產所面臨的信貸風險及預期信貸損失資料：

		31 December 2022 2022年12月31日			
		Expected loss rate 預期損失率 %	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	Carrying amount 賬面值 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	11.5	324,692	(37,406)	287,286
Less than 12 months past due	逾期少於12個月	17.9	370,706	(66,501)	304,205
More than 12 months past due	逾期超過12個月	26.8	443,690	(118,909)	324,781
			1,139,088	(222,816)	916,272

		31 December 2021 2021年12月31日			
		Expected loss rate 預期損失率 %	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	Carrying amount 賬面值 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	11.5	569,843	(65,658)	504,185
Less than 12 months past due	逾期少於12個月	11.8	518,736	(61,029)	457,707
More than 12 months past due	逾期超過12個月	28.0	324,785	(90,973)	233,812
			1,413,364	(217,660)	1,195,704

In particular, the loss allowance for ECLs made in respect of Customer A and Customer B as at 31 December 2022 amounted to approximately RMB142.0 million and RMB Nil (2021: approximately RMB149.9 million and RMB0.8 million), respectively, representing approximately 63.7% and 0.0% (2021: approximately 68.9% and 0.3%) of the total loss allowance made, respectively.

尤其是，於2022年12月31日，就客戶A及客戶B計提的預期信貸損失的損失準備分別為約人民幣142.0百萬元及人民幣零元（2021年：約人民幣149.9百萬元及人民幣0.8百萬元），分別佔損失準備總額約63.7%及0.0%（2021年：約68.9%及0.3%）。

In addition to above provision matrix, the Group has made individual loss allowance for certain real estate developers in the PRC. As at 31 December 2022, the gross carrying amount of trade receivables, bills receivable and contract assets in respect of these real estate developers was approximately RMB136.9 million (2021: approximately RMB96.7 million). The Board are aware of a series of negative news and announcements over the financial conditions of these real estate developers. In this regard, and taking into account the recent repayment records, the Board decided to make full individual loss allowance on the trade receivables, bills receivable and contract assets of the construction projects related to these real estate developers.

Together with the individual loss allowance made to certain other receivable balances of approximately RMB12.2 million (2021: Nil), as at 31 December 2022, the accumulated individual loss allowance was RMB149.1 million (2021: RMB84.3 million).

To reduce the exposure of credit risk, the Group has ceased tendering for construction project with these real estate developers, and has taken legal actions against certain subsidiaries of certain of the real estate developers to recover the remaining balances.

The following table (as disclosed in note 27 to the consolidated financial statements) sets out the movement in the loss allowance account in respect of trade and other receivables and contract assets during the year:

除上述撥備矩陣外，本集團已就若干中國房地產開發商計提個別損失準備。於2022年12月31日，有關該等房地產開發商的貿易應收款項、應收票據及合約資產的賬面總值約為人民幣136.9百萬元（2021年：約人民幣96.7百萬元）。董事會獲悉該等房地產開發商財務狀況的一系列負面新聞及公告。就此而言，經計及近期的還款記錄，董事會決定就與該等房地產開發商相關的建築項目的貿易應收款項、應收票據及合約資產悉數計提個別損失準備。

連同對若干其他應收款項結餘計提的個別損失準備約人民幣12.2百萬元（2021年：無），於2022年12月31日，累計個別損失準備為人民幣149.1百萬元（2021年：人民幣84.3百萬元）。

為降低信貸風險，本集團已停止與該等房地產開發商的建築項目招標，並對若干房地產開發商的若干附屬公司採取法律行動以收回餘下結餘。

下表（於綜合財務報表附註27披露）載列貿易及其他應收款項以及合約資產的損失準備賬目於年內的變動情況：

		Year ended 31 December 截至12月31日止年度	
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Balance at 1 January	於1月1日的結餘	301,999	163,765
Amounts written off during the year	年內撇銷金額	—	(110)
Impairment losses recognised in profit or loss during the year:	年內於損益確認的減值虧損：		
— individual loss allowance	— 個別損失準備	64,798	83,653
— loss allowance for ECLs	— 預期信貸損失的損失準備	5,156	54,691
Balance at 31 December	於12月31日的結餘	371,953	301,999

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Factors, events and circumstances leading to the recognition of ECLs

The amount of loss allowance for ECLs increased from approximately RMB217.7 million as at 31 December 2021 to approximately RMB222.8 million as at 31 December 2022, which was particularly due to that more long aged debtors were recorded as at 31 December 2022.

Subsequent settlement in respect of trade receivables, bill receivable and contract assets

During the period from 1 January 2023 to 20 March 2023, there was settlement of the trade and bills receivables that amounted to approximately RMB87.2 million, which represented approximately 9.6% of the gross trade and bills receivables balance as at 31 December 2022. All of the subsequent settlements were in cash.

In particular, in respect of Customer A and Customer B, approximately RMB28.8 million and RMB16.5 million, representing approximately 5.8% and 18.4% of their respective gross trade and bills receivables balance as at 31 December 2022 was settled during the period from 1 January 2023 to 20 March 2023, respectively.

Measures taken by the Group in respect of the matter

After the Directors became aware of the increasing exposure of the Group to ECLs, when the Group entered into agreements with customers during the ordinary course of business, the Group has adopted a more prudent approach in tendering for new construction projects. The Group has established a credit risk management policy under which credit evaluations are performed on each of the customers. These evaluations focus on the customer's history of making payments and current ability to pay. The Group's customers are mainly real estate companies or main contractors in the PRC. Before tendering for contracts with new customers, the Group performed background check (e.g. shareholders' background) and credit assessment (e.g. financial information of publicly listed companies) to evaluate the creditworthiness of the new customers.

導致確認預期信貸損失的因素、事件及情況

預期信貸損失的損失準備金額由2021年12月31日的約人民幣217.7百萬元增加至2022年12月31日的約人民幣222.8百萬元，主要是由於2022年12月31日錄得更多賬齡較長的應收賬款。

有關貿易應收款項、應收票據及合約資產的後續結算

於2023年1月1日至2023年3月20日期間，已結清貿易應收款項及應收票據約人民幣87.2百萬元，相當於2022年12月31日貿易應收款項及應收票據結餘總額的約9.6%。全部後續結算均以現金進行。

尤其是，就客戶A及客戶B而言，約人民幣28.8百萬元及人民幣16.5百萬元，分別佔其於2022年12月31日的貿易應收款項及應收票據結餘總額約5.8%及18.4%，已分別於2023年1月1日至2023年3月20日期間結清。

本集團就該事宜採取的措施

於董事意識到本集團所面臨的預期信貸損失的風險日益增加後，於本集團在日常業務過程中與客戶訂立協議時，本集團於投標新建建築項目時已採取更為審慎的方法。本集團已設立信貸風險管理政策，據此，每名客戶均須進行信貸評估。此等評估側重關注客戶付款歷史及當前支付能力。本集團的客戶主要為中國的房地產公司或總承包商。在與新客戶簽訂招標合約前，本集團會進行背景調查（例如股東背景）及信貸評估（例如上市公司的財務資料），以評估新客戶的信譽。

In addition, the Group has its debt collection policy, under which it is the responsibility of the finance and accounts department, the business administration department and the respective project management units to confirm and follow up the outstanding debts with the customers. The amounts of construction work performed are assessed and confirmed by the business administration department and respective project management units on a monthly basis. Taking into account the progress payment, if any, made by each of the individual customers, a written payment request and official invoice are issued to each customer to request for payment of the remaining balance. The business administration department and respective project management units will continue to follow up the outstanding debts. If the debt is outstanding for 90 days or more, the project manager of the relevant project management unit is advised for review and follow up. If payment is not received after 180 days past due, the following factors will be considered before proceeding with any legal action:

- financial position of the debtor;
- alternative to legal action;
- time and legal cost to recover the amount; and
- long-term relationship with the customer.

Finance costs

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

The finance costs decreased by RMB10.0 million from RMB34.9 million for the year ended 31 December 2021 to RMB24.9 million for the year ended 31 December 2022.

此外，本集團設有收債政策，據此，財務及會計部門、業務管理部門以及相關項目管理單位負責與客戶確認並跟進未償債務。所進行的建築工程量由業務管理部門以及相關項目管理單位每月評估及確認。考慮到各個別客戶支付的進度付款(如有)，會向各客戶發出書面付款請求及正式發票，以要求支付餘款。業務管理部門以及相關項目管理單位將繼續跟進未償債務。倘未償債務達90天或以上，則建議相關項目管理單位的项目經理進行審核及跟進。倘在逾期180天後仍未收到付款，於訴諸法律行動前將考慮以下因素：

- 債務人的財務狀況；
- 法律行動之外的選擇；
- 收回款項所需的時間及法律費用；及
- 與客戶的長期關係。

融資成本

我們的融資成本主要指(i)銀行貸款及其他借款利息；(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。

融資成本由截至2021年12月31日止年度的人民幣34.9百萬元減少人民幣10.0百萬元至截至2022年12月31日止年度的人民幣24.9百萬元。

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Income tax in the consolidated statement of profit or loss

As a result of the recognition of deferred tax assets/liabilities for depreciation, impairment loss for property, plant and equipment and credit loss allowances, the Group recognised income tax credit of approximately RMB8.2 million during the year ended 31 December 2022 (2021: approximately RMB24.0 million).

In December 2022, 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 14 December 2022. In accordance with the CIT Law, the High-tech Enterprise qualification will be valid for a period of three years from 2022 to 2024 and entitles Jianzhong Construction Technology to a reduced tax rate at 15% during this period.

In December 2020, Fujian Yantu (originally named "Fujian Jinghai Engineering Service Co., Ltd."), 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 Jianzhong Yantu to a reduced tax rate at 15% during this period.

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

Loss for the year and loss per share

As a result of the foregoing, the Group incurred net loss for the year of approximately RMB216.1 million (2021: approximately RMB94.0 million).

Basic and diluted loss per share for the year ended 31 December 2022 were RMB0.35 (2021: RMB0.15 per share).

計入綜合損益表的所得稅

由於就折舊、物業、廠房及設備減值虧損以及信貸損失準備確認遞延稅項資產／負債，本集團於截至2022年12月31日止年度確認所得稅抵免約人民幣8.2百萬元（2021年：約人民幣24.0百萬元）。

本公司的間接全資附屬公司建中建設科技申請高新技術企業資格並於2022年12月獲得國家級批准，其獲得的資格於2022年12月14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2022年至2024年），建中建設科技於該期間內享受減按15%的稅率。

本公司的另一家間接全資附屬公司福建岩土（曾用名「福建省晶海工程服務有限公司」）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），建中岩土於該期間內享受減按15%的稅率。

本集團於中國的其他附屬公司須按25%的法定稅率繳納中國企業所得稅。

年內虧損及每股虧損

由於上文所述原因，本集團產生年內淨虧損約人民幣216.1百萬元（2021年：約人民幣94.0百萬元）。

截至2022年12月31日止年度，每股基本及攤薄虧損為人民幣0.35元（2021年：每股人民幣0.15元）。

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintained a solid financial position as at 31 December 2022. During the year ended 31 December 2022, the Group's operation and capital requirements were financed principally through a combination of cash flows generated from the operating activities and bank and other borrowings. As at 31 December 2022, the Group had cash and cash equivalent of approximately RMB149.8 million (2021: approximately RMB93.0 million) in which approximately RMB1.5 million (2021: RMB0.1 million) equivalent cash were denominated in Hong Kong dollar. The remaining balance of cash and cash equivalent were denominated in Renminbi. As at 31 December 2022, the Group had net current asset of approximately RMB374.2 million, representing an decrease of approximately RMB97.9 million as compared to that of approximately RMB472.1 million as at 31 December 2021.

As at 31 December 2022, the gearing ratio of the Group, calculated based on the net debts (including interest-bearing loans and borrowings, lease liabilities 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 24.6% (2021: approximately 40.6%).

All the Group's loans and borrowings were denominated in Renminbi. As at 31 December 2022, loans and borrowings, lease liabilities and payables for acquisition of equipment by instalments of approximately RMB280.7 million were fixed rate borrowings (2021: approximately RMB368.3 million). Particulars of loans and borrowings of the Group are set out in note 21 to the consolidated financial statements.

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.

CAPITAL EXPENDITURE

During the year ended 31 December 2022, the Group acquired items of property, plant and equipment with a cost of RMB13.5 million (2021: RMB295.4 million).

流動資金及財政資源及資本結構

本集團於2022年12月31日維持穩健的財務狀況。截至2022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以及銀行及其他借款撥付。於2022年12月31日，本集團的現金及現金等價物約為人民幣149.8百萬元（2021年：約人民幣93.0百萬元），其中約人民幣1.5百萬元（2021年：人民幣0.1百萬元）等額現金以港元計值。現金及現金等價物的餘下結餘以人民幣計值。於2022年12月31日，本集團的流動資產淨值約為人民幣374.2百萬元，較2021年12月31日的約人民幣472.1百萬元減少約人民幣97.9百萬元。

於2022年12月31日，本集團資本負債比率約為24.6%（2021年：約40.6%），乃按淨負債（包括計息貸款及借款、租賃負債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。於2022年12月31日，貸款及借款、租賃負債以及以分期付款購入設備的應付款項為固定利率借款約人民幣280.7百萬元（2021年：約人民幣368.3百萬元）。本集團貸款及借款的詳情載於綜合財務報表附註21。

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。

資本開支

截至2022年12月31日止年度，本集團以成本人民幣13.5百萬元（2021年：人民幣295.4百萬元）購入物業、廠房及設備項目。

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CAPITAL COMMITMENTS

As at 31 December 2022, the Group had no significant capital commitments, which had been contracted but not provided for in the financial statements (2021: approximately RMB12.4 million).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2022 (2021: Nil).

MATERIAL INVESTMENT HELD BY THE GROUP

There was no significant investment held by the Group for the year ended 31 December 2022 (2021: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of the date of this report, the Group did not have plans for material investments and capital assets in the coming year.

CHARGE OF ASSETS

As at 31 December 2022, the carrying amounts of the machinery and equipment pledged for the sale and leaseback transactions were RMB127.5 million (2021: RMB196.7 million); machinery and equipment of RMB118.6 million (2021: RMB147.2 million) were pledged for bank loans and other borrowings; and bank deposits of RMB19.4 million (31 December 2021: RMB52.2 million) were pledged to banks as security for bank loans and other borrowings, litigation and bills payable.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group has a total of 256 full-time employees (2021: 483). 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 2022 was approximately RMB49.5 million (2021: approximately RMB89.0 million).

資本承擔

於2022年12月31日，本集團並無已訂約但尚未於財務報表作出撥備的重大資本承擔(2021年：約人民幣12.4百萬元)。

或然負債

本集團於2022年12月31日概無任何重大或然負債(2021年：無)。

本集團所持重大投資

本集團於截至2022年12月31日止年度概無持有重大投資(2021年：無)。

重大投資及資本資產之未來計劃

於本報告日期，本集團於來年並無重大投資及資本資產之計劃。

資產抵押

於2022年12月31日，就售後租回交易抵押的機械及設備的賬面值為人民幣127.5百萬元(2021年：人民幣196.7百萬元)；人民幣118.6百萬元(2021年：人民幣147.2百萬元)的機械及設備已就銀行貸款及其他借款作出抵押；及人民幣19.4百萬元(2021年12月31日：人民幣52.2百萬元)的銀行存款已抵押予銀行作為銀行貸款及其他借款、訴訟及應付票據的擔保。

僱員及薪酬政策

於2022年12月31日，本集團共有256名全職僱員(2021年：483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。除支付薪金外，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2022年12月31日止年度，本集團產生的總員工成本(不包括董事薪酬)約為人民幣49.5百萬元(2021年：約人民幣89.0百萬元)。

FOREIGN EXCHANGE EXPOSURE

During the years ended 31 December 2022 and 2021, 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.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There were no significant investments held, material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2022.

