

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公告全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。



海外監管公告

本公告是由神州數碼控股有限公司*（「本公司」）根據香港聯合交易所有限公司證券上市規則第 13.10B 條而作出。

以下附件是本公司依臺灣相關證券法律的規定於二零二一年四月二十三日在臺灣證券交易所股份有限公司網頁刊發的公告。

承董事會命
Digital China Holdings Limited
(神州數碼控股有限公司*)
郭為
主席兼首席執行官

香港，二零二一年四月二十三日

於本公告日期時，董事會由九名董事組成，包括：

執行董事：郭為先生（主席兼首席執行官）及林楊先生（副主席）

非執行董事：彭晶先生及曾水根先生

獨立非執行董事：黃文宗先生、倪虹小姐、劉允博士、嚴曉燕女士及金昌衛先生

網址：www.dcholdings.com

* 僅供識別

即時重大訊息

(上市公司)神州-DR
外國發行人重大訊息

公司代號	910861
公告序號	2
事實發生日	民國110年4月23日
公司名稱	神州數碼控股有限公司
主旨	神州數碼控股有限公司及子公司2020年度財務報告暨會計師複核報告
發生依外國發行人所屬國及上市地國法令規定應即申報之重大情事	符合條款-第五條第26款 事實發生日:110/4/23 發生事由: 神州數碼控股有限公司(以下稱「本公司」)公告「本公司及子公司2020年度財務報告暨會計師複核報告」,內容請詳其他處附加檔。
其他	910861_2021042302_FIM

神州數碼控股有限公司及子公司
合併財務報表暨會計師複核報告
(上市之台灣存託憑證用外國公司財務報告)
民國一〇九年及一〇八年度

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附 件 一

會計師複核報告

神州數碼控股有限公司 公鑒：

神州數碼控股有限公司及其子公司(以下簡稱「合併公司」)民國一〇九年度及民國一〇八年度之合併財務報表，業經外國其他會計師查核，並於民國一一〇年三月三十日出具無保留意見之查核報告(詳附件五)。隨附合併公司民國一〇九年度及民國一〇八年度依新臺幣換算之合併資產負債表、合併綜合損益表及合併現金流量表暨其相關資訊，業經本會計師依照「第二上市(櫃)公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照一般公認審計準則查核，故無法對上開財務報告之整體是否允當表達表示意見。

依本會計師之複核結果，第一段所述合併公司民國一〇九年度及民國一〇八年度之合併資產負債表、合併綜合損益表及合併現金流量表暨其相關資訊，並未發現有違反「第二上市(櫃)公司財務報告複核要點」規定而需作重大修正、調整或再補充揭露之情事。

信永中和聯合會計師事務所
會計師：陳光慧

陳光慧

姚毓琳



姚毓琳



行政院金融監督管理委員會證券期貨局

核准文號：(107)金管證審字第1070345892號

(107)金管證審字第1070342733號

中華民國一一〇年四月二十七日

附 件 二



神州數碼控股有限公司及子公司
合併財務狀況表
民國一〇九年及一〇八年十二月三十一日

單位：港幣仟元／新台幣仟元
一〇八年十二月三十一日

項目	一〇九年十二月三十一日		一〇八年十二月三十一日	
	港幣	新台幣	港幣	新台幣
非流動資產				
物業、廠房及設備	\$ 992,378	\$ 3,599,256	\$ 1,027,562	\$ 3,726,865
投資物業	5,126,601	18,593,669	4,598,840	16,679,533
商譽	1,877,561	6,809,726	1,887,695	6,846,481
其他無形資產	195,700	709,784	157,765	572,198
於合營企業之權益	73,725	267,393	185,890	674,204
於聯營公司之權益	2,430,714	8,815,957	3,150,086	11,425,047
使用權資產	202,970	736,152	233,656	847,447
以公允價值計量且其變動計入其他全面收益的金 融資產	714,300	2,590,695	408,572	1,481,850
應收融資租賃款項	788	2,858	2,310	8,378
應收帳款	130,513	473,358	—	—
預付款項、按金及其他應收款項	883,936	3,205,947	908,780	3,296,054
遞延稅項資產	225,211	816,818	173,125	627,907
總非流動資產	12,854,397	46,621,613	12,734,281	46,185,964
流動資產				
存貨	2,614,291	9,481,772	1,848,844	6,705,573
持作銷售用途的竣工物業	694,716	2,519,665	24,722	89,664
持有待售資產	—	—	565,118	2,049,626
應收帳款及應收票據	3,631,843	13,172,331	5,362,493	19,449,226
預付款項、按金及其他應收款項	1,339,906	4,859,705	1,499,292	5,437,782
合約資產	2,405,241	8,723,569	527,073	1,911,641
以公允價值計量且其變動計入損益的金融資產	1,122,414	4,070,883	929,091	3,369,720
應收融資租賃款項	53,154	192,784	54,528	197,768
受限制銀行結餘	228,286	827,970	115,488	418,863
現金及現金等價物	3,076,717	11,158,945	1,890,171	6,855,462
總流動資產	15,166,568	55,007,624	12,816,820	46,485,325
流動負債				
應付帳款及應付票據	3,620,499	13,131,188	3,832,793	13,901,157
其他應付款項及預提費用	2,517,610	9,131,120	2,046,205	7,421,381
合約負債	2,407,732	8,732,603	1,396,496	5,064,951
應繳稅項	120,216	436,011	66,455	241,026
付息銀行及其他貸款	2,077,309	7,534,192	3,468,959	12,581,567
租賃負債-流動	83,215	301,812	103,070	373,825
總流動負債	10,826,581	39,266,926	10,913,978	39,583,907
流動資產淨值	4,339,987	15,740,698	1,902,842	6,901,418
總資產減流動負債	17,194,384	62,362,311	14,637,123	53,087,382
非流動負債				
付息銀行及其他貸款	2,301,295	8,346,567	1,625,741	5,896,400
遞延稅項負債	465,878	1,689,693	350,261	1,270,362
遞延收入	25,888	93,893	37,033	134,315
租賃負債-非流動	50,547	183,329	60,616	219,848
其他金融負債	586,144	2,125,886	—	—
總非流動負債	3,429,752	12,439,368	2,073,651	7,520,925
資產淨值	\$ 13,764,632	\$ 49,922,943	\$ 12,563,472	\$ 45,566,457
權益及儲備				
股本	\$ 167,250	\$ 606,599	\$ 167,098	\$ 606,048
儲備	9,262,477	33,594,078	8,769,325	31,805,465
母公司股東應佔權益	9,429,727	34,200,677	8,936,423	32,411,513
非控股權益	4,334,905	15,722,266	3,627,049	13,154,944
權益總額	\$ 13,764,632	\$ 49,922,943	\$ 12,563,472	\$ 45,566,457

註一：上列財務報表之所有資產、負債及權益科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率（HKD\$1：NT\$3.6269）換算。

註二：最近三年度港幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1:NT\$3.9161	HKD\$1:NT\$3.6020	HKD\$1:NT\$3.7957
一〇八	HKD\$1:NT\$4.0361	HKD\$1:NT\$3.8460	HKD\$1:NT\$3.9420
一〇七	HKD\$1:NT\$3.9687	HKD\$1:NT\$3.7063	HKD\$1:NT\$3.8492



神州數碼控股有限公司及子公司
合併損益表
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：港幣仟元／新台幣仟元
一〇八年度

項目	一〇九年度		一〇八年度	
	港幣	新台幣	港幣	新台幣
收入	\$ 19,819,527	\$ 71,883,442	\$ 17,727,429	\$ 64,295,612
銷售及服務成本	(16,460,691)	(59,701,280)	(14,572,646)	(52,853,530)
毛利	3,358,836	12,182,162	3,154,783	11,442,082
其他收入及收益	235,050	852,503	178,101	645,955
視為出售多間聯營公司部分權益之(虧損)收益	(142,941)	(518,433)	143,811	519,775
出售多間聯營公司全部或部分股權之收益	982,080	3,561,906	233,358	846,365
出售多間合營企業權益之收益	106,961	387,937	—	—
銷售及分銷費用	(1,348,040)	(4,889,206)	(1,315,401)	(4,770,828)
行政費用	(573,842)	(2,081,268)	(527,781)	(1,914,209)
其他費用淨額	(1,056,187)	(3,830,685)	(810,709)	(2,940,360)
融資成本	(148,456)	(538,435)	(227,506)	(825,142)
商譽減值	(141,324)	(512,568)	(201,787)	(731,861)
應佔聯營公司之溢利及虧損	(113,866)	(412,981)	(55,895)	(202,726)
應佔合營企業之溢利及虧損	(11,401)	(41,350)	(23,774)	(86,225)
除稅前溢利	1,146,870	4,159,582	546,700	1,982,826
所得稅費用	(181,518)	(658,348)	(96,524)	(350,083)
本年度溢利	\$ 965,352	\$ 3,501,234	\$ 450,176	\$ 1,632,743
歸屬於：				
母公司股東權益	\$ 612,970	\$ 2,223,181	\$ 301,844	\$ 1,094,758
非控股權益	352,382	1,278,053	148,332	537,985
	\$ 965,352	\$ 3,501,234	\$ 450,176	\$ 1,632,743
母公司股東應佔每股盈利 (港幣元/新台幣元)				
基本	\$ 0.38	\$ 1.37	\$ 0.18	\$ 0.66
攤薄	\$ 0.38	\$ 1.37	\$ 0.18	\$ 0.66