DIVIDEND

No dividend was declared for the years ended 31 December 2022 and 2021.

外匯風險

截至2022年及2021年12月31日止年度，由於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。

重大投資、重大收購及出售附屬公司、聯營公司及合營企業

截至2022年12月31日止年度並無持有重大投資、進行重大收購或出售附屬公司、聯營公司及合營企業。

股息

截至2022年及2021年12月31日止年度，概無宣派任何股息。

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 53, 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」)，53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 53, 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 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 59, 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，53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以及業務及技術發展。

何先生在建築行業擁有逾25年經驗。何先生曾於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，59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 49, 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，49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. Wang Wei, aged 57, was appointed as a non-executive Director of the Company with effect from 30 March 2021 and is responsible for providing strategic advice to the business and operation of the Group.

Mr. Wang completed his studies from Anhui Province Tongling College of Finance and Economics (安徽省銅陵財經專科學校) (currently known as Tongling University (銅陵學院)), in the PRC in August 1986 and has over 20 years of experience in the PRC construction industry. Mr. Wang 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 July 1992 and held several positions such as the deputy general manager (副總經理) and general manager (總經理) of its subsidiaries. Since February 2018 and July 2019, Mr. Wang has served as an assistant to general manager (總經理助理) and a deputy general manager (副總經理), respectively, of 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 defined in the Listing Rules) as at the date of this report.

Mr. Xun Liangbao ("Mr. Xun LB"), aged 51, 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.

王偉先生，57歲，自2021年3月30日起獲委任為本公司非執行董事，負責為本集團的業務及營運提供戰略意見。

王先生於1986年8月於中國安徽省銅陵財經專科學校(現稱銅陵學院)畢業，於中國建築業擁有逾20年經驗。王先生於1992年7月加入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))，於其附屬公司擔任副總經理及總經理等多個職務。自2018年2月及2019年7月起，王先生分別擔任安徽海螺創業投資有限責任公司的總經理助理及副總經理，該公司於本報告日期為本公司的一名主要股東(定義見上市規則)。

荀良寶先生(「荀良寶先生」)，51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 61, 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), the chairman of HKCPPCC (Provincial) Members Association Limited (港區省級政協委員聯誼會會長) 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; (iv) Continental Holdings Limited (stock code: 513), a company principally engaged in the jewellery industry, from October 2008; (v) Redco Healthy Living Company Limited (stock code: 2370), a company principally engaged in the provision of property management services in the PRC, from March 2022; and (vi) Forward Fashion (International) Holdings Company Limited (stock code: 2528), a company principally engaged in the retail of fashion apparel in the PRC, from 1 July 2022.

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)，61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、港區省級政協委員聯誼會會長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；(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；(v)自2022年3月起於力高健康生活有限公司(股份代號：2370)，一間主要在中國從事提供物業管理服務的公司；及(vi)自2022年7月1日起於尚晉(國際)控股有限公司(股份代號：2528)，一間主要在中國從事時尚服裝零售的公司。

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月於中國織材控股有限公司(股份代號：3778)，一間主要從事製造紗線產品的公司；及(ii)自2017年2月起於百營環球資源控股有限公司(股份代號：761)。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。

Mr. Wong Kun Kau, aged 62, was appointed to our Board on 18 February 2020 and does not hold any position with other members of our Group. He has over 40 years of experience in investment banking and corporate finance, and is the founder and has been the chief executive officer of Bull Capital Partners Ltd., a fund management company specialising in direct investments in the greater China region, since June 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 and an independent non-executive director of Huaxin Cement Co., Ltd. (stock code: SH600801 and HK06655), a company listed on the Shanghai Stock Exchange and the Main board of the Stock Exchange, since 28 April 2021.

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 48, 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.

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.

黃灌球先生，62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40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6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）的獨立非執行董事及自2021年4月28日起，一直為華新水泥股份有限公司（一間於上海證券交易所及聯交所主板上市的公司）（股份代號：SH600801及HK06655）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，48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。

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。

Profile of Directors and Senior Management

董事及高級管理人員履歷

SENIOR MANAGEMENT

Mr. Shao Yonghui, aged 56, 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.

Mr. Shao has over 30 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 44, is our chief financial officer of Jianzhong Construction Technology, the authorised representative and the secretary of the Company.

Mr. Ma joined the Group in August 2019 and is primarily responsible for overall financial management and company secretarial matters. 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.

高級管理人員

邵永輝先生，56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。

邵先生於中國建築行業擁有逾30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。

馬濟琦先生，44歲，為建中建設科技財務總監、本公司的授權代表及公司秘書。

馬先生於2019年8月加入本集團，主要負責整體財務管理及公司秘書事務。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。

Profile of Directors and Senior Management

董事及高級管理人員履歷

Mr. Ma is a CFA® charterholder. He 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. In addition, Mr. Ma obtained the qualification certificate of fund practitioner issued by the Asset Management Association of China.

Mr. Ma was 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) during 2016 to 2021.

馬先生為特許金融分析師(CFA®)持證人。彼於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日獲認可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。此外，馬先生已取得中國證券投資基金業協會頒發的基金從業人員資格證書。

馬先生於2016年至2021年為中國人民政治協商會廣州市增城區委員會委員。

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 2022.

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 year ended 31 December 2022, 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, 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2022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。

截至2022年12月31日止年度，本公司已遵守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 during the year ended 31 December 2022.

UPDATE ON DIRECTORS’ INFORMATION

Mr. Sze Irons has been an independent non-executive director of:

- Redco Healthy Living Company Limited (stock code: 2370), a company listed on the main board of the Stock Exchange, since 14 March 2022; and
- Forward Fashion (International) Holdings Company Limited (stock code: 2528), a company listed on the main board of the Stock Exchange, since 1 July 2022.

Save as disclosed above, there is no other change in information on the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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.

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截至2022年12月31日止年度遵守標準守則所載的交易必守標準。

董事資料更新

施榮懷先生曾擔任以下公司的獨立非執行董事：

- 自2022年3月14日起於力高健康生活有限公司(股份代號：2370)，一間於聯交所主板上市的公司；及
- 自2022年7月1日起於尚晉(國際)控股有限公司(股份代號：2528)，一間於聯交所主板上市的公司。

除上文所披露者外，概無其他董事資料變動須根據上市規則第13.51B(1)條予以披露。

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现。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。

Corporate Governance Report

企業管治報告

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. There is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

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. During the year ended 31 December 2022, 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.

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. 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.

Mr. Wang Wei was appointed as a non-executive Director for an initial period of three years commencing from 30 March 2021. The commencement date of letter of appointment of each of the other two non-executive Directors is 18 February 2020, for an initial term of three years.

The Company has established following mechanisms to ensure independent views and input are available to the Board and these mechanisms will be reviewed annually.

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。董事會成員之間概無關係（包括財務、業務、家族或其他重大／相關關係）。

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。截至2022年12月31日止年度，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。

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。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。

王偉先生已獲委任為非執行董事，自2021年3月30日起初步為期三年。其他兩名非執行董事各自的委任函的生效日期為2020年2月18日，初步為期三年。

本公司已建立以下機制，以確保董事會可獲得獨立意見及建議，該等機制將每年進行檢討。

A. Number of Independent Non-executive Directors and their contribution

- i. Three out of nine Directors are Independent Non-executive Directors, which fulfils the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors.
- ii. The composition of the Board should provide a sufficient balance of skill, experience and diversity of perspectives in leading the Company to achieve its goal.
- iii. Executive Director will meet with the Independent Non-executive Directors at least annually.
- iv. The Chairman should at least annually hold meetings with the Independent Non-executive Directors without the presence of other Directors.
- v. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent Non-executive Directors who, and whose close associates, have no material interest in the transaction should be present at that Board meeting.

B. Appointment and Independence of Non-executive Directors

- i. Nomination Committee will assess the independence of a candidate who is nominated to be a new Independent Non-executive Director before appointment and the continued independence of the current long-serving Independent Non-executive Director, if any, on an annual basis. All Independent Non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.
- ii. A Director (including Independent Non-executive Director) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.
- iii. No equity-based remuneration with performance-related elements will be granted to Independent Non-executive Directors.

A. 獨立非執行董事人數及其貢獻

- i. 九名董事中三名為獨立非執行董事，符合上市規則關於董事會中至少三分之一為獨立非執行董事的規定。
- ii. 董事會的組成應在領導本公司實現其目標的過程中，在技能、經驗及多元化觀點方面取得足夠平衡。
- iii. 執行董事將至少每年與獨立非執行董事會面。
- iv. 主席應至少每年在並無其他董事出席的情況下與獨立非執行董事舉行會議。
- v. 倘主要股東或董事在董事會將予考慮的事項中存有董事會認為屬重大的利益衝突，則有關事項應通過實際董事會會議而非書面決議案處理。於交易無重大利益的獨立非執行董事及其緊密聯繫人應出席該董事會會議。

B. 非執行董事的委任及獨立性

- i. 提名委員會將於每年評估獲提名為新任獨立非執行董事候選人在獲委任前的獨立性以及現時長期服務的獨立非執行董事的持續獨立性(如有)。全體獨立非執行董事均須每年向本公司提交書面確認，以確認彼等各自及其直系家庭成員的獨立性，以及其是否符合上市規則第3.13條所載的規定。
- ii. 於任何合約、交易或安排中擁有重大權益的董事(包括獨立非執行董事)須就批准有關合約、交易或安排的任何董事會決議案放棄投票，且不應計入法定人數。
- iii. 不會向獨立非執行董事授予具有表現相關要素的以股權為基礎的薪酬。

C. Channels where independent views are available

All Directors are entitled to retain independent professional advisors as and when it is required and at the Company's expense in appropriate circumstances.

D. Board meetings where independent views are expressed

- i. The Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. At least 14 days' notice of a regular Board meeting is given to all Directors to provide them with an opportunity to attend and all Directors are given an opportunity to include matters in the agenda for a regular meeting. For all other Board meetings, reasonable notice should be given.
- ii. Board papers are usually dispatched to the directors at least three days before the meeting to ensure that Directors have sufficient time to review the papers and be adequately prepared for the meeting.
- iii. Directors unable to attend a meeting are advised of the matters to be discussed and are given an opportunity to make their views known to the Chairman prior to the meeting.
- iv. All Directors are encouraged to express their views in an open and candid manner during the Board/Board Committees meetings.
- v. Independent Non-executive Directors and other non-executive Directors should make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.

C. 獲得獨立意見的渠道

所有董事均有權於需要時聘請獨立專業顧問，並在適當情況下由本公司承擔費用。

D. 發表獨立意見的董事會會議

- i. 董事會應定期舉行會議，董事會會議應每年至少召開四次，大約每季度召開一次。為使所有董事均有機會抽空出席會議，全體董事均最少提前十四天收到有關定期董事會會議的通知，同時所有董事均有機會將動議事項加入會議議程。就所有其他董事會會議而言，應發出合理通知。
- ii. 董事會會議文件一般會在會議舉行前最少三天向董事發送，確保董事有充足時間審閱有關文件，並就會議作好充份的準備。
- iii. 若董事無法出席會議，其將獲告知將在會議上討論的事項，並有機會於會議前向主席表明其觀點。
- iv. 鼓勵所有董事於董事會／董事委員會會議期間以公開坦率的方式表達意見。
- v. 獨立非執行董事及其他非執行董事應通過發表獨立、建設性及知情意見為本公司策略及政策的發展作出積極貢獻。

Meetings and Attendance

The individual attendance records of each Director at the Board and Committees' meetings held during the year ended 31 December 2022 are set out in the table below:

會議及出席情況

各董事於截至2022年12月31日止年度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⁾	5/5	N/A 不適用	1/1	1/1	1/1	N/A 不適用
Mr. He Wenlin	何文林先生	5/5	N/A 不適用	1/1	1/1	1/1	N/A 不適用
Ms. Zheng Ping	鄭萍女士	5/5	N/A 不適用	1/1	1/1	1/1	N/A 不適用
Non-executive Directors	非執行董事						
Mr. Yang Kaifa	楊開發先生	5/5	N/A 不適用	1/1	1/1	1/1	N/A 不適用
Mr. Wang Wei	王偉先生	5/5	N/A 不適用	1/1	1/1	1/1	N/A 不適用
Mr. Xun Liangbao	荀良寶先生	5/5	N/A 不適用	1/1	1/1	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⁾	5/5	2/2	1/1	1/1	1/1	N/A 不適用
Mr. Wong Kun Kau ⁽²⁾	黃灌球先生 ⁽²⁾	5/5	2/2	1/1	1/1	1/1	N/A 不適用
Mr. Zhu Diwu ⁽⁴⁾	朱地武先生 ⁽⁴⁾	5/5	2/2	1/1	1/1	1/1	N/A 不適用

- Chairman of the Board
- Chairman of the Audit Committee
- Chairman of the Nomination Committee
- Chairman of the Remuneration Committee

- 董事會主席
- 審核委員會主席
- 提名委員會主席
- 薪酬委員會主席

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.

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。

During the year ended 31 December 2022, 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.

截至2022年12月31日止年度，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。

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 2022, 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.

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2022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。

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.

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

As at 31 December 2022, the gender ratio of the Group's workforce was approximately 68% male to 32% female due to construction industry traditionally has less female participants. The Company's hiring is merit-based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce.

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。

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。

由於傳統上建築行業的女性參與者較少，於2022年12月31日，本集團員工的性別比例約為68%的男性及32%的女性。本公司的招聘為擇優錄用及無歧視。董事會信賴本公司已實現員工性別多元化。

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 during the year ended 31 December 2022 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.

The Remuneration Committee held one committee meeting during the year ended 31 December 2022 to discuss and determine the level of remuneration and fees paid to members of the Board.

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。

審核委員會於截至2022年12月31日止年度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。

薪酬委員會於截至2022年12月31日止年度舉行一次委員會會議，討論及釐定支付予董事會成員的薪酬及費用水平。

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 during the year ended 31 December 2022 to propose re-election of retiring Directors in the annual general meeting and appointment of a Non-executive Director.

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。

提名委員會於截至2022年12月31日止年度舉行一次會議，以建議重選於股東週年大會上退任的董事及委任一名非執行董事。

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 four committee meetings during the year ended 31 December 2022.

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 2022 was approximately as follows:

Type of services 服務類型		RMB'000 人民幣千元
Annual audit services	年度審核服務	1,480
Review of interim results	審閱中期業績	1,500
Internal control review	內部控制審查	270
		3,250

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截至2022年12月31日止年度舉行四次委員會會議。

獨立核數師薪酬

於截至2022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：

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 2022, 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 company secretary of the Company, Mr. Ma Chun Kei, undertook no less than 15 hours of relevant professional training as required under Rule 3.29 of the Listing Rules. His biography is set out in the section "Profile of Directors and Senior Management" of this annual report.

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2022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

本公司之公司秘書馬濬琦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。其履歷詳情載於本年報「董事及高級管理人員履歷」一節。

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 4/F, Wah Yuen Building, 149 Queen's Road Central, Hong Kong or via email to jianzhong_cons@fjzjkj.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，現時地址為香港皇后大道中149號華源大廈4樓，或電郵至 jianzhong_cons@fjzjkj.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 4/F, Wah Yuen Building, 149 Queen's Road Central, 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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，現時地址為香港皇后大道中149號華源大廈4樓，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(地址為香港夏慤道16號遠東金融中心17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。

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 2022, 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 2022, 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2022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控制方面而言，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2022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 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are the provision of construction service, provision of equipment operation service, and provision of sewage treatment service in mainland China. Details of the principal activities of its subsidiaries are set out in note 3 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 27 to the consolidated financial statements.