註一：上列財務報表之所有損益科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率 (HKD\$1 : NT\$3.6269) 換算。

註二：最近三年度港幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1 : NT\$3.9161	HKD\$1 : NT\$3.6020	HKD\$1 : NT\$3.7957
一〇八	HKD\$1 : NT\$4.0361	HKD\$1 : NT\$3.8460	HKD\$1 : NT\$3.9420
一〇七	HKD\$1 : NT\$3.9687	HKD\$1 : NT\$3.7063	HKD\$1 : NT\$3.8492



神州數碼控股有限公司及子公司
合併其他全面收益表
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：港幣仟元／新台幣仟元
一〇八年度

項目	一〇九年度		一〇八年度	
	港幣	新台幣	港幣	新台幣
本年度溢利	\$ 965,352	\$ 3,501,234	\$ 450,176	\$ 1,632,743
其他全面收益(虧損)				
其後可能重新分類至損益之其他全面收益(虧損)：				
海外業務財務報表換算之匯兌差額	715,512	2,595,090	(197,450)	(716,131)
應佔聯營公司之其他全面收益	2,361	8,563	11,269	40,872
其後可能重新分類至損益之其他全面收益(虧損)淨額	717,873	2,603,653	(186,181)	(675,259)
其後不可能重新分類至損益之其他全面收益(虧損)：				
以公允價值計量且其變動計入其他全面收益的金融資產之公允價值淨變動	114,406	414,939	(3,696)	(13,405)
物業估值收益	6,379	23,134	20,597	74,703
所得稅影響	(17,334)	(62,867)	(10,814)	(39,221)
其後不可能重新分類至損益之其他全面收益淨額	103,451	375,206	6,087	22,077
經扣除稅後的本年度其他全面收益(虧損)	821,324	2,978,859	(180,094)	(653,182)
本年度全面收益總額	\$ 1,786,676	\$ 6,480,093	\$ 270,082	\$ 979,561
歸屬於：				
母公司股東權益	\$ 1,206,660	\$ 4,376,434	\$ 184,948	\$ 670,788
非控股權益	580,016	2,103,659	85,134	308,773
	\$ 1,786,676	\$ 6,480,093	\$ 270,082	\$ 979,561

註一：上列財務報表之所有損益科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率 (HKD\$1:NT\$3.6269) 換算。
註二：最近三年度港幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1:NT\$3.9161	HKD\$1:NT\$3.6020	HKD\$1:NT\$3.7957
一〇八	HKD\$1:NT\$4.0361	HKD\$1:NT\$3.8460	HKD\$1:NT\$3.9420
一〇七	HKD\$1:NT\$3.9687	HKD\$1:NT\$3.7063	HKD\$1:NT\$3.8492



神州數碼控股有限公司及子公司
合併權益變動表
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：港幣千元

項目	已發行股本	股份溢價	資本儲備	撥備及基金	政府撥付之 員之酬金儲備	資產估值儲備	投資估值儲備	其他儲備	儲備基金	匯兌波動儲備	保留溢利	總計	非控股權益	單占總額
於民國一〇八年一月一日	\$ 197,726	\$ 4,665,095	\$ 1,893,117	(\$ 21,571)	\$ 51,017	\$ 480,180	\$ 43,078	(\$ 1,326)	\$ 425,875	(\$ 212,913)	\$ 1,354,385	\$ 8,350,313	\$ 3,516,353	\$ 12,306,696
本年度溢利											301,864	301,864	148,332	450,176
本年度其他全面收益(虧損):														
稅扣除後的以公允價值計量並其變 動計入其他全面收益的金融資產之 公允價值變動														
海外業務財務報表之匯兌差額														
應佔聯營公司之其他全面收益														
處置以公允價值計量並其變動計入其 他全面收益的金融資產														
稅扣除後的物業增值收益														
本年度其他全面收益(虧損)總額														
此項盈餘之歸屬														
附屬公司非控股股東之資本出售														
附屬公司非控股股東減資														
處置物業														
處置物業之溢利														
收購附屬公司														
給予非控股股東之股息支付														
轉回盈餘基金														
現金支付														
於民國一〇八年十二月三十一日	167,095	4,643,358	1,893,055	(60,867)	67,328	496,428	42,506		476,537	(347,914)	1,538,644	8,936,423	3,627,049	12,563,472
會計政策變動的影響														
於民國一〇九年一月一日	167,095	4,643,358	1,893,055	(60,867)	67,328	496,428	42,506		476,537	(347,914)	1,538,644	8,936,423	3,627,049	12,563,472
本年度溢利											612,970	612,970	352,382	965,352
本年度其他全面收益(虧損):														
稅扣除後的以公允價值計量並其變 動計入其他全面收益的金融資產之 公允價值變動														
海外業務財務報表之匯兌差額														
應佔聯營公司之其他全面收益														
處置以公允價值計量並其變動計入其 他全面收益的金融資產														
稅扣除後的物業增值收益														
本年度其他全面收益總額														
此項盈餘之歸屬														
附屬公司非控股股東之資本出售														
附屬公司非控股股東減資														
處置物業														
處置物業之溢利														
收購附屬公司														
給予非控股股東之股息支付														
轉回盈餘基金														
於民國一〇九年十二月三十一日	\$ 167,250	\$ 4,851,977	\$ 1,766,410	(\$ 551,490)	\$ 128,480	\$ 501,212	\$ 114,970		\$ 861,694	\$ 162,052	\$ 1,930,114	\$ 9,425,727	\$ 4,331,067	\$ 13,756,632