An analysis of the Group's performance during the year ended 31 December 2022 using key financial performance indicators is set out in the Five-Year Financial Summary on page 164 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2022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。本集團之主要業務是在中國內地提供建築服務、提供設備運營服務以及污水處理服務。其附屬公司的主要業務詳情載於綜合財務報表附註3。

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27。

使用關鍵財務績效指標對本集團截至2022年12月31日止年度的業績進行的分析載於本年報第164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。

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 2022 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 2022 and up to the date of this annual report.

MAJOR CUSTOMERS, SUBCONTRACTORS AND SUPPLIERS

For the year ended 31 December 2022, the Group's five largest customers in aggregate accounted for approximately 69.8% (2021: approximately 74.8%) of the total revenue of the Group and the largest customer of the Group accounted for approximately 47.5% (2021: approximately 36.0%) of the total revenue.

For the year ended 31 December 2022, the Group's five largest subcontractors in aggregate accounted for approximately 74.6% (2021: approximately 78.8%) of the total subcontracting cost of the Group and the largest subcontractor of the Group accounted for approximately 32.9% (2021: approximately 33.7%) of the total subcontracting cost.

For the year ended 31 December 2022, the Group's five largest suppliers in aggregate accounted for approximately 82.0% (2021: approximately 37.5%) of the total purchases of construction materials of the Group and the largest supplier of the Group accounted for approximately 33.0% (2021: approximately 10.1%) of the total purchases of construction materials.

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.

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2022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2022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2022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69.8%（2021年：約74.8%），而本集團的最大客戶則佔總收益約47.5%（2021年：約36.0%）。

截至2022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74.6%（2021年：約78.8%），而本集團的最大分包商則佔總分包成本約32.9%（2021年：約33.7%）。

截至2022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82.0%（2021年：約37.5%），而本集團最大供應商佔建築材料總採購額約33.0%（2021年：約10.1%）。

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

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。

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 2022, there was no material dispute or argument between the Group and its customers, subcontractors, suppliers and employees.

RESULTS AND DIVIDENDS

The Group's result for the year ended 31 December 2022 and the Group's financial position as at that date are set out in the consolidated financial statements on pages 73 to 76 of this annual report.

The Board does not recommend the payment of final dividend for the financial year (2021: Nil).

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 164 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 2022 is scheduled to be held on Tuesday, 27 June 2023. A notice convening the AGM will be issued and despatched to the shareholders according to the applicable law, the Articles and the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Tuesday, 27 June 2023, the register of members of the Company will be closed from Wednesday, 21 June 2023 to Tuesday, 27 June 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 June 2023.

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、過去的表现及能力)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2022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2022年12月31日止年度的業績及本集團於該日期的財務狀況載於本年報第73至76頁的綜合財務報表內。

董事會不建議就本財政年度派付末期股息(2021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164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2022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2023年6月27日(星期二)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。

暫停辦理股份過戶登記手續

為確定出席將於2023年6月27日(星期二)舉行的股東週年大會並於會上投票的權利,本公司將於2023年6月21日(星期三)至2023年6月27日(星期二)(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2023年6月20日(星期二)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,地址為香港夏慤道16號遠東金融中心17樓,以進行登記。

Report of the Directors

董事會報告

CHARITABLE CONTRIBUTIONS

No charitable contribution was made by the Group during the year ended 31 December 2022 (2021: approximately RMB3,000).

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 2022 are set out in note 26 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.

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.

慈善捐款

截至2022年12月31日止年度，本集團概無作出慈善捐款(2021年：約人民幣3,000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2022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26。

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。

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。

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 1 January 2022, 31 December 2022 and the date of this annual report, no option was granted nor exercised nor remained outstanding under the Share Option Scheme since its adoption on 18 February 2020.

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 2022 are set out in note 26(a) 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 2022, 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.

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2022年1月1日、2022年12月31日及本年報日期，自購股權計劃於2020年2月18日採納起，購股權計劃項下概無授出、行使或仍未行使的購股權。

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2022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26(a)及綜合權益變動表。

購買、出售或贖回上市證券

截至2022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。

Report of the Directors

董事會報告

DISCLOSURE OF INTERESTS

Directors' Interest in the Company and Associated Corporation

As at 31 December 2022, 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 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	Percentage of shareholding*
董事姓名	身份／權益性質	所持／擁有權益的普通股數目	持股百分比*
Mr. Xun MH 荀名紅先生	Interest in a controlled corporation ⁽¹⁾ 於受控制法團的權益 ⁽¹⁾	319,380,375	51.11%
Mr. Xun LB 荀良寶先生	Interest in a controlled corporation ⁽²⁾ 於受控制法團的權益 ⁽²⁾	45,316,125	7.25%

Notes:

1. The Company is directly held as to 304,056,250 shares and 15,324,125 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 45,316,125 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 2022.

權益披露

董事於本公司及相聯法團的權益

於2022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

Name of Director	Capacity/Nature of Interest	Number of ordinary shares held/interested	Percentage of shareholding*
董事姓名	身份／權益性質	所持／擁有權益的普通股數目	持股百分比*
Mr. Xun MH 荀名紅先生	Interest in a controlled corporation ⁽¹⁾ 於受控制法團的權益 ⁽¹⁾	319,380,375	51.11%
Mr. Xun LB 荀良寶先生	Interest in a controlled corporation ⁽²⁾ 於受控制法團的權益 ⁽²⁾	45,316,125	7.25%

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304,056,250股股份及15,324,125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45,316,125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。

* 該百分比指本公司擁有權益之股份數目除以本公司於2022年12月31日之已發行股份數目。

Save as disclosed above, as at 31 December 2022, 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.

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

As at 31 December 2022, 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:

除上文所披露者外，於2022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。

除董事以外主要股東於本公司股份的權益

於2022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⁾	304,056,250	48.65%
Ms. Song Dongling 宋冬玲女士	Interest of spouse ⁽¹⁾ 配偶權益 ⁽¹⁾	319,380,375	51.11%
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⁾	45,316,125	7.25%
Ms. Leng Yan 冷艷女士	Interest of spouse ⁽³⁾ 配偶權益 ⁽³⁾	45,316,125	7.25%

Report of the Directors

董事會報告

Notes:

1. The Company is directly held as to 304,056,250 shares and 15,324,125 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 45,316,125 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 2022.

Save as disclosed above, as at 31 December 2022, 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304,056,250股股份及15,324,125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45,316,125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2022年12月31日之已發行股份數目。

除上文所披露外，於2022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。

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 2022, 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 RMB176.4 million (31 December 2021: RMB163.6 million).

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 2022.

SUBSIDIARIES

Particulars of the Company’s principal subsidiaries as at 31 December 2022 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2022年12月31日，根據開曼群島公司法第22章（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176.4百萬元（2021年12月31日：人民幣163.6百萬元）。

競爭權益

董事確認，於截至2022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2022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 2022 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. Wang Wei
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 2022, 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2022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
王偉先生
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」一段所披露者外，於截至2022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。

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 2022 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. No forfeited contribution was used by the Group to reduce the existing level of contributions.

Particulars of these retirement plans are set out in note 23 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 2022 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2022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。本集團並無使用已沒收供款減低現有供款水平。

該等退休計劃的詳情載於綜合財務報表附註23。

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2022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 29 to the consolidated financial statements.

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.

The environmental, social and governance report is set out in the section headed "Environmental, Social and Governance Report".

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29內。

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。

環境、社會及管治報告載於「環境、社會及管治報告」一節。

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 2022 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, 31 March 2023

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2022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，2023年3月31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 73 to 163, which comprise the consolidated statement of financial position as at 31 December 2022, 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 2022 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73至163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2022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2022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。

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 RMB313.6 million for the year ended 31 December 2022.

截至2022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313.6百萬元。

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控制的設計、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；
- 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；

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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

- 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。

Expected credit loss allowance for trade receivables and other receivables and contract assets

Refer to notes 16 and 27(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 2022, the Group's gross trade receivables and other receivables and contract assets amounted to RMB1,288.2 million, against which an allowance of RMB372.0 million for expected credit losses (ECLs) was recorded. The Group's trade receivables and other receivables and contract assets mainly arose from provision of construction service.

於2022年12月31日，貴集團貿易應收款項及其他應收款項以及合約資產總額為人民幣1,288.2百萬元，已計提的預期信貸損失準備金額為人民幣372.0百萬元。貴集團的貿易應收款項及其他應收款項以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 and other receivables 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及其他應收款項以及合約資產的預期信貸損失識別為關鍵審計事項。

貿易應收款項及其他應收款項以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27(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 and other receivables and contract assets included the following:

我們評估貿易應收款項及其他應收款項以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、執行及運作成效；
- 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, and other receivables 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及其他應收款項以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；

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Expected credit loss allowance for trade receivables and other receivables and contract assets

Refer to notes 16 and 27(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

貿易應收款項及其他應收款項以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27(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 2022 based on the Group's credit loss allowance policy.
- 基於 貴集團信貸損失準備政策重新計算於2022年12月31日的損失準備。

Assessing impairment of property, plant and equipment

Refer to notes 10(i) to the consolidated financial statements and the accounting policies in note 1(i)(ii).

The Key Audit Matter**關鍵審計事項**

As at 31 December 2022, the Group held property, plant and equipment with a carrying value of RMB420.9 million.

於2022年12月31日，貴集團持有賬面值為人民幣420.9百萬元的物業、廠房及設備。

Management considered that there were indicators of impairment of property, plant and equipment as at 31 December 2022 due to weak sentiment of the real estate sector in mainland China and the principal businesses of the Group, including the provision of construction service, leasing of construction machinery, equipment and tools were adversely impacted.

由於中國內地房地產行業不景氣，管理層認為，於2022年12月31日，物業、廠房及設備存在減值跡象，而貴集團主要業務（包括提供建築服務、建築機械、設備及工具租賃）亦受到不利影響。

Accordingly, management assessed the recoverable amount of property, plant and equipment based on the higher of fair value less costs of disposal and value in use. The determination of value in use ("VIU") was based on a discounted cash flows forecast prepared by an external valuer and compared with the carrying value. The preparation of discounted cash flows forecast involves the exercise of significant management judgement, in particular in determining sales growth rates, gross profit margins and pre-tax discount rate. Based on the impairment assessment, impairment losses of RMB93.4 million were recognised for the year.

因此，管理層根據公平值減出售成本與使用價值（以較高者為準）評估物業、廠房及設備的可收回金額。釐定使用價值（「VIU」）乃基於外部估值師編製的貼現現金流量預測，並與賬面值進行比較。編製貼現現金流量預測涉及行使重大管理層判斷，尤其是在釐定銷售增長率、毛利率及除稅前貼現率時。根據減值評估，年內已確認減值虧損人民幣93.4百萬元。

物業、廠房及設備減值評估

參閱綜合財務報表附註10(i)及附註1(i)(ii)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 impairment of property, plant and equipment included the following: 我們評估物業、廠房及設備減值的審計程序包括以下各項：

- evaluating the design and implementation of key internal controls in relation to management's process and procedures for the identification of indicators of potential impairment and the impairment assessment;
- 評估與管理層識別潛在減值指標及減值評估的流程及程序相關的關鍵內部控制的設計及實施；
- assessing the appropriateness of management's identification of cash-generating unit with reference to the requirements of the prevailing accounting standards;
- 參考現行會計準則的規定，評估管理層識別現金產生單位的適當性；
- performing a retrospective review by comparing prior year cash flows forecast with the actual results in the current year and making enquiries of management as to the reasons for any significant variations identified to assess whether this is any indication of management bias;
- 將過往年度的現金流量預測與本年度的實際業績進行比較，進行追溯檢討，並向管理層探詢任何重大差異的原因，以評估此情況是否顯示管理層有任何偏見；
- obtaining and inspecting the valuation reports prepared by the external valuers on which the management's assessment of the recoverable amount was based;
- 取得並檢查管理層評估可收回金額所依據的由外部估值師編製的估值報告；
- assessing the external property valuers' competence, capabilities and objectivity;
- 評估外部物業估價師的資歷、能力及客觀性；

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獨立核數師報告

Assessing impairment of property, plant and equipment

Refer to notes 10(i) to the consolidated financial statements and the accounting policies in note 1(i)(ii).

The Key Audit Matter

關鍵審計事項

We identified the impairment assessment of property, plant and equipment as a key audit matter because of the significance of the carrying value of the assets to the consolidated financial statements and because the preparation of discounted cash flows forecast involves a significant degree of judgement and could be subject to management bias.

我們將物業、廠房及設備減值評估確定為關鍵審計事項，因為資產的賬面值對綜合財務報表的重要性以及貼現現金流量預測的編製涉及重大判斷，並可能受到管理層偏見的影響。

物業、廠房及設備減值評估

參閱綜合財務報表附註10(i)及附註1(i)(ii)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

- involving our internal valuation specialists to assess the appropriateness of the methodology adopted with reference to the requirements of the prevailing accounting standards and assessing whether the pre-tax discount rate applied in the discounted cash flows forecast was comparable in the industry;
- 聘請內部估值專家參考現行會計準則的規定評估所採用方法的適當性，並評估貼現現金流量預測中應用的除稅前貼現率是否與行業具有可比性；
- evaluating the reasonableness of sales growth rates and gross profit margins adopted in the preparation of the discounted cash flows forecast with reference to our understanding of the business, historical trends and available industry information and market data;
- 參考我們對業務、歷史趨勢以及可獲得的行業信息及市場數據的了解，評估編製貼現現金流量預測時採用的銷售增長率及毛利率的合理性；
- evaluating the sensitivity analyses of key assumptions prepared by the external valuer and considering the resulting impact on the conclusion reached by management and whether there is any indication of management bias; and
- 評估外部估值師對主要假設所作的敏感度分析，並考慮對管理層得出的結論的影響，以及是否存在任何管理層偏見的跡象；及
- assessing the reasonableness of the disclosures in the consolidated financial statements in respect of impairment assessment of property, plant and equipment with reference to the requirements of the prevailing accounting standards.
- 參照現行會計準則的要求，評估綜合財務報表中關於物業、廠房和設備減值評估的披露是否合理。

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。

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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匯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。

- 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.

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

31 March 2023

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。

執業會計師
香港中環
遮打道10號
太子大廈8樓

2023年3月31日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2022 (Expressed in Renminbi) 截至2022年12月31日止年度（以人民幣列示）

		Note 附註	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Revenue	收益	3	524,602	1,142,936
Cost of sales	銷售成本		(515,297)	(1,010,923)
Gross profit	毛利		9,305	132,013
Other net (loss)/income	其他淨(虧損)/收入	4	(56,114)	51,207
Administrative and other expenses	行政及其他開支		(62,258)	(65,059)
Research and development costs	研發費用		(20,436)	(62,889)
Impairment loss on trade and other receivables and contract assets	貿易及其他應收款項以及合約資產減值虧損	27(a)	(69,954)	(138,344)
Loss from operations	經營虧損		(199,457)	(83,072)
Finance cost	融資成本	5(a)	(24,853)	(34,898)
Loss before taxation	稅前虧損	5	(224,310)	(117,970)
Income tax	所得稅	6(a)	8,235	24,012
Loss for the year	年內虧損		(216,075)	(93,958)
Loss per share	每股虧損	9	(0.35)	(0.15)
Basic and diluted (RMB)	基本及攤薄(人民幣)			

The notes on pages 79 to 163 form part of these financial statements.