註一：上列財務報表之所有權益科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率（HKD\$1:NT\$3.8260）換算。

註二：最近三年度港幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1:NT\$3.9161	HKD\$1:NT\$3.6020	HKD\$1:NT\$3.7657
一〇八	HKD\$1:NT\$3.8361	HKD\$1:NT\$3.8460	HKD\$1:NT\$3.8429
一〇七	HKD\$1:NT\$3.9587	HKD\$1:NT\$3.7063	HKD\$1:NT\$3.8492



神州數碼控股有限公司及子公司
合併權益變動表
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：新台幣千元

項目	已發行股本	股份溢價	資本公積	盈餘積累基金	以股份支付之 員之酬金負債	資本公積	投資溢價	其他儲備	儲備基金	匯兌波動儲備	保留溢利	總計	非控股權益	總資產
民國一〇八年一月一日	\$ 698,328	\$ 16,919,803	\$ 6,866,146	\$ 78,235	\$ 199,178	\$ 1,744,465	\$ 156,249	\$ 4,809	\$ 1,548,931	\$ 772,214	\$ 4,912,186	\$ 32,089,308	\$ 12,802,708	\$ 14,691,576
本年度溢利											1,094,758	1,094,758	537,085	1,632,743
本年度其他全面收益(虧損):														
扣除除稅後的公允價值計量資產變 動對入其他全面收益的全額資產之 公允價值變動							(15,222)				(15,222)	(18,789)	(33,951)	
海外業務財務報表換算之匯兌差額							24,859			(581,984)		(504,984)	(211,147)	(716,131)
應歸附屬公司之其他全面收益										15,349		49,208	684	40,872
應歸以公允價值計量且其變動計入其 他綜合收益的全額資產														
扣除除稅後的物業增值收益											11,711			
本年度公允價值(虧損)總額						56,928					56,928	308,773	66,622	36,028
以股份支付之酬金					43,929	56,928	(2,914)			(489,655)	1,106,499	93,926	22,696	66,622
附屬公司非控股股東之資本出資													76,016	76,016
附屬公司非控股股東投資 處置基金儲備													(12,676)	(12,676)
收購附屬公司非控股股東之額外權益	(2,274)	(77,024)		(142,522)							(142,522)		(142,522)	
出售附屬公司								4,809						
給予非控股股東之股息支付													(170)	(286)
轉撥至儲備基金									189,192		(189,192)		(83,016)	(83,016)
股息支付														
民國一〇八年十二月三十一日	696,018	16,842,820	6,896,039	(220,758)	243,104	1,800,403	154,166		1,728,436	(1,261,849)	5,953,645	32,411,513	13,154,944	45,566,457
會計政策變動的影響														
民國一〇九年一月一日	696,018	16,842,820	6,896,039	(220,758)	243,104	1,800,403	154,166		1,728,436	(1,261,849)	5,953,645	32,411,513	13,154,944	45,566,457
本年度溢利											2,223,181	2,223,181	1,278,033	3,501,214
本年度其他全面收益(虧損):														
扣除除稅後的公允價值計量資產變 動對入其他全面收益的全額資產之 公允價值變動							259,311					259,311	197,544	457,855
海外業務財務報表換算之匯兌差額										1,848,144		1,848,144	746,946	2,595,090
應歸附屬公司之其他全面收益							35,903			1,454		37,447	(28,884)	8,563
出售以公允價值計量且其變動計入其 他綜合收益之全額資產														
扣除除稅後的物業增值收益						17,351					23,430			
本年度公允價值總額						17,351	282,852			1,849,598	2,216,633	4,376,431	2,103,690	6,480,093
以股份支付之酬金	351	29,447			(5,947)							24,451		24,051
附屬公司非控股股東之資本出資			(395,062)		229,361							228,891	75,919	303,771
轉撥至儲備基金			(152,384)									(305,652)	913,946	608,284
處置基金儲備				(1,789,321)								(1,790,321)	(444,466)	(590,850)
股息支付														(1,790,321)
收購附屬公司非控股股東之額外權益			(1,850)								(590,565)		(1,925)	(590,565)
出售附屬公司														225
給予非控股股東之股息支付														(2,134)
轉撥至儲備基金									308,783		(308,783)		(89,015)	(89,015)
民國一〇九年十二月三十一日	696,369	16,872,236	6,496,734	(2,011,070)	865,918	1,817,841	417,018		2,037,209	(587,249)	7,900,330	34,200,677	15,722,266	49,922,943