第79至163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 2022 (Expressed in Renminbi) 截至2022年12月31日止年度（以人民幣列示）

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Loss for the year	年內虧損	(216,075)	(93,958)
Other comprehensive income for the year	年內其他全面收益		
<i>Item that is or may be reclassified subsequently to profit or loss:</i>	<i>其後已或可能重新分類至損益的項目：</i>		
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	(461)	(60)
Other comprehensive income for the year	年內其他全面收益	(461)	(60)
Total comprehensive income for the year	年內全面收益總額	(216,536)	(94,018)

The notes on pages 79 to 163 form part of these financial statements.

第79至163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 2022 (Expressed in Renminbi) 於2022年12月31日 (以人民幣列示)

		Note	2022 2022年 RMB'000 人民幣千元	2021 2021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	420,913	625,515
Intangible assets	無形資產	11	1,842	2,830
Receivables under service concession arrangement	服務特許權安排項下的應收款項	17	21,842	25,407
Deferred tax assets	遞延稅項資產	24(b)	40,716	31,795
Other non-current assets	其他非流動資產	12	22,367	36,141
			507,680	721,688
Current assets	流動資產			
Inventories	存貨	14	4,575	17,277
Contract assets	合約資產	15(a)	280,659	470,144
Trade and other receivables	貿易及其他應收款項	16(a)	664,787	781,493
Prepayments	預付款	16(b)	18,982	35,872
Receivables under service concession arrangement	服務特許權安排項下的應收款項	17	9,279	7,410
Restricted bank balances	受限制銀行結餘	18	19,352	52,197
Cash and cash equivalents	現金及現金等價物	19	149,817	92,973
			1,147,451	1,457,366
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	20	549,108	716,648
Contract liabilities	合約負債	15(b)	377	3,122
Loans and borrowings	貸款及借款	21	214,155	256,469
Lease liabilities	租賃負債	22	209	88
Current taxation	即期稅項	24(a)	9,356	8,928
			773,205	985,255
Net current assets	流動資產淨值		374,246	472,111

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2022 (Expressed in Renminbi) 於2022年12月31日 (以人民幣列示)

		Note 附註	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Loans and borrowings	貸款及借款	21	103,246	185,694
Lease liabilities	租賃負債	22	203	277
Other non-current liabilities	其他非流動負債	25	6,503	19,318
			109,952	205,289
NET ASSETS	資產淨值		771,974	988,510
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	26(c)	5,671	5,671
Reserves	儲備		766,303	982,839
TOTAL EQUITY	權益總額		771,974	988,510

Approved and authorised for issue by the board of directors on 31 March 2023.

於2023年3月31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 79 to 163 form part of these financial statements.

第79至163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 2022 (Expressed in Renminbi) 截至2022年12月31日止年度（以人民幣列示）

	Note	Share capital	Share premium	Other reserves	Retained profits	Total
	附註	股本	股份溢價	其他儲備	保留利潤	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
Balance at 1 January 2021	於2021年1月1日的結餘	5,671	204,914	488,422	394,338	1,093,345
Changes in equity for 2021:	於2021年的權益變動：					
Loss for the year	年內虧損	—	—	—	(93,958)	(93,958)
Other comprehensive income	其他全面收益	—	—	(60)	—	(60)
Total comprehensive income	全面收益總額	—	—	(60)	(93,958)	(94,018)
Appropriation to statutory reserve	劃撥至法定儲備	—	—	4,147	(4,147)	—
Appropriation to special reserve for production safety	劃撥至安全生產專項儲備	—	—	5,793	(5,793)	—
Dividends approved in respect of the previous year	上年度已批准股息	—	(10,817)	—	—	(10,817)
	26(b)					
Balance at 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日的結餘	5,671	194,097	498,302	290,440	988,510
Changes in equity for 2022:	2022年權益變動：					
Loss for the year	年內虧損	—	—	—	(216,075)	(216,075)
Other comprehensive income	其他全面收益	—	—	(461)	—	(461)
Total comprehensive income	全面收益總額	—	—	(461)	(216,075)	(216,536)
Appropriation to statutory reserve	劃撥至法定儲備	—	—	358	(358)	—
Appropriation to special reserve for production safety	劃撥至安全生產專項儲備	—	—	1,450	(1,450)	—
Balance at 31 December 2022	於2022年12月31日的結餘	5,671	194,097	499,649	72,557	771,974

The notes on pages 79 to 163 form part of these financial statements.

第79至163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 2022 (Expressed in Renminbi) 截至2022年12月31日止年度 (以人民幣列示)

		Note 附註	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Operating activities	經營活動			
Cash generated from operations	經營產生的現金	19(b)	211,746	283,646
Income tax paid	已付所得稅		(257)	(9,488)
Net cash generated from operating activities	經營活動產生的現金淨額		211,489	274,158
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		(28,740)	(290,409)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		91,533	48,258
Payment for purchase of intangible assets	購買無形資產付款		—	(193)
Net cash generated from/(used in) investing activities	投資活動產生/(所用)的現金淨額		62,793	(242,344)
Financing activities	融資活動			
Proceeds from new bank loans and other borrowings	新借銀行貸款及其他借款所得款項	19(c)	126,627	144,055
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款	19(c)	(212,036)	(187,698)
Capital element of lease rentals paid	已付租賃租金資本部分	19(c)	(355)	(1,269)
Payment for acquisition of equipment by instalments	以分期付款購入設備的付款	19(c)	(48,783)	(24,355)
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)	(54,477)	(26,459)
Interests paid	已付利息	19(c)	(28,541)	(33,053)
Dividends paid	已付股息		—	(10,817)
Payment of listing expenses	上市費用付款		—	(125)
Net cash used in financing activities	融資活動所用的現金淨額		(217,565)	(139,721)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		56,717	(107,907)
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	19(a)	92,973	200,884
Effect of foreign exchange rate changes	匯率變動的影響		127	(4)
Cash and cash equivalents at 31 December	於12月31日的現金及現金等價物	19(a)	149,817	92,973

The notes on pages 79 to 163 form part of these financial statements.

第79至163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 2022 comprise the Company and its subsidiaries.

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 mainland China. 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.

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2022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。

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內地成立的附屬公司的功能貨幣及呈報貨幣。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。

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 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.

1 重大會計政策(續)

(b) 財務報表編製基準(續)

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。

(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

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

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

(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

香港會計師公會已頒佈下列於本集團本會計期間首次生效的香港財務報告準則修訂本：

- 香港財務報告準則第16號修訂本，物業、廠房及設備：擬定用途前的所得款項
- 香港會計準則第37號修訂本，撥備、或有負債及或有資產：有價合約 — 履行合約的成本

該等發展對本集團當前或過往期間業績及財務狀況的編製或呈列方式並無重大影響。本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。

(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)).

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表及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))。

(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**

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

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

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

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

• Machinery and equipment	3–20 years
• Motor vehicles	3–10 years
• Tools	3–10 years
• Electronic equipment	3–5 years
• Right-of-use assets (Note 1(h)(i))	3–5 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**

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))。

在使物業、廠房及設備項目達到管理層擬定的營運方式所需的地點及狀況的同時，亦可生產有關項目。出售任何該等項目的所得款項及相關成本於損益確認。

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。

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20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))	3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。

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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)

(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)(a) 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

本集團已訂立一項服務特許權安排，該安排為建設—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，並根據某一政府機構(「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)(a)入賬。經營服務的成本乃於成本產生期間入賬。

(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)(b).

(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).

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**

服務特許權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)(b)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。

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

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.

(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

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。

(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。

(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 initial fair value of refundable rental deposits is accounted for separately from the right-of use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

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.

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)）。

根據適用於以攤銷成本列賬的債務證券投資的會計政策，可退還租金按金的初始公平值與使用權資產分開入賬。按金初始公平值與面值之間的任何差額均作為已作出的額外租賃付款入賬，並計入使用權資產成本。

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。

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(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 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.

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.

1 重大會計政策(續)

(h) 租賃資產(續)

(i) 作為承租人(續)

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。

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。

(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

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)(ii)(a).

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".

1 重大會計政策(續)

(h) 租賃資產(續)

(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)(ii)(a)確認。

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。

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

(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)).

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.

1 重大會計政策(續)

(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))。

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。

(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 (Continued)

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.

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.

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(續)

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。

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。

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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 (Continued)

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.

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.

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)

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。

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。

預期信貸損失在各報告日期重新計量，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。

(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

Interest income recognised in accordance with note 1(s)(ii)(b) 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.

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.

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

根據附註1(s)(ii)(b)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。

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。

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)

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.

(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.

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)

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。

(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。

(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)**— *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). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

— *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).

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)**— *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。倘可在合理及一致的基礎上進行分配，則公司資產(例如總部大樓)的一部分賬面值會分配予個別現金產生單位，否則分配予最小的現金產生單位組別。

— *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)。

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)

— 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.

(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.

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)

— 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。

(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。

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

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(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.

(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)).

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see note 1(i)(i)).

1 重大會計政策(續)**(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。

(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))。

不包含重大融資成分的貿易應收款項初步按其交易價格計量。包含重大融資成分的貿易應收款項及其他應收款項初步按公平值加交易成本計量。所有應收款項其後使用實際利率法按攤銷成本列賬，並包括信貸損失準備(見附註1(i)(i))。

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

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amount.

(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)

(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。於初始確認後，貿易及其他應付款項按攤銷成本列賬，惟貼現影響並不重大時則除外，在此情況下按發票金額列賬。

(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))。

(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。

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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)

(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.

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.

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。可支持確認由可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，並預期於預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。

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。

(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)

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)

即期稅項結餘及遞延稅項結餘以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。

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(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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(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.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the services/products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the services/products.

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。

倘結算撥備所需的部分或全部支出預期由另一方償還，則就幾乎確定的任何預期償還確認一項單獨的資產。就償還確認的金額僅限於撥備的賬面值。

(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。

本集團為其收入交易的主事人，並按總額確認收入。於釐定本集團作為主事人亦或作為代理人時，其考慮是否在服務/產品轉移至客戶前已取得對服務/產品的控制權。控制權指本集團能夠主導使用服務/產品並從中獲得幾乎所有剩餘利益的能力。

(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) Revenue from contracts with customers

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Construction contracts

The Group's construction activities under construction contracts with customers for office premises and residential buildings create or enhance real estate assets controlled by the customers.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised over time during the construction process using output method based on direct measurements of the value of contract work performed to provide a faithful depiction of the transfer of those services.

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. The Group applies the most likely amount approach to estimate such variable consideration by considering the single most likely amount in a limited range of possible consideration amounts, taking into account the Group's current progress and future performance expectations compared to the agreed completion timeline.

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) 來自客戶合約的收益

當產品或服務的控制權轉移至客戶時，本集團按預期將有權獲得的承諾代價金額確認收益，不包括代表第三方收取的款項，例如增值稅或其他銷售稅。

(a) 建築合約

本集團與客戶簽訂的建築合約項下的辦公場所及住宅樓宇的建設活動創造或增加客戶控制的房地產資產。

當建築合約的結果可合理計量時，合約收益在建造過程中根據直接計量已履行合約工程價值使用產出法隨時間確認，以忠實反映該等服務的轉移。

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加以考慮，因此，僅在已確認累計收益金額很可能不會大幅撥回時才會確認收益。本集團通過考慮有限可能代價金額範圍內的單一最可能金額，同時計及本集團與約定完成時間相比的當前進度及未來業績預期，應用最可能金額法估計有關可變代價。

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(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)

(i) Revenue from contracts with customers (Continued)

(a) Construction contracts (Continued)

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.

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. To the extent that the difference in timing arises for reasons other than the provision of finance, no significant financing component is deemed to exist. Otherwise, the Group has taken advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

(b) Revenue from sewage treatment

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

(c) Sales of construction materials and equipment

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

1 重大會計政策(續)

(s) 收益及其他收入(續)

(i) 來自客戶合約的收益(續)

(a) 建築合約(續)

倘合約的結果無法合理計量，則收益僅以預期可收回的已產生合約成本為限予以確認。

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。本集團亦一般按合約價值的3%至5%協定質保金。質保期通常為工程結束後一至兩年。倘時效差異乃由於提供融資以外的原因引起，則視為不存在重大融資成分。否則，本集團已利用香港財務報告準則第15號第63段中的實際權宜方法，及倘融資期間為12個月或更短，則不會就重大融資成分的任何影響調整代價。

(b) 來自污水處理的收益

來自污水處理的收益於提供相關服務時確認。

(c) 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。

(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 other sources and other income

- (a) *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.
- (b) *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.
- (c) *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) 來自其他來源的收益及其他收入

- (a) *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。
- (b) *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。
- (c) *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。

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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)

(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。

(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。

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

2 ACCOUNTING JUDGEMENT AND ESTIMATES 2 會計判斷及估計

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)(a), 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.

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)(a)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。

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

If circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable, the asset may be considered impaired, and an impairment loss may be recognised. Determining whether property, plant and equipment that has indication of impairment requires an estimation of the value in use of the property, plant and equipment that are considered impaired. The calculation of value in use involves estimating future cash flows, sales growth rates, gross profit margin and pre-tax discount rates. The management of the Group also engage an independent valuer to carry out the calculation of the value in use. Details of the recoverable amount calculation are disclosed in note 10.

(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

當情況表明物業、廠房及設備的賬面值可能無法收回，則資產可能被認為減值，並可能確認減值虧損。釐定物業、廠房及設備是否存在減值跡象需要估計被認為減值的物業、廠房及設備的使用價值。使用價值的計算涉及估計未來現金流量、銷售增長率、毛利率及稅前貼現率。本集團管理層亦委聘獨立估值師進行使用價值的計算。可收回金額計算的詳情於附註10中披露。

(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。

(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

		2022 2022年 RMB'000 人民幣千元	2021 2021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	313,554	854,773
— Revenue from sewage treatment service	— 污水處理服務收益	5,111	5,170
— Revenue from equipment operation service	— 設備運營服務收益	43,646	48,912
— Others*	— 其他*	1,665	39,150
		363,976	948,005
Revenue from other sources	其他來源的收益		
— Revenue from leasing of construction machinery, equipment and tools	— 建築機械、設備及工具租賃收益	160,626	194,931
		524,602	1,142,936

* Others mainly represents sales of construction materials and provision of certain logistic services.

* 其他主要指建築材料銷售及提供若干物流服務。

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，以及提供污水處理服務。

(i) 收益劃分

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(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)

		2022 2022年 RMB'000 人民幣千元	2021 2021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	522,937	1,103,786
— Point in time	— 於某一指定時間點	1,665	39,150
Total	總計	524,602	1,142,936

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：

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Customer B	客戶B	249,241	411,255
Customer A	客戶A	54,206	276,137

Details of concentrations of credit risk arising from these customers are set out in Note 27(a).

有關該等客戶產生的信貸集中風險的詳情載於附註27(a)。

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2022, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB7,596,000 (2021: RMB242,165,000). The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 months (2021: next 36 months).

(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

於2022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7,596,000元(2021年：人民幣242,165,000元)。本集團將於工程完成時確認未來預期收益，該收益預計將於未來12個月(2021年：未來36個月)內產生。

(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)

(iii) Total future minimum lease payments receivable by the Group

As at 31 December 2022, total future minimum lease payments under non-cancellable operating leases in place will be receivable by the Group were RMB8,865,000 (2021: RMB11,323,000). All these lease payments were receivable within one year.