註一：上列財務報表之所有權益科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率（HKD\$1:NT\$3.6290）換算。
註二：最近三年度港幣對新台幣匯率、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1:NT\$3.9161	HKD\$1:NT\$3.6020	HKD\$1:NT\$3.7937
一〇八	HKD\$1:NT\$4.0301	HKD\$1:NT\$3.8160	HKD\$1:NT\$3.9429
一〇七	HKD\$1:NT\$3.9387	HKD\$1:NT\$3.7063	HKD\$1:NT\$3.8492



神州數碼控股有限公司及子公司
合併現金流量表
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：港幣仟元／新台幣仟元

項目	一〇九年度		一〇八年度	
	港幣	新台幣	港幣	新台幣
經營活動				
除稅前溢利：	\$ 1,146,870	\$ 4,159,582	\$ 546,700	\$ 1,982,826
經調整：				
融資成本	148,456	538,435	227,506	825,142
應佔合營企業及聯營公司之虧損	125,267	454,331	79,669	288,951
銀行存款利息	(10,759)	(39,022)	(10,284)	(37,299)
理財產品收入	(23,544)	(85,392)	(32,209)	(116,819)
遞延收入	(44,800)	(162,485)	(20,902)	(75,809)
以公允價值計量且其變動計入其他全面收益的金融資產之股息收入	(6,396)	(23,198)	(232)	(841)
以公允價值計量且其變動計入損益的的金融資產之股息收入	—	—	(475)	(1,723)
商譽減值	141,324	512,568	201,787	731,861
應收帳款及應收票據、其他應收款項及合約資產減值	273,186	990,818	94,635	343,232
應收融資租賃款項減值撥回	(1,695)	(6,147)	(6,829)	(24,768)
於聯營公司之權益減值	—	—	2,286	8,291
出售物業、廠房及設備之虧損	2,293	8,316	4,022	14,587
投資物業之公允價值淨收益	(701)	(2,542)	(32,532)	(117,990)
出售合營企業權益之收益	(106,961)	(387,937)	—	—
以公允價值計量且其變動計入損益的金融資產之公允價值虧損	10,071	36,527	3,263	11,835
出售多間聯營公司全部或部分權益之收益	(982,080)	(3,561,906)	(233,358)	(846,366)
視為出售多間聯營公司部分權益之虧損(收益)	142,941	518,433	(143,311)	(519,775)
出售以公允價值計量且其變動計入損益的金融資產之收益	—	—	(4,371)	(15,853)
出售多間附屬公司股權之收益	(16,161)	(58,614)	(890)	(3,228)
部分出售一間附屬公司股權之收益	(12,346)	(44,778)	—	—
物業、廠房及設備折舊	126,886	460,203	135,754	492,366
自持作銷售用途的竣工物業轉撥至投資物業之公允價值收益	(6,969)	(25,276)	—	—
其他無形資產攤銷	51,369	186,310	47,050	170,646
使用權資產折舊	121,200	439,580	108,278	392,713
陳舊存貨撥備及撇銷	109,038	395,470	87,554	317,550
以股份支付之酬金	82,831	300,420	18,369	66,623
在建物業減值	—	—	12,394	44,951
撇銷其他無形資產之虧損	1,777	6,445	4,882	17,707
	1,271,097	4,610,141	1,088,756	3,948,810
存貨增加	(859,273)	(3,116,498)	(884,300)	(3,207,268)
自持作銷售用途的竣工物業減少	7,771	28,185	—	—
應收帳款及應收票據減少(增加)	1,668,636	6,051,976	(569,711)	(2,066,285)
預付款項、按金及其他應收款項增加	(30,824)	(111,795)	(66,798)	(242,269)
應收融資租賃款項減少	4,591	16,651	118,792	430,847
應付帳款及應付票據增加(減少)	(173,542)	(629,419)	622,178	2,256,577
其他應付款項及預提費用及遞延收入增加	569,111	2,064,109	412,310	1,495,407
合約資產減少(增加)	(2,153,913)	(7,812,027)	624,396	2,264,622
合約負債增加(減少)	915,603	3,320,801	(229,339)	(831,790)
受限制銀行結餘增加	(112,798)	(409,107)	(45,871)	(166,370)
匯兌變動之影響淨額	119,520	433,488	(29,849)	(108,259)
經營所得之現金	1,225,979	4,446,505	1,040,564	3,774,022
已收利息	15,320	55,564	19,594	71,065
已繳付香港利得稅	—	—	(263)	(954)
已繳付中國企業所得稅	(95,625)	(346,822)	(70,666)	(256,298)
經營活動所得現金淨額	1,145,674	4,155,247	989,229	3,587,835