(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, and equipment operation service ("Equipment operation service");
- Provision of sewage treatment service ("Sewage treatment operation"); and
- Sales of construction materials 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 margins of Construction service, Equipment operation service, Sewage treatment operation and Others.

3 收益及分部報告(續)

(a) 收益(續)

(iii) 本集團應收的未來最低租賃付款總額

於2022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8,865,000元(2021年：人民幣11,323,000元)。所有該等租賃付款應於一年內收取。

(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資料以分配資源及評估表現一致的方式。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，以及設備運營服務(「設備運營服務」)；
- 提供污水處理服務(「污水處理業務」)；及
- 建築材料銷售及其他(「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、設備運營服務、污水處理業務及其他的收益及毛利監察業績。

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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)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(i) Reportable segment revenue and gross (loss)/profit

		Construction service	Equipment operation service	Sewage treatment operation	Others	Total
		建築服務	設備運營服務	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 2022	截至2022年 12月31日止年度					
Revenue	收益	313,554	204,272	5,111	1,665	524,602
Cost of sales	銷售成本	(368,584)	(140,649)	(4,464)	(1,600)	(515,297)
Reportable segment gross (loss)/profit	報告分部毛(損)/利	(55,030)	63,623	647	65	9,305
Year ended 31 December 2021	截至2021年 12月31日止年度					
Revenue	收益	854,773	243,843	5,170	39,150	1,142,936
Cost of sales	銷售成本	(810,320)	(158,430)	(4,474)	(37,699)	(1,010,923)
Reportable segment gross profit	報告分部毛利	44,453	85,413	696	1,451	132,013

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。

3 收益及分部報告(續)

(b) 分部報告(續)

(i) 報告分部收益及毛(損)/利

(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)****(ii) Reconciliations of reportable segment profit or loss**

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Reportable segment gross profit	報告分部毛利	9,305	132,013
Other net (loss)/income	其他淨(虧損)/收入	(56,114)	51,207
Administrative and other expenses	行政及其他開支	(62,258)	(65,059)
Research and development costs	研發費用	(20,436)	(62,889)
Impairment losses on assets arising from contracts with customers	與客戶合約所產生的資產減值虧損	(69,954)	(138,344)
Finance costs	融資成本	(24,853)	(34,898)
Consolidated loss before taxation	綜合稅前虧損	(224,310)	(117,970)

4 OTHER NET (LOSS)/INCOME**4 其他淨(虧損)/收入**

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Interest income	利息收入	3,562	3,250
Government grants*	政府補貼*	882	7,104
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	30,875	40,555
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	(93,436)	—
Others	其他	2,003	298
		(56,114)	51,207

* Government grants mainly represented rewards for research and development activities. There were no unfulfilled conditions relating to the grants.

* 政府補貼主要指研發活動的獎勵。該等補貼並無未達成的條件。

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5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Interest on bank loans and other borrowings	銀行貸款及其他借款的利息	14,428	22,389
Interest on lease liabilities	租賃負債的利息	32	7
Finance charges on sale and leaseback transactions	售後租回交易的財務費用	6,880	4,505
Interest on acquisition of equipment by instalments	以分期付款購入設備產生的利息	1,787	3,482
Other borrowing costs	其他借貸成本	1,726	4,515
		24,853	34,898

(b) Staff costs (including directors' emoluments)

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	49,691	88,551
Contributions to defined contribution retirement benefit schemes (Note 23)	界定供款退休福利計劃供款 (附註23)	1,664	2,302
		51,355	90,853

5 稅前虧損

稅前虧損已扣除：

(a) 融資成本

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Interest on bank loans and other borrowings	銀行貸款及其他借款的利息	14,428	22,389
Interest on lease liabilities	租賃負債的利息	32	7
Finance charges on sale and leaseback transactions	售後租回交易的財務費用	6,880	4,505
Interest on acquisition of equipment by instalments	以分期付款購入設備產生的利息	1,787	3,482
Other borrowing costs	其他借貸成本	1,726	4,515
		24,853	34,898

(b) 員工成本(包括董事酬金)

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	49,691	88,551
Contributions to defined contribution retirement benefit schemes (Note 23)	界定供款退休福利計劃供款 (附註23)	1,664	2,302
		51,355	90,853

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

5 LOSS BEFORE TAXATION (CONTINUED)

(c) Other items

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Depreciation	折舊		
— property plant and equipment owned (Note 10(i))	— 自有物業、廠房及設備 (附註10(i))	71,580	88,999
— right-of-use assets (Note 10(ii))	— 使用權資產 (附註10(ii))	227	340
		71,807	89,339
Amortisation of intangible assets (Note 11)	無形資產攤銷 (附註11)	988	981
Expenses relating to short-term leases	與短期租賃有關的費用	22,062	20,542
Auditors' remuneration	核數師酬金	2,980	3,380
Labour subcontracting fee	勞務分包費	324,121	495,720
Impairment loss on trade and other receivables and contract assets	貿易及其他應收款項以及合約資產減值虧損	69,954	138,344
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	93,436	—

5 稅前虧損 (續)

(c) 其他項目

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

		2022 2022年 RMB'000 人民幣千元	2021 2021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	686	9,225
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額	(8,921)	(33,237)
		(8,235)	(24,012)

6 綜合損益表中的所得稅

(a) 綜合損益表中的稅項為：

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(b) Reconciliation between tax credit and accounting loss at applicable tax rates:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Loss before taxation	稅前虧損	(224,310)	(117,970)
Notional tax on loss 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的稅前虧損名義稅款	(55,693)	(29,757)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	193	159
Tax effect of super deduction for qualified research and development costs	合資格研發費用加計扣除的稅務影響	(2,606)	(8,365)
Tax effect of deductible temporary differences or unused tax losses not recognised	可扣減暫時性差額或未確認未動用稅項虧損的稅務影響	29,034	98
Utilisation of previously unrecognised tax losses	動用過往未確認稅項虧損	(222)	—
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	175	—
Tax effect of PRC preferential tax treatments (Note (iii))	中國稅收優惠待遇的稅務影響(附註(iii))	20,884	13,853
Actual tax credit	實際稅項抵免	(8,235)	(24,012)

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.

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。

(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 credit and accounting loss at applicable tax rates: (Continued)

Notes: (Continued)

(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 2022 (2021: Nil).

(iii) The Group's subsidiaries in mainland China is subject to PRC corporate income tax at the statutory rate of 25%.

In December 2022, 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 14 December 2022. 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 2022 to 2024 and entitles Jianzhong Construction Technology to a reduced tax rate at 15% during this period.

In December 2020, Fujian Jianzhong Yantu Engineering Co., Ltd. (originally named "Fujian Jinghai Engineering Service Co., Ltd.") ("Jianzhong Yantu"), 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 Jianzhong Yantu 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抵免與會計虧損之間的對賬：(續)

附註：(續)

(ii) 由於本集團於截至2022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(2021年：無)。

(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。

本公司的間接全資附屬公司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2022年12月獲得國家級批准，其獲得的資格於2022年12月14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2022年至2024年)，建中建設科技於期內享受減按15%的稅率。

本公司的另一家間接全資附屬公司福建建中岩土工程有限責任公司(曾用名「福建省晶海工程服務有限公司」)(「建中岩土」)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限為三年(即從2020年至2022年)，建中岩土於期內享受減按15%的稅率。

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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	2022 Total	
		薪金、津貼及實物福利	酌情花紅	退休計劃供款	2022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 (Note (a))	荀名紅先生(附註(a))	—	218	228	4	450
Mr. He Wenlin (Note (a))	何文林先生(附註(a))	—	230	196	4	430
Ms. Zheng Ping (Note (a))	鄭萍女士(附註(a))	—	206	194	—	400
Non-executive directors	非執行董事					
Mr. Yang Kaifa (Note (c))	楊開發先生(附註(c))	—	—	—	—	—
Mr. Wang Wei (Note (b)&(c))	王偉先生(附註(b)及(c))	—	—	—	—	—
Mr. Xun Liangbao	荀良寶先生	—	163	—	10	173
Independent non-executive directors	獨立非執行董事					
Mr. Sze Irons	施榮懷先生	129	—	—	—	129
Mr. Wong Kun Kau	黃灌球先生	129	—	—	—	129
Mr. Zhu Diwu	朱地武先生	129	—	—	—	129
		387	817	618	18	1,840

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

7 DIRECTORS' EMOLUMENTS (CONTINUED) 7 董事酬金(續)

		Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2021 Total	
	Directors' fees	薪金、津貼及 實物福利	酌情花紅	退休 計劃供款	2021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 (Note (a))	荀名紅先生(附註(a))	—	213	239	3	455
Mr. He Wenlin (Note (a))	何文林先生(附註(a))	—	228	221	3	452
Ms. Zheng Ping (Note (a))	鄭萍女士(附註(a))	—	181	221	—	402
Non-executive directors	非執行董事					
Mr. Yang Kaifa (Note (c))	楊開發先生(附註(c))	—	—	—	—	—
Mr. Wang Wei (Note (b)&(c))	王偉先生(附註(b)及(c))	—	—	—	—	—
Mr. Xun Liangbao	荀良寶先生	—	181	—	3	184
Independent non-executive directors	獨立非執行董事					
Mr. Sze Irons	施榮懷先生	124	—	—	—	124
Mr. Wong Kun Kau	黃灌球先生	124	—	—	—	124
Mr. Zhu Diwu	朱地武先生	124	—	—	—	124
		372	803	681	9	1,865

Notes:

附註：

- (a) 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 2022 and 2021.
- (a) 於截至2022年及2021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。
- (b) Mr. Wang Wei were appointed as non-executive director on 30 March 2021.
- (b) 王偉先生於2021年3月30日獲委任為非執行董事。
- (c) Mr. Yang Kaifa and Mr. Wang Wei will not receive any remuneration from the Group in accordance with the service agreements during their term of office. There was no other arrangement under which a director waived or agreed to waive any remuneration.
- (c) 楊開發先生及王偉先生根據服務協議於任期內將不會收取本集團任何薪酬。概無董事放棄或同意放棄任何薪酬的其他安排。
- (d) For the years ended 31 December 2022 and 2021, 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.
- (d) 於截至2022年及2021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。

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8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 3 (2021: 3) are directors whose emoluments are disclosed in Note 7. The aggregate of the emoluments in respect of the other 2 (2021: 2) individuals are as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	434	938
Discretionary bonuses	酌情花紅	822	184
Retirement scheme contributions	退休計劃供款	24	18
		1,280	1,140

The emoluments of the 2 (2021: 2) individuals with the highest emoluments are within the following band:

		2022 2022年 Number of individuals 人數	2021 2021年 Number of individuals 人數
Nil-HK\$1,000,000	零至1,000,000港元	2	2

8 最高薪酬人士

五名最高薪酬人士中，3名(2021年：3名)為董事，其薪酬於附註7披露。其他2名(2021年：2名)人士之薪酬總額載列如下：

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他酬金	434	938
Discretionary bonuses	酌情花紅	822	184
Retirement scheme contributions	退休計劃供款	24	18
		1,280	1,140

最高薪酬人士中，2名(2021年：2名)人士之薪酬分別在下列範圍內：

		2022 2022年 Number of individuals 人數	2021 2021年 Number of individuals 人數
Nil-HK\$1,000,000	零至1,000,000港元	2	2

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

9 LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity shareholder of the Company of RMB216,075,000 (2021: RMB93,958,000) and the weighted average number of 625,000,000 ordinary shares in issue during the year.

Diluted loss per share is equal to basic loss per share as there were no dilutive potential shares outstanding for the years ended 31 December 2022 and 2021.

10 PROPERTY, PLANT AND EQUIPMENT**9 每股虧損**

每股基本虧損乃按本公司權益股東應佔虧損人民幣216,075,000元(2021年：人民幣93,958,000元)及年內已發行普通股加權平均數625,000,000股計算。

由於截至2022年及2021年12月31日止年度並無發行在外的潛在攤薄股份，故每股攤薄虧損等於每股基本虧損。

10 物業、廠房及設備

			2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Property, plant and equipment owned	自有物業、廠房及設備	(i)	420,515	625,009
Right-of-use assets	使用權資產	(ii)	398	506
			420,913	625,515

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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 2021	於2021年1月1日	503,521	15,578	299,278	1,618	1,695	821,690
Additions	添置	268,534	507	26,359	—	—	295,400
Disposals	處置	(64,003)	(11,671)	(46,752)	(68)	(556)	(123,050)
At 31 December 2021 and 1 January 2022	於2021年12月31日及 2022年1月1日	708,052	4,414	278,885	1,550	1,139	994,040
Additions	添置	10,980	—	2,533	—	—	13,513
Disposals	處置	(50,514)	(4,056)	(53,828)	(185)	—	(108,583)
At 31 December 2022	於2022年12月31日	668,518	358	227,590	1,365	1,139	898,970
Accumulated depreciation and impairment:	累計折舊及減值:						
At 1 January 2021	於2021年1月1日	157,861	10,826	174,134	1,183	765	344,769
Charged for the year	年內計提	54,525	2,352	31,870	127	125	88,999
Written back on disposals	於出售時撥回	(31,693)	(9,973)	(22,968)	(103)	—	(64,737)
At 31 December 2021 and 1 January 2022	於2021年12月31日及 2022年1月1日	180,693	3,205	183,036	1,207	890	369,031
Charge for the year	年內計提	51,155	312	19,877	111	125	71,580
Impairment loss	減值虧損	81,718	—	11,718	—	—	93,436
Written back on disposals	於出售時撥回	(23,051)	(3,419)	(28,957)	(165)	—	(55,592)
At 31 December 2022	於2022年12月31日	290,515	98	185,674	1,153	1,015	478,455
Net book value:	賬面淨值:						
At 31 December 2022	於2022年12月31日	378,003	260	41,916	212	124	420,515
At 31 December 2021	於2021年12月31日	527,359	1,209	95,849	343	249	625,009

(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 (Continued)**

All property, plant and equipment owned by the Group are located in mainland China.

Impairment loss

In view of the weak sentiment of the real estate sector in the PRC and the slowdown of repayment from the Group's customers in the second half of 2022, the Group expects that less construction revenue will be generated in the future. This indicates that the property, plant and equipment of the Group may be impaired. As a result, the Group assessed the recoverable amounts of property, plant and equipment and the carrying amount of property, plant and equipment was written down to their recoverable amount of RMB420,515,000 and an impairment loss of RMB93,436,000 was recognised against the carrying amount. The recoverable amounts of these assets were estimated based on their value in use calculated. The calculations were carried out by an independent valuer using cash flow projections based on financial budgets approved by management, which cover the estimated remaining useful life of the assets. To account for the expected reduction in construction revenue, these cash flow projections are using sales growth rate of -63% and 3% for the first two years respectively and 0% for the next three years. Other key assumptions for the value in use calculations included gross profit margins estimated on the basis of the historical performance and management's expectation of the market development. Cash flows beyond the five-year period are extrapolated using a 0% sales growth rate. These sales growth rates are based on the Group's budget, future business plan and the forecasts of the relevant industries and do not exceed the average long-term sales growth rate for the relevant industries. The cash flows are discounted using a pre-tax discount rate of 14.5% which was determined by weighted average cost of capital.

10 物業、廠房及設備(續)**(i) 自有物業、廠房及設備(續)**

本集團所有自有物業、廠房及設備均位於中國內地。

減值虧損

鑑於中國房地產行業情緒低迷，2022年下半年本集團客戶的還款放緩，本集團預計未來產生的建築收益將會減少。這表明本集團的物業、廠房及設備可能出現減值。因此，本集團評估物業、廠房及設備的可收回金額，將物業、廠房及設備的賬面值撇減至其可收回金額人民幣420,515,000元，並就賬面值確認減值虧損人民幣93,436,000元。該等資產的可收回金額乃根據其使用價值計算估計得出。計算乃由獨立估值師根據管理層批准的財務預算採用現金流量預測進行，涵蓋資產的估計剩餘可使用年期。考慮到建築收益的預期減少，該等現金流量預測分別採用前兩年-63%及3%以及未來三年0%的銷售增長率。使用價值計算的其他主要假設包括根據歷史業績及管理層對市場發展的預期估計的毛利率。五年期後的現金流量乃採用0%的銷售增長率推斷。該等銷售增長率乃根據本集團的預算、未來業務計劃及相關行業預測而制定，不會超過相關行業的平均長期銷售增長率。現金流量按資本加權平均成本釐定的稅前貼現率14.5%貼現。

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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 3 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 2021	於2021年1月1日的餘額	355
Additions	添置	491
Depreciation charge for the year	年內折舊計提	(340)
Balance as at 31 December 2021 and 1 January 2022	於2021年12月31日及 2022年1月1日的餘額	506
Additions	添置	402
Disposals	處置	(283)
Depreciation charge for the year	年內折舊計提	(227)
Balance as at 31 December 2022	於2022年12月31日的餘額	398

(iii) Assets pledged as security for liabilities

The Group had obtained specific bank loans and other borrowings to acquire some machinery and equipment and these machinery and equipment were pledged to the bank until the settlement of the corresponding bank loans. As at 31 December 2022, the carrying amounts of the machinery and equipment pledged for bank loans and other borrowings were RMB118,595,000 (2021: RMB147,159,000) (Note 21(a)(ii)).

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。租賃最初一般為期三至五年。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

本集團獲得專項銀行貸款及其他借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2022年12月31日，就銀行貸款及其他借款抵押的機械及設備的賬面金額為人民幣118,595,000元(2021年：人民幣147,159,000元)(附註21(a)(ii))。

(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)**(iii) Assets pledged as security for liabilities (Continued)**

The Group sold certain its machinery and equipment to external parties and leased them back for a term of 3 to 4 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 2022 and 2021. As at 31 December 2022, the carrying amounts of the machinery and equipment pledged for the aforementioned sale and leaseback transactions were RMB127,527,000 (2021: RMB196,649,000) (Note 21(b)).

(iv) Assets leased out under operating leases

During the year ended 31 December 2021, certain machinery and equipment, i.e. tower cranes and construction hoist, were acquired by the Group for leasing purpose. As at 31 December 2021, the net book value of these assets were RMB392,428,000.

Due to weak sentiment of the real estate sector in mainland China, the principal businesses of the Group, including the Construction Service and Equipment operation service, were adversely impacted. To fully utilise the Group's assets, the assets were used to fulfill the contracts of both Construction service and Equipment operation service. The leases under Equipment operation service typically run for a period of 6 to 12 months, with an option to renew the lease after renegotiation. For future minimum lease payments will be receivable by the Group in future periods, please refer to Note 3(a)(iii).

10 物業、廠房及設備(續)**(iii) 抵押作負債擔保的資產(續)**

本集團對外出售若干機械及設備並於售後租回該等機械及設備，為期3至4年。本集團確認向買方一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2022年及2021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2022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127,527,000元(2021年：人民幣196,649,000元)(附註21(b))。

(iv) 根據經營租賃出租的資產

截至2021年12月31日止年度，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。於2021年12月31日，該等資產的賬面淨值為人民幣392,428,000元。

由於中國內地房地產市場情緒低迷，本集團的主要業務，包括建築服務及設備運營服務，均受到不利影響。為充分利用本集團的資產，有關資產均用於履行建築服務及設備運營服務的合約。設備運營服務項下的租賃一般為期六至十二個月，於磋商後可續租。有關本集團於未來期間應收的未來最低租賃付款，請參閱附註3(a)(iii)。

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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 2021	於2021年1月1日	909	3,300	4,209
Additions	添置	193	—	193
At 31 December 2021, 1 January 2022 and 31 December 2022	於2021年12月31日、 2022年1月1日及 2022年12月31日	1,102	3,300	4,402
Accumulated amortisation:	累計攤銷：			
At 1 January 2021	於2021年1月1日	298	293	591
Charge for the year	年內計提	103	878	981
At 31 December 2021 and 1 January 2022	於2021年12月31日及 2022年1月1日	401	1,171	1,572
Charge for the year	年內計提	110	878	988
At 31 December 2022	於2022年12月31日	511	2,049	2,560
Net book value:	賬面淨值：			
At 31 December 2022	於2022年12月31日	591	1,251	1,842
At 31 December 2021	於2021年12月31日	701	2,129	2,830

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。

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

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 capital 已發行股本之詳情	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 Holdings Limited 建中控股有限公司	BVI 英屬處女群島	USD1 1美元	100%	—	Investment holding 投資控股
Jianzhong Holdings (Hong Kong) Limited 建中控股(香港)有限公司	Hong Kong 香港	HKD1 1港元	—	100%	Investment holding 投資控股
Jianzhong Construction Technology (福建建中建設科技有限責任公司) ¹	mainland China 中國內地	RMB168,450,000 人民幣168,450,000元	—	100%	Provision of construction services 提供建築服務
Jinghai Yantu (福建建中岩土工程有限責任公司) ¹	mainland China 中國內地	RMB100,000,000 人民幣100,000,000元	—	100%	Production, sale, installation and leasing of construction machinery, equipment and tools and construction material 生產、銷售、安裝及租賃建築機械、設備及工具及建材
晶海岩土(福建建中岩土工程有限責任公司) ¹	mainland China 中國內地	RMB50,000,000 人民幣50,000,000元	—	100%	Provision of goods transportation services 提供貨物運輸服務
Fujian Jianzhong Logistic Co., Ltd. (福建建中物流有限公司) ¹	mainland China 中國內地	RMB50,000,000 人民幣50,000,000元	—	100%	Sewage treatment operations 污水處理業務
Fujian Jianzhong Environmental Technology Co., Ltd. (福建省建中環保科技有限公司) ¹	mainland China 中國內地	RMB30,000,000 人民幣30,000,000元	—	100%	Leasing of construction machinery, equipment and tools and construction material 租賃建築機械、設備及工具及建材
Guangdong Haizhijian Engineering Technology Co., Ltd. (廣東海之建工程科技有限公司) ¹	mainland China 中國內地	HK\$350,000,000 350,000,000港元	—	100%	Investment holding and sale 投資控股及銷售
廣東海之建工程科技有限公司 ¹	mainland China 中國內地	RMB108,880,000 人民幣108,880,000元	—	100%	Provision of construction services 提供建築服務
Fujian Donghuan Construction Co., Ltd. (福建東寰建設有限公司) ¹	mainland China 中國內地	RMB108,880,000 人民幣108,880,000元	—	100%	Provision of construction services 提供建築服務

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

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

13 於附屬公司投資(續)

Company name 公司名稱	Place of incorporation and business 註冊成立及業務地點	Particulars of issued capital 已發行股本之詳情	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	
Gansu Ganhairun Construction and Development Co., Ltd. (甘肅甘海潤建設發展有限公司) ¹	mainland China	RMB30,000,000	—	100%	Leasing of construction machinery, equipment and tools and construction material
甘肅甘海潤建設發展有限公司 ¹	中國內地	人民幣 30,000,000元			租賃建築機械、設備及工具及建材
Fujian Zhongta Interconnection Technology Co., Ltd. (福建省眾塔互聯科技有限公司) ¹	mainland China	RMB33,300,000	—	100%	Leasing of construction machinery, equipment and tools and construction material
福建省眾塔互聯科技有限公司 ¹	中國內地	人民幣 33,300,000元			租賃建築機械、設備及工具及建材

Notes:

- The official names of the entities are in Chinese. The English names are for identification purpose only.
- All the subsidiaries in mainland China disclosed above are limited liability companies.

附註：

- 中文名稱為其官方名稱，英文名僅供參考。
- 所有上述所披露的中國內地附屬公司均為有限責任公司。

14 INVENTORIES

14 存貨

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Materials	材料	3,104	4,885
Consumables	耗材	—	10,532
Finished goods	成品	1,017	1,300
Work in progress	在製品	454	560
		4,575	17,277

(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**(a) Contract assets**

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Arising from performance under construction contracts	因履行建築合約所致	280,659	470,144
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)	421,276	524,645

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 2022, the amount of contract assets that was expected to be recovered after more than one year were RMB173,863,000 (2021: RMB314,127,000).

Contract assets are transferred to trade receivables when the rights become unconditional.

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，要求於建築期間內達到相關階段時作出階段性付款。本集團亦一般按合約價值的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2022年12月31日，預期一年後可收回合約資產的金額為人民幣173,863,000元（2021年：人民幣314,127,000元）。

當相關權利成為無條件，合約資產轉入貿易應收款項。

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15 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(b) Contract liabilities

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Billings in advance for construction contracts 建築合約之預收賬款	187	2,523
Sales deposits received 已收銷售定金	190	599
	377	3,122

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 2022, revenue recognised in the year that was included in the contract liabilities balance at the beginning of the year was RMB2,506,000 (2021: RMB2,780,000).

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2022年12月31日止年度，年內確認計入年初合約負債結餘的收益為人民幣2,506,000元(2021年：人民幣2,780,000元)。

16 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	2022 2022年 RMB'000 人民幣千元	2021 2021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	628,634	698,593
— related parties 一 關聯方	352	—
Bills receivable 應收票據	6,627	39,302
Deposits and other receivables 按金及其他應收款項	29,174	43,598
	664,787	781,493

15 合約資產及合約負債(續)

(b) 合約負債

16 貿易應收款項、其他應收款項及預付款項

(a) 貿易及其他應收款項

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

16 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)**(a) Trade and other receivables (Continued)**

As at 31 December 2022, the amount of trade receivables and deposits expected to be recovered or recognised as expense after more than one year is RMB369,296,000 (2021: RMB3,000,000).

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 2022, trade receivables of RMB28,688,000 (2021: RMB254,908,000) were transferred 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.

In addition, the Group also entered into certain factoring agreements with recourse with a bank. Under these agreements, the Group may be required to reimburse the bank for loss of interest if any trade receivables have not been fully paid upon due dates. The Group has retained the substantial risks and rewards, which include default risks of the trade receivables after the transfer. Subsequent to the transfer, the Group did not have the rights to transfer or pledge of the trade receivables to any other third parties. As at 31 December 2022, trade receivables of RMB446,000 (2021: Nil) were factored to the bank with recourse and were not derecognised. The associated liabilities with the same amount were also recognised as bank loans (Note 21(a)(v)).

As at 31 December 2022, outstanding commercial acceptance bills of RMB280,000 (2021: Nil) 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)(vi)).

As at 31 December 2022, outstanding commercial acceptance bills of RMB1,160,000 (2021: RMB480,000) 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).

16 貿易應收款項、其他應收款項及預付款項(續)**(a) 貿易及其他應收款項(續)**

於2022年12月31日，預期將於超過一年後收回或確認為開支的貿易應收款項及按金額為人民幣369,296,000元(2021年：人民幣3,000,000元)。

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2022年12月31日止年度，金額為人民幣28,688,000元(2021年：人民幣254,908,000元)的貿易應收款項根據無追索權保理協議轉讓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。

此外，本集團亦與銀行訂立若干附追索權的保理協議。根據該等協議，倘任何貿易應收款項未於到期日悉數支付，本集團可能須向銀行償還利息損失。本集團已保留絕大部分風險及回報，包括轉讓後貿易應收款項的違約風險。於轉讓後，本集團無權將貿易應收款項轉讓或抵押予任何其他第三方。於2022年12月31日，貿易應收款項人民幣446,000元(2021年：無)已附追索權向銀行保理，且未終止確認。具相同金額的相關負債亦確認為銀行貸款(附註21(a)(v))。

於2022年12月31日，未償還商業承兌票據人民幣280,000元(2021年：無)已附追索權貼現予銀行，且未終止確認。具相同金額的相關負債已計入銀行貸款(附註21(a)(vi))。

於2022年12月31日，未償還商業票據人民幣1,160,000元(2021年：人民幣480,000元)已附追索權向若干供應商背書，且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)。

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16 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) 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:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Within 1 month	1個月內	40,313	102,576
More than 1 month but within 3 months	1至3個月	63,444	127,496
More than 3 months but within 6 months	3至6個月	77,098	152,895
More than 6 months but within 12 months	6至12個月	129,976	118,601
More than 12 months	超過12個月	324,782	236,327
		635,613	737,895

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 27(a).

(b) Prepayments

Prepayments mainly represent prepaid amounts for materials and labour subcontracting fee.

16 貿易應收款項、其他應收款項及預付款項(續)

(a) 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。有關本集團的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27(a)。

(b) 預付款項

預付款項主要為材料預付金額及勞務分包費。

(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

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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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:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Non-current portion	非即期部分	21,842	25,407
Current portion	即期部分	9,279	7,410
		31,121	32,817
Expected collection schedule is as follows:	預計收取時間表如下：		
Within 1 year	1年內	9,279	7,410
After 1 year but within 5 years	1至5年	13,976	14,164
After 5 years but within 10 years	5至10年	7,866	11,243
		31,121	32,817

The effective interest rate for the above financial assets was 3.85% per annum.

18 RESTRICTED BANK BALANCES

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Pledged deposits	已抵押存款	19,352	52,197

As at 31 December 2022, these deposits were mainly pledged to banks as security for bank loans and other borrowings, litigation and bills payable (Note 20).

17 服務特許權安排項下的應收款項(續)

本集團於服務特許權安排項下涉及污水處理服務特許權安排的應收款項載列如下：

上述金融資產的實際年利率為3.85%。

18 受限制銀行結餘

於2022年12月31日，該等存款已主要抵押予銀行作為銀行貸款及其他借款、訴訟及應付票據的擔保(附註20)。

(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

(a) Cash and cash equivalents comprise:

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Cash at bank and on hand 銀行及手頭現金	149,817	92,973

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.