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神州數碼控股有限公司及子公司
合併現金流量表(續)
民國一〇九年及一〇八年一月一日至十二月三十一日

(承上頁)

單位：港幣仟元／新台幣元
一〇八年度

項目	一〇九年度		一〇八年度	
	港幣	新台幣	港幣	新台幣
投資活動				
購入物業、廠房及設備	(60,043)	(217,770)	(199,135)	(722,243)
出售物業、廠房及設備之所得款項	1,528	5,542	6,968	25,272
添置其他無形資產	(70,052)	(254,068)	(50,164)	(181,940)
收購附屬公司	(414,844)	(1,504,598)	(42,587)	(154,459)
出售附屬公司	7,914	28,703	(2,850)	(10,337)
出售投資物業之所得款項	117,386	425,747	--	--
出售多間合營企業投資之所得款項	113,093	410,177	--	--
出售多間聯營公司投資之所得款項	1,642,194	5,956,073	115,049	417,271
出售一間附屬公司部分權益之所得款項	5,575	20,220	--	--
出售以公允價值計量且變動計入其他全面收益的金融資產之所得款項	40,196	145,787	7,886	28,602
收取聯營公司之股息	26,473	96,015	31,571	114,505
收取合營企業之股息	93,294	338,368	--	--
以公允價值計量且其變動計入其他全面收益的金融資產之股息收入	6,396	23,198	232	841
以公允價值計量且其變動計入損益的金融資產之股息收入	--	--	475	1,723
於合營企業之投資	--	--	(23,981)	(86,976)
於聯營公司之投資	(35,041)	(127,090)	(41,486)	(150,465)
購買以公允價值計量且其變動計入損益的金融資產	(1,125,061)	(4,080,484)	(799,646)	(2,900,236)
出售以公允價值計量且其變動計入損益的金融資產之所得款項	1,160,782	4,210,040	1,190,212	4,316,780
投資活動所得現金淨額	<u>1,509,790</u>	<u>5,475,860</u>	<u>192,544</u>	<u>698,338</u>
融資活動				
行使購股權	6,631	24,050	--	--
股份購回	--	--	(20,539)	(74,493)
新增銀行貸款	2,925,161	10,609,266	3,630,668	13,168,071
償還銀行貸款	(4,018,992)	(14,576,482)	(4,111,711)	(14,912,766)
發行公司債券之所得款項	--	--	1,949	7,070
償還公司債券	(2,439)	(8,846)	(569,854)	(2,066,805)
已付利息	(142,123)	(515,466)	(227,506)	(825,142)
已付股息	(162,829)	(590,565)	(51,112)	(185,378)
給予非控股股東之已付股息	(28,739)	(104,234)	(22,889)	(83,016)
依受限制股份獎勵計畫購買股份	(493,623)	(1,790,321)	(39,296)	(142,523)
收購非全資擁有附屬公司的額外權益之付款	(62)	(225)	(79)	(286)
購回一間附屬公司之股份	(164,562)	(596,850)	--	--
附屬公司非控股股東之出資	664,124	2,408,708	20,959	76,016
附屬公司非控股股東之減資	--	--	(3,495)	(12,676)
租賃負債之付款	(118,803)	(430,887)	(106,240)	(385,322)
融資活動所用現金淨額	<u>(1,536,256)</u>	<u>(5,571,852)</u>	<u>(1,499,145)</u>	<u>(5,437,250)</u>
現金及現金等價物增加(減少)淨額	1,119,208	4,059,255	(317,372)	(1,151,077)
於年度初之現金及現金等價物	1,890,171	6,855,462	2,204,872	7,996,851
匯兌變動之影響淨額	67,338	244,228	2,671	9,688
於年度末之現金及現金等價物	<u>\$ 3,076,717</u>	<u>\$ 11,158,945</u>	<u>\$ 1,890,171</u>	<u>\$ 6,855,462</u>
現金及現金等價物之組成分析				
現金及現金結餘	\$ 3,051,467	\$ 11,067,366	\$ 1,885,691	\$ 6,839,213
無抵押定期存款	25,250	91,579	4,480	16,249
於合併財務狀況表及合併現金流量表所載之現金及現金等價物	<u>\$ 3,076,717</u>	<u>\$ 11,158,945</u>	<u>\$ 1,890,171</u>	<u>\$ 6,855,462</u>