At 31 December 2022, cash and deposits that were placed with banks in the mainland China amounted to RMB134,963,000 (2021: RMB92,850,000). Remittance of funds out of mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

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：

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。

於2022年12月31日，存放於中國內地銀行的現金及存款為人民幣134,963,000元（2021年：人民幣92,850,000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。

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of loss before taxation to cash generated from operations:

19 現金及現金等價物及其他現金流量資料(續)

(b) 稅前虧損與經營所得現金之對賬：

	Note	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Operating activities			
Loss before taxation		(224,310)	(117,970)
Adjustments for:			
Depreciation of property, plant and equipment owned and right-of-use assets	5(c)	71,807	89,339
Amortisation	5(c)	988	981
Gain on disposal of property, plant and equipment	4	(30,875)	(40,555)
Impairment loss on property, plant and equipment	5(c)	93,436	—
Impairment loss on trade and other receivables and contract assets	5(c)	69,954	138,344
Finance costs	5(a)	24,853	34,898
Changes in working capital:			
Decrease in inventories		12,702	10,991
Decrease in contract assets		182,664	53,912
Decrease in trade and other receivables		65,904	55,647
Decrease in receivables under service concession arrangement		1,696	2,832
Decrease/(increase) in restricted bank balances		32,845	(35,155)
(Decrease)/increase in trade and other payables		(87,173)	92,980
Decrease in contract liabilities		(2,745)	(2,598)
Cash generated from operations		211,746	283,646

(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)

(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 and other borrowings	Interest payable	Lease liabilities	Payables for acquisition of equipment by instalments	Obligations arising from sale and leaseback transactions	Bills payable	Total
		銀行貸款及其他借款	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	應付票據	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 22)	(Notes 20&25)	(Note 21(b))		
		(附註21(a))	(附註20)	(附註22)	(附註20及25)	(附註21(b))		
At 1 January 2022	於2022年1月1日	291,708	3,974	365	51,664	150,455	18,174	516,340
Changes from financing cash flows:	融資現金流量帶來的變動：							
Proceeds from new bank loans and other borrowings	新銀行貸款及其他借款所得款項	126,627	—	—	—	—	—	126,627
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款	(212,036)	—	—	—	—	—	(212,036)
Capital element of lease rentals paid	已付租賃租金的資本部分	—	—	(355)	—	—	—	(355)
Payment for acquisition of equipment by instalments	以分期付款購入設備的付款	—	—	—	(48,783)	—	—	(48,783)
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	—	—	—	—	(54,477)	—	(54,477)
Interests paid	已付利息	—	(28,541)	—	—	—	—	(28,541)
Total changes from financing cash flows	融資現金流量帶來的變動合計	(85,409)	(28,541)	(355)	(48,783)	(54,477)	—	(217,565)
Other changes:	其他變動：							
Increase in lease liabilities from entering into new leases during the year (Note 10(ii))	年內訂立新租約產生的租賃負債增加(附註10(ii))	—	—	402	—	—	—	402
Acquisition of equipment by instalments which have non-cash effects	以具非現金影響的分期付款購入設備	—	—	—	3,044	—	—	3,044
Acquisition of equipment from sale and leaseback transactions which have non-cash effects	以具非現金影響的售後租回交易購入設備	—	—	—	—	4,859	—	4,859
Interest expenses (Note 5(a))	利息支出(附註5(a))	—	24,853	—	—	—	—	24,853
Settled by bills payable which have non-cash effects	以具非現金影響的應付票據結算	—	—	—	16,280	4,096	(18,174)	2,202
Transfer from trade payables under refinancing arrangement which have non-cash effects	以具非現金影響的再融資安排項下的貿易應付款項轉賬	6,169	—	—	—	—	—	6,169
Total other changes	其他變動合計	6,169	24,853	402	19,324	8,955	(18,174)	41,529
At 31 December 2022	於2022年12月31日	212,468	286	412	22,205	104,933	—	340,304

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19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (Continued)

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)

		Bank loans and other borrowings	Interest payable	Lease liabilities	Payables for acquisition of equipment by instalments	Obligations arising from sale and leaseback transactions	Bills payable	Total
		銀行貸款及其他借款	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	應付票據	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 22)	(Notes 20&25)	(Note 21(b))		
		(附註21(a))	(附註20)	(附註22)	(附註20及25)	(附註21(b))		
At 1 January 2021	於2021年1月1日	335,351	2,129	1,143	69,975	50,000	—	458,598
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	144,055	—	—	—	—	—	144,055
Repayment of bank loans	償還銀行貸款	(187,698)	—	—	—	—	—	(187,698)
Capital element of lease rentals paid	已付租賃租金的資本部分	—	—	(1,269)	—	—	—	(1,269)
Payment for acquisition of equipment by instalments	以分期付款購入設備的付款	—	—	—	(24,355)	—	—	(24,355)
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	—	—	—	—	(26,459)	—	(26,459)
Interests paid	已付利息	—	(33,053)	—	—	—	—	(33,053)
Total changes from financing cash flows	融資現金流量帶來的變動合計	(43,643)	(33,053)	(1,269)	(24,355)	(26,459)	—	(128,779)
Other changes:	其他變動：							
Increase in lease liabilities from entering into new leases during the year (Note 10(ii))	年內訂立新租約產生的租賃負債增加(附註10(ii))	—	—	491	—	—	—	491
Acquisition of equipment by instalments which have non-cash effects	以具非現金影響的分期付款購入設備	—	—	—	24,218	126,726	—	150,944
Interest expenses (Note 5(a))	利息支出(附註5(a))	—	34,898	—	—	—	—	34,898
Settled by bills payable which have non-cash effects	以具非現金影響的應付票據結算	—	—	—	(18,174)	—	18,174	—
Others	其他	—	—	—	—	188	—	188
Total other changes	其他變動合計	—	34,898	491	6,044	126,914	18,174	186,521
At 31 December 2021	於2021年12月31日	291,708	3,974	365	51,664	150,455	18,174	516,340

(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)**(d) Total cash outflow for leases**

Amounts included in the cash flow statement for leases comprise the following:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Within operating cash flows	經營現金流量內	(27,985)	(37,683)
Within financing cash flows	融資現金流量內	(387)	(1,276)
		(28,372)	(38,959)

These amounts all relate to lease rentals paid.

該等金額均與已付租金有關。

20 TRADE AND OTHER PAYABLES**20 貿易及其他應付款項**

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Trade payables	貿易應付款項		
— third parties	— 第三方	293,674	392,770
— related parties	— 關聯方	339	339
Bills payable	應付票據	43,979	114,609
Suppliers of property, plant and equipment	物業、廠房及設備供應商	32,698	50,215
Value added tax and surcharges payables	應付增值稅及附加費	107,686	87,233
Other payables and accruals	其他應付款項及應計款項	69,286	67,028
Obligation for bills endorsed with recourse	具追索權的背書票據責任	1,160	480
Interest payable	應付利息	286	3,974
		549,108	716,648

As at 31 December 2022 and 2021, all the other trade and other payables are expected to be settled within one year or are repayable on demand.

於2022年及2021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。

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20 TRADE AND OTHER PAYABLES (CONTINUED)

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:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Within 1 month	1個月內	33,760	60,821
More than 1 month but within 3 months	1至3個月	40,679	115,968
More than 3 months but within 6 months	3至6個月	59,523	135,951
More than 6 months but within 12 months	6至12個月	53,828	87,437
More than 12 months	超過12個月	150,202	107,541
		337,992	507,718

20 貿易及其他應付款項(續)

於報告期末，按發票日期／交易日期劃分的貿易應付款項及應付票據(計入貿易及其他應付款項)的賬齡分析如下：

21 LOANS AND BORROWINGS

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Non-current	非即期		
Bank loans and other borrowings — secured	銀行貸款及其他借款 — 有擔保	(a) 49,013	84,610
Obligations arising from sale and leaseback transactions	售後租回交易產生的義務	(b) 54,233	101,084
		103,246	185,694
Current	即期		
Bank loans and other borrowings — secured	銀行貸款及其他借款 — 有擔保	(a) 163,455	207,098
Obligations arising from sale and lease back transactions	售後租回交易產生的義務	(b) 50,700	49,371
		214,155	256,469
Total	總計	317,401	442,163

21 貸款及借款

(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 and other borrowings**

Bank loans and other borrowings were repayable as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Less than 1 year	一年內	163,455	207,098
1 to 2 years	一至兩年	37,809	40,896
2 to 5 years	兩至五年	11,204	43,714
		212,468	291,708

(i) As at 31 December 2022, bank loans of RMB28,281,000 (2021: RMB25,270,000) were secured by properties of a third party and also guaranteed by the controlling shareholder of the Company.

(ii) As at 31 December 2022, bank loans of RMB51,076,000 (2021: RMB75,738,000) were secured by machinery and equipment of the Group (Note 10(iii)).

(iii) In June 2021, Jianzhong Construction Technology entered into a credit line agreement with a financial institute to purchase certain equipment on instalment, pursuant to which Jianzhong Construction Technology was granted credit amount up to RMB50,000,000 with maturity in May 2022. In June 2022, the credit line was expired and Jianzhong Construction Technology entered into a new credit line agreement with the financial institute, pursuant to which, a credit line with a term of two years with the amount up to RMB60,000,000 was granted. Such credit line was guaranteed by the controlling shareholder of the Company. As at 31 December 2022, the Company had the borrowing of RMB35,185,000 and unutilised credit amount of RMB24,815,000 (Note 10(iii)).

21 貸款及借款(續)**(a) 銀行貸款及其他借款**

銀行貸款及其他借款還款安排如下所示：

(i) 於2022年12月31日，銀行貸款人民幣28,281,000元(2021年：人民幣25,270,000元)以一名第三方的物業作抵押，亦由本公司控股股東提供擔保。

(ii) 於2022年12月31日，銀行貸款人民幣51,076,000元(2021年：人民幣75,738,000元)以本集團的機械及設備作為抵押(附註10(iii))。

(iii) 於2021年6月，建中建設科技與一家金融機構訂立授信協議以分期付款方式購買若干設備，據此，建中建設科技獲授最高為人民幣50,000,000元的授信額度，於2022年5月到期。於2022年6月，授信額度到期，建中建設科技與金融機構訂立新授信協議，據此，獲授最高為人民幣60,000,000元為期兩年的授信額度。有關授信額度由本公司控股股東提供擔保。於2022年12月31日，本公司的借款為人民幣35,185,000元，未動用授信額度為人民幣24,815,000元(附註10(iii))。

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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 (CONTINUED)

(a) Bank loans and other borrowings (Continued)

- (iv) As at 31 December 2022, bank loans of RMB97,200,000 (2021: RMB100,000,000) were guaranteed by the controlling shareholder of the Company.
- (v) As at 31 December 2022, bank loans of RMB446,000 (2021: Nil) were secured by trade receivables of RMB446,000 (2021: Nil) as set out in Note 16(a).
- (vi) As at 31 December 2022, bank loans of RMB280,000 (2021: Nil) were related to the outstanding commercial acceptance bills discounted to banks with recourse as set out in Note 16(a).

(b) Obligations arising from sale and leaseback transactions

Obligations arising from sale and leaseback transactions were repayable as below:

21 貸款及借款(續)

(a) 銀行貸款及其他借款(續)

- (iv) 於2022年12月31日，銀行貸款人民幣97,200,000元(2021年：人民幣100,000,000元)由本公司控股股東提供擔保。
- (v) 於2022年12月31日，銀行貸款人民幣446,000元(2021年：無)以貿易應收款項人民幣446,000元(2021年：無)作為抵押(附註16(a))。
- (vi) 於2022年12月31日，銀行貸款人民幣280,000元(2021年：無)與附追索權貼現予銀行的未償還商業承兌票據有關(附註16(a))。

(b) 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：

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Less than 1 year	一年內	55,038	56,066
1 to 2 years	一至兩年	35,599	53,650
2 to 3 years	兩至三年	21,138	53,908
Total undiscounted obligations arising from sale and leaseback transactions	未貼現售後租回交易產生的義務總額	111,775	163,624
Less: Total future interest expenses	減：未來利息開支總額	(6,842)	(13,169)
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	104,933	150,455

(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) Obligations arising from sale and leaseback transactions (Continued)****Maturity analysis — present value of obligations arising from sale and leaseback transactions**

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Less than 1 year	一年內	50,700	49,371
1 to 2 years	一至兩年	33,561	49,484
2 to 3 years	兩至三年	20,672	51,600
Present value of obligations arising from sale and leaseback transactions	售後租回交易產生的義務的現值	104,933	150,455

As at 31 December 2022 and 2021, all obligations arising from sale and leaseback transactions were secured by underlying assets with carrying values of RMB127,527,000 (2021: RMB196,649,000) as mentioned in Note 10(iii), and were guaranteed by the controlling shareholder of the Group.

21 貸款及借款(續)**(b) 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的現值**

於2022年及2021年12月31日，所有售後租回交易產生的義務以賬面值為人民幣127,527,000元(2021年：人民幣196,649,000元)的相關資產作為抵押(如附註10(iii)所述)及由本集團控股股東提供擔保。

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

22 LEASE LIABILITIES

Maturity analysis — contractual undiscounted cash flows

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Less than 1 year	一年內	227	99
1 to 2 years	一至兩年	208	79
2 to 5 years	兩至五年	—	252
Total undiscounted lease liabilities	未貼現租賃負債總額	435	430
Less: Total future interest expenses	減：未來利息開支總額	(23)	(65)
Lease liabilities included in the consolidated statements of financial position	計入綜合財務狀況表的租賃負債	412	365

22 租賃負債

到期分析 — 未貼現合約現金流

Maturity analysis — present value of lease liabilities

到期分析 — 租賃負債的現值

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Less than 1 year	一年內	209	88
1 to 2 years	一至兩年	203	74
2 to 5 years	兩至五年	—	203
Present value of lease liabilities	租賃負債的現值	412	365

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

23 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.

24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION**(a) Current taxation in the consolidated statement of financial position represents:**

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
PRC corporate income tax payable 應付中國企業所得稅	9,356	8,928

23 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。

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

24 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: 遞延稅項來源：		Credit loss allowances	Construction costs	Depreciation	Impairment loss for property plant and equipment	Others	Total
		信貨損失準備	建築成本	折舊	物業、廠房及設備減值虧損	其他	合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2021	於2021年1月1日	25,136	3,789	(30,818)	—	451	(1,442)
Credited/(charged) to profit or loss	於損益內計入/(扣除)	22,525	(4,100)	6,728	—	8,084	33,237
At 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日	47,661	(311)	(24,090)	—	8,535	31,795
Credited/(charged) to profit or loss	於損益內計入/(扣除)	2,018	311	4,082	2,578	(68)	8,921
At 31 December 2022	於2022年12月31日	49,679	—	(20,008)	2,578	8,467	40,716

24 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的變動如下：

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

24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**(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 RMB29,034,000 (2021: RMB394,000) 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 2022, temporary differences relating to the undistributed profits of the Group's certain subsidiaries in mainland China amounted to RMB88,674,000 (2021: RMB298,740,000). Deferred tax liabilities were not recognised in respect of the withholding tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries in mainland China and the directors have determined that these profits are not likely to be distributed in the foreseeable future.

25 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 2022, the effective interest rate of the payables is 5.3%–6.0% (2021: 5.3%–6.0%).

24 綜合財務狀況表內的所得稅 (續)**(c) 未確認遞延稅項資產**

根據附註1(q)，本集團並無就累計稅項虧損人民幣29,034,000元(2021年：人民幣394,000元)確認遞延稅項資產，因為相關稅務司法管轄區及實體不可能獲得可用於抵扣有關虧損的未來應稅利潤。根據現行稅法，稅項虧損將於五年內到期。

(d) 未確認遞延稅項負債

於2022年12月31日，有關本集團於中國內地若干附屬公司的未分配利潤的暫時性差額為人民幣88,674,000元(2021年：人民幣298,740,000元)。並無就分派該等保留利潤應繳納的預扣稅而確認遞延稅項負債，因為本公司控制該等中國內地附屬公司的股息政策，且董事已確定該等利潤不太可能於可見未來分派。

25 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2022年12月31日止年度，應付款項的實際利率為5.3%至6.0%(2021年：5.3%至6.0%)。

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26 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		Share capital	Share premium	Exchange reserve	Accumulated losses	Total
本公司		股本	股份溢價	匯兌儲備	累積虧損	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
Balance as at 1 January 2021	於2021年1月1日的結餘	5,671	204,914	(16,575)	(5,434)	188,576
Changes in equity for 2021:	於2021年的權益變動：					
Loss for the year	年內虧損	—	—	—	(3,148)	(3,148)
Dividends approved in respect of the previous year	上年度已批准股息	—	(10,817)	—	—	(10,817)
Other comprehensive income	其他全面收益	—	—	(5,374)	—	(5,374)
At 31 December 2021	於2021年12月31日	5,671	194,097	(21,949)	(8,582)	169,237
Changes in equity for 2022:	於2022年的權益變動：					
Loss for the year	年內虧損	—	—	—	(3,355)	(3,355)
Other comprehensive income	其他全面收益	—	—	16,208	—	16,208
At 31 December 2022	於2022年12月31日	5,671	194,097	(5,741)	(11,937)	182,090

26 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：

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

26 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)**(b) Dividends**

Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
No final dividend in respect of the previous financial year, approved and paid during the year (2021: HK2.08 cents per share)	—	10,817

No dividend was declared for the year ended 31 December 2022 and 2021.

(b) 股息

於年內批准及派付的上一財政年度應付本公司權益股東的股息：

截至2022年及2021年12月31日止年度，概無宣派任何股息。

(c) Share capital**Issued share capital****Issued and fully paid:
已發行及繳足**

	Number of shares 股份數目	Ordinary shares 普通股	
		HK\$'000 千港元	RMB'000 人民幣千元
At 1 January 2021, 31 December 2021 and 31 December 2022	於2021年1月1日、 2021年12月31日及 2022年12月31日	625,000	6,250 5,671

(c) 股本**已發行股本****(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.

(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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26 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for 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, lease liabilities and payables for acquisition of equipment by instalments) less cash and cash equivalents.

26 資本、儲備及股息(續)

(e) 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、租賃負債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。

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Loans and borrowings	貸款及借款	317,401	442,163
Lease liabilities	租賃負債	412	365
Payables for acquisition of equipment by instalments	以分期付款購入設備的應付款項	22,205	51,664
Sub-total	小計	340,018	494,192
Less: Cash and cash equivalents	減：現金及現金等價物	(149,817)	(92,973)
Net debt	淨負債	190,201	401,219
Equity	權益	771,974	988,510
Net debt-to-capital ratio	淨負債資本比率	24.6%	40.6%

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

27 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. Based on the evaluation, customers are categorised into different groups based on their risk characteristic. When analysed the credit risk arisen, the Group also considered the credit terms granted to customers. 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 according to the payment terms in the contracts. However, in practice, it normally takes months to complete the settlement of trade receivables due to the administrative process of different customers. Therefore, the Group generally grants an extended payment period based on the background of its customers — for stated-owned enterprises, 6 months from the issuance of progress certificates; for private entities, 3 months from the issuance of progress certificates. Accordingly, the Group categorised trade receivables into three time bands in accordance with the ageing report, i.e. "trade receivables within the extended payment period", "trade receivables exceeding the extended payment period by less than 1 year" and "trade receivables exceeding the extended payment period by more than 1 year". Normally, the Group does not obtain collateral from customers.

27 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。基於評估，客戶根據其風險特徵分類為不同的組別。於分析產生的信貸風險時，本集團亦考慮授予客戶的信貸期限。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。然而，實際上，由於不同客戶的行政程序，完成貿易應收款項的結算通常需要數月。因此，本集團一般會根據客戶的背景授出延長付款期限——就國有企業而言，有關期限為自進度證明簽發之日起6個月；就私人實體而言，則為自進度證明簽發之日起3個月。因此，本集團根據賬齡報告將貿易應收款項分為三個時間段，即「於延期付款期限內的貿易應收款項」、「超過延期付款期限不足1年的貿易應收款項」及「超過延期付款期限1年以上的貿易應收款項」。本集團通常不會從客戶處獲得抵押品。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

The Group's customers are concentrated in real estate companies or main contractors in mainland China. At the end of the reporting period, 18.1% (2021: 17.7%), 50.6% (2021: 51.6%) and 71.3% (2021: 77.9%) of the total trade receivables and contract assets was due from the Group's largest customer, the second 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. The Group has considered that the expected loss rates for trade receivables are a reasonable approximation of the loss rate for the contract assets.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, bills receivable and contract assets:

		2022 2022年			
		Expected loss rate 預期損失率	Gross carrying amount 賬面總值	Loss allowance 損失準備	Carrying amount 賬面值
		%	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	11.5	324,692	(37,406)	287,286
Less than 12 months past due	逾期少於12個月	17.9	370,706	(66,501)	304,205
More than 12 months past due	逾期超過12個月	26.8	443,690	(118,909)	324,781
			1,139,088	(222,816)	916,272

27 財務風險管理及金融工具的公平值(續)

(a) 信貸風險(續)

本集團的客戶集中在中國內地的房地產公司或總承包商。於報告期末，18.1% (2021年：17.7%)、50.6% (2021年：51.6%) 及71.3% (2021年：77.9%) 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、第二大客戶及五大客戶。

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。本集團認為貿易應收款項的預期損失率為合約資產損失率的合理近似值。

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：

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

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

		2021 2021年			
		Expected loss rate 預期損失率 %	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	Carrying amount 賬面值 RMB'000 人民幣千元
Current (not past due)	即期(未逾期)	11.5	569,843	(65,658)	504,185
Less than 12 months past due	逾期少於12個月	11.8	518,736	(61,029)	457,707
More than 12 months past due	逾期超過12個月	28.0	324,785	(90,973)	233,812
			1,413,364	(217,660)	1,195,704

In addition to above provision matrix, the Group has made individual loss allowance for certain trade and other receivables. As at 31 December 2022, the accumulated individual loss allowance was RMB149,137,000 (2021: RMB84,339,000) with the carrying amounts before loss allowance of RMB149,137,000 (2021: RMB96,674,000).

Expected loss rates are based on historical credit loss experience over the past years. 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, as the receivables are mainly due from an entity designated by local government with no history of default, the Group considered the loss allowances for receivables under service concession arrangement to be immaterial.

除上述撥備矩陣外，本集團已就若干貿易及其他應收款項計提個別損失準備。於2022年12月31日，累計個別損失準備為人民幣149,137,000元（2021年：人民幣84,339,000元），除損失準備前賬面值為人民幣149,137,000元（2021年：人民幣96,674,000元）。

預期損失率根據過往年度歷史信貸損失經驗計算。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，由於應收款項主要來自當地政府指定的一間並無違約記錄的實體，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。

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27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

Movement in the loss allowance account in respect of trade and other receivables and contract assets during the year is as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Balance at 1 January	於1月1日的結餘	301,999	163,765
Amounts written off during the year	年內撇銷金額	—	(110)
Impairment losses recognised during the year	年內確認的減值虧損	69,954	138,344
Balance at 31 December	於12月31日的結餘	371,953	301,999

(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.

27 財務風險管理及金融工具的公平值(續)

(a) 信貸風險(續)

貿易及其他應收款項以及合約資產的損失準備賬目於年內的變動情況如下：

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Balance at 1 January	301,999	163,765
Amounts written off during the year	—	(110)
Impairment losses recognised during the year	69,954	138,344
Balance at 31 December	371,953	301,999

(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。

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

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (Continued)

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:

		2022 2022年					2021 2021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	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
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
		1年以內或按 要求償還	1年以上 2年以內	2年以上 5年以內	合計	1年以內或 按 要求償還	1年以上 2年以內	2年以上 5年以內	合計	賬 面 值	
		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	
Trade payables	貿易應付款項	294,013	—	—	294,013	294,013	393,109	—	—	393,109	393,109
Bills payable	應付票據	43,979	—	—	43,979	43,979	114,609	—	—	114,609	114,609
Suppliers of property, plant and equipment	物業、廠房及設備 供應商	33,610	4,522	2,389	40,521	39,201	49,752	15,575	8,398	73,725	69,533
Other payables and accruals	其他應付款項及應計 款項	61,516	—	—	61,516	61,516	62,393	—	—	62,393	62,393
Interest payable	應付利息	286	—	—	286	286	3,974	—	—	3,974	3,974
Obligation for bills endorsed with recourse	具追索權的背書票據 責任	1,160	—	—	1,160	1,160	480	—	—	480	480
Bank loans	銀行貸款	167,423	39,444	22,410	229,277	212,468	222,074	45,351	46,412	313,837	291,708
Obligations arising from sale and leaseback transactions	售後租回交易產生的 義務	55,038	35,599	21,138	111,775	104,933	56,066	53,650	53,908	163,624	150,455
Lease liabilities	租賃負債	227	208	—	435	412	99	79	252	430	365
		657,252	79,773	45,937	782,962	757,968	902,556	114,655	108,970	1,126,181	1,086,626

27 財務風險管理及金融工具的公平值 (續)

(b) 流動性風險 (續)

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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27 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:

		2022 2022年		2021 2021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	5.3-5.5	412	5.3-5.5	365
Obligations arising from sale and leaseback transactions	售後租回交易產生的義務	4.8-5.5	104,933	4.8-5.5	150,455
Bank loans and other borrowings	銀行貸款及其他借款	2.6-5.4	153,111	4.4-6.4	165,860
Payables for acquisition of equipment by instalments	以分期付款購入設備的應付款項	5.3-6.0	22,205	5.3-6.0	51,664
			280,661		368,344
Variable rate borrowings:	浮動利率借款：				
Bank loans	銀行貸款	5.1-6.1	59,357	5.1-6.1	125,848
Total borrowings	借款總額		340,018		494,192
Fixed rate borrowings as a percentage of total borrowings	固定利率借款佔借款總額的百分比		82.5%		74.5%

27 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

誠如向本集團管理層所報告，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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27 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 2022, 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 RMB2,523,000 (2021: RMB5,349,000). The analysis is performed on the same basis as 2021.

(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 2022 and 2021.

27 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2022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2,523,000元（2021年：人民幣5,349,000元）。該分析與2021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2022年及2021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。

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28 COMMITMENTS

Commitments outstanding at 31 December 2022 not provided for in the financial statements were as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Contracted for	已訂約	—	12,449

29 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:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	2,218	2,607
Contributions to retirement benefit scheme	退休福利計劃供款	39	29
		2,257	2,636

Total remuneration is included in "staff costs" (see Note 5(b)).

28 承擔

於2022年12月31日，並未於財務報表計提撥備的尚未償付承擔如下：

29 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：

薪酬總額計入「員工成本」(見附註5(b))。

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

29 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)**(b) Other transactions with related parties**

For the year ended 31 December 2022, the Group had short-term leases of factory and office premise from two entities controlled by the controlling shareholder. The aggregate rental expenses incurred during the year amounted to RMB2,203,000 (2021: RMB2,628,000). The balances of other payables to the above companies were RMB1,649,000 as at 31 December 2022 (2021: RMB1,743,000).

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(b) respectively.

Save as disclosed above, the Group did not have any other material transactions or outstanding balances with related parties.

The related party transactions above constituted connected transactions of the Company as defined in Chapter 14A of the Listing Rules. However all of these transactions are fully exempt from the shareholders' approval, annual review and all disclosure requirements in accordance with Chapter 14A of the Listing Rules.

29 重大關聯方交易(續)**(b) 與關聯方的其他交易**

截至2022年12月31日止年度，本集團向兩間由控股股東控制的實體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2,203,000元(2021年：人民幣2,628,000元)。於2022年12月31日應付上述公司的其他款項結餘為人民幣1,649,000元(2021年：人民幣1,743,000元)。

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(b)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。

上述關聯方交易構成上市規則第14A章所界定的本公司關連交易。然而，所有該等交易獲全面豁免遵守股東批准、年度審閱及上市規則第14A章的所有披露規定。

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30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 30 公司層面財務狀況表

		Note 附註	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Non-current asset	非流動資產			
Investment in a subsidiary	於一間附屬公司之投資	13	196,421	179,782
			196,421	179,782
Current asset	流動資產			
Cash and cash equivalents	現金及現金等價物		14,853	122
			14,853	122
Current liabilities	流動負債			
Amount due to a subsidiary	應付一間附屬公司之款項		—	10,554
Other payables and accruals	其他應付款項及應計款項		186	113
			186	10,667
Net current assets/(liabilities)	流動資產/(負債)淨額		14,667	(10,545)
Non-current liability	非流動負債			
Amount due to subsidiaries	應付附屬公司之款項		28,998	—
			28,998	—
NET ASSETS	資產淨額		182,090	169,237
CAPITAL AND RESERVES	資本及儲備	26		
Share capital	股本		5,671	5,671
Reserves	儲備		176,419	163,566
TOTAL EQUITY	權益總額		182,090	169,237

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

31 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2022, the directors consider the ultimate controlling shareholder of the Group to be Mr. Xun Minghong. As at 31 December 2022, 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.

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2022

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

31 直接及最終控股人士

於2022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2022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。

32 截至2022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2022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新訂或經修訂準則。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**

HKFRS 17, <i>Insurance contracts</i>	香港財務報告準則第17號， 保險合約	1 January 2023 2023年1月1日
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i>	香港會計準則第1號修訂本， <i>財務報表的呈列：負債分類為流動或非流動</i>	1 January 2023 2023年1月1日
Amendments to HKAS 1, <i>Presentation of financial statements</i> and HKFRS Practice Statement 2, <i>Making materiality judgements: Disclosure of accounting policies</i>	香港會計準則第1號修訂本， <i>財務報表的呈列</i> 及香港財務報告準則實務報告第2號， <i>作出重大性判斷：會計政策的披露</i>	1 January 2023 2023年1月1日
Amendments to HKAS 8, <i>Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates</i>	香港會計準則第8號修訂本， <i>會計政策、會計估計變動及錯誤：會計估計的定義</i>	1 January 2023 2023年1月1日
Amendments to HKAS 12, <i>Income taxes: Deferred tax related to assets and liabilities arising from a single transaction</i>	香港會計準則第12號修訂本， <i>所得稅：與單一交易產生的資產及負債有關的遞延稅項</i>	1 January 2023 2023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修訂、新訂準則及詮釋的影響。至目前為止，其結論為採納彼等不太可能對本集團的經營業績及財務狀況產生重大影響。

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				
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元	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
Revenue	收益	524,602	1,142,936	1,278,769	1,578,218	1,192,750
Cost of sales	銷售成本	(515,297)	(1,010,923)	(990,338)	(1,224,195)	(907,228)
Gross profit	毛利	9,305	132,013	288,431	354,023	285,522
Other net (loss)/ income	其他淨(虧損)/收入	(56,114)	51,207	10,176	15,608	1,762
Administrative and other expenses	行政及其他開支	(62,258)	(65,059)	(55,299)	(67,723)	(39,107)
Research and development costs	研發費用	(20,436)	(62,889)	(41,034)	(55,415)	(46,579)
Impairment loss on trade and other receivables and contract assets	貿易及其他應收款項 以及合約資產減值 虧損	(69,954)	(138,344)	(114,767)	(20,808)	(15,496)
(Loss)/profit from operations	經營(虧損)/利潤	(199,457)	(83,072)	87,507	225,685	186,102
Finance costs	融資成本	(24,853)	(34,898)	(18,458)	(17,363)	(9,121)
(Loss)/profit before taxation	稅前(虧損)/利潤	(224,310)	(117,970)	69,049	208,322	176,981
Income tax	所得稅	8,235	24,012	(9,299)	(29,082)	(36,487)
(Loss)/profit for the year	年內(虧損)/利潤	(216,075)	(93,958)	59,750	179,240	140,494
(Loss)/earnings per share	每股(虧損)/盈利	(0.35)	(0.15)	0.10	0.38	0.30
Basic and diluted (RMB)	基本及攤薄(人民幣)					

		As at 31 December 於12月31日				
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元	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
Total assets	總資產	1,655,131	2,179,054	2,273,919	1,562,000	1,244,978
Total liabilities	總負債	(883,157)	(1,190,544)	(1,180,574)	(737,868)	(687,990)
Total equity	權益總額	771,974	988,510	1,093,345	824,132	556,988



Jianzhong Construction Development Limited

建中建設發展有限公司