註一：上列財務報表之所有科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率 (HKD\$1 : NT\$3.6269) 換算。

註二：最近三年度港幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1:NT\$3.9161	HKD\$1:NT\$3.6020	HKD\$1:NT\$3.7957
一〇八	HKD\$1:NT\$4.0361	HKD\$1:NT\$3.8460	HKD\$1:NT\$3.9420
一〇七	HKD\$1:NT\$3.9687	HKD\$1:NT\$3.7063	HKD\$1:NT\$3.8492

附 件 三



神州數碼控股有限公司及子公司
依中華民國規定重編後合併資產負債表
民國一〇九年及一〇八年十二月三十一日

單位：新台幣仟元

代碼	資產	一〇九年十二月三十一日			一〇八年十二月三十一日		
		依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國規定編製金額	依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國規定編製金額
1100	流動資產						
	現金及約當現金	\$ 11,986,915	\$ --	\$ 11,986,915	\$ 7,274,325	\$ --	\$ 7,274,325
1110	透過損益按公允價值衡量之金融資產-流動	4,070,883	--	4,070,883	3,369,720	--	3,369,720
1140	合約資產-流動	8,723,569	--	8,723,569	1,911,641	--	1,911,641
1150	應收票據	78,968	--	78,968	187,229	--	187,229
1170	應收帳款	13,093,363	--	13,093,363	19,261,997	--	19,261,997
1200	其他應收款	4,074,299	--	4,074,299	4,719,507	--	4,719,507
130X	存貨	12,001,437	--	12,001,437	6,795,237	--	6,795,237
1410	預付款項	764,999	--	764,999	695,254	--	695,254
1460	待出售非流動資產淨額	--	--	--	2,049,626	--	2,049,626
1470	其他流動資產	213,191	--	213,191	220,789	--	220,789
	流動資產合計	55,007,624	--	55,007,624	46,485,325	--	46,485,325
	非流動資產						
1517	透過其他綜合損益按公允價值衡量之金融資產-非流動	2,590,695	--	2,590,695	1,481,850	--	1,481,850
1550	採用權益法之投資	9,083,350	--	9,083,350	12,099,251	--	12,099,251
1600	不動產、廠房及設備	3,509,256	--	3,509,256	3,726,885	--	3,726,885
1755	使用權資產	736,152	--	736,152	847,447	--	847,447
1760	投資性不動產	18,593,669	(6,688,131)	11,905,538	16,679,533	(5,930,740)	10,748,793
1780	無形資產	7,519,510	--	7,519,510	7,418,679	--	7,418,679
1840	遞延所得稅資產	816,818	(16,386)	800,482	627,907	(3,043)	624,864
1900	其他非流動資產	3,682,163	--	3,682,163	3,304,432	--	3,304,432
15XX	非流動資產合計	46,621,613	(6,704,467)	39,917,146	46,185,964	(5,933,783)	40,252,181
	資產總計	\$ 101,629,237	(\$ 6,704,467)	\$ 94,924,770	\$ 92,671,289	(\$ 5,933,783)	\$ 86,737,506

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神州數碼控股有限公司及子公司
依中華民國規定重編後合併資產負債表(續)
民國一〇九年及一〇八年十二月三十一日

(承上頁)

代碼	負債及權益	一〇九年十二月三十一日		一〇八年十二月三十一日		單位：新台幣仟元
		依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國規定編製金額	依香港一般公認會計原則編製金額	
2100	流動負債	\$ 7,534,192	\$ --	\$ 7,534,192	\$ 12,581,567	\$ 12,581,567
2130	短期借款	8,732,603	--	8,732,603	5,064,951	5,064,951
2150	合約負債—流動	2,489,261	--	2,489,261	2,809,488	2,809,488
2170	應付票據	10,641,927	--	10,641,927	11,091,669	11,091,669
2200	其他應付款	4,923,645	--	4,923,645	5,445,329	5,445,329
2230	本期所得稅負債	436,011	--	436,011	241,026	241,026
2280	租賃負債—流動	301,812	--	301,812	373,825	373,825
2300	其他流動負債	4,207,475	--	4,207,475	1,976,052	1,976,052
	流動負債合計	39,266,926	--	39,266,926	39,583,907	39,583,907
	非流動負債					
2520	按攤銷後成本衡量之金融負債—非流動	2,125,886	--	2,125,886	--	--
2530	應付公司債	--	--	--	25,167	25,167
2540	長期借款	8,346,567	--	8,346,567	5,871,233	5,871,233
2570	遞延所得稅負債	1,689,693	(1,257,276)	432,417	1,270,362	(1,143,757)
2580	租賃負債—非流動	183,329	--	183,329	219,848	219,848
2600	其他非流動負債	93,893	--	93,893	134,315	134,315
	非流動負債合計	12,439,368	(1,257,276)	11,182,092	7,520,925	(1,143,757)
	負債總計	51,706,294	(1,257,276)	50,449,018	47,104,832	(1,143,757)
	歸屬於母公司業主之權益					
3100	股本					
3110	普通股股本	606,599	--	606,599	606,048	606,048
3200	資本公積	23,745,008	--	23,745,008	23,951,943	23,951,943
3300	保留盈餘					
3310	法定盈餘公積	2,037,208	--	2,037,208	1,728,425	1,728,425
3350	未分配盈餘	4,989,251	(3,190,875)	1,798,376	5,432,287	(3,161,812)
3400	其他權益	2,822,611	(2,256,316)	566,295	692,810	(1,628,214)
	歸屬於母公司業主之權益合計	34,200,677	(5,447,191)	28,753,486	32,411,513	(4,790,026)
36XX	非控制權益	15,722,266	--	15,722,266	13,154,944	13,154,944
3XXX	權益總計	49,922,943	(5,447,191)	44,475,752	45,566,457	(4,790,026)
	負債及權益總計	\$ 101,629,237	(\$ 6,704,467)	\$ 94,924,770	\$ 92,671,289	(\$ 5,933,783)

註一：上列財務報表之所有資產、負債及權益科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率（HKD\$1：NT\$3.6269）換算。
註二：最近三年度港幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1：NT\$3.9161	HKD\$1：NT\$3.6020	HKD\$1：NT\$3.7957
一〇八	HKD\$1：NT\$4.0361	HKD\$1：NT\$3.8460	HKD\$1：NT\$3.9420
一〇七	HKD\$1：NT\$3.9687	HKD\$1：NT\$3.7063	HKD\$1：NT\$3.8492

董事長：



經理人：

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會計主管：





神州數碼控股有限公司及子公司
依中華民國規定重編後合併綜合損益表
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：新台幣仟元，惟每股盈餘為元
一〇八年度

代碼	會計項目	一〇九年度			一〇八年度		
		依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國規定編製金額	依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國規定編製金額
4000	營業收入	\$ 71,883,442	\$ —	\$ 71,883,442	\$ 64,295,612	\$ —	\$ 64,295,612
5000	營業成本	(59,701,280)	(395,470)	(60,096,750)	(52,853,530)	(317,550)	(53,171,080)
5950	營業毛利	12,182,162	(395,470)	11,786,692	11,442,082	(317,550)	11,124,532
6000	營業費用						
6100	推銷費用	(4,889,206)	—	(4,889,206)	(4,770,828)	—	(4,770,828)
6200	管理費用	(2,081,268)	(341,509)	(2,422,777)	(1,914,209)	(324,945)	(2,239,154)
6400	其他費用	(3,358,583)	908,038	(2,450,545)	(3,353,757)	1,057,703	(2,296,054)
6450	預期信用減損損失	(984,670)	—	(984,670)	(318,464)	—	(318,464)
	營業費用合計	(11,313,727)	566,529	(10,747,198)	(10,357,258)	732,758	(9,624,500)
6900	營業利益	868,435	171,059	1,039,494	1,084,824	415,208	1,500,032
7000	營業外收入及支出						
7010	其他收入	714,655	—	714,655	507,309	—	507,309
7020	其他利益及損失	3,569,258	(548,703)	3,020,555	1,504,786	(872,730)	632,056
7050	財務成本	(538,435)	—	(538,435)	(825,142)	—	(825,142)
7060	採用權益法之關聯企業及合資損益之份額	(454,331)	—	(454,331)	(288,951)	—	(288,951)
	營業外收入及支出合計	3,291,147	(548,703)	2,742,444	898,002	(872,730)	25,272
7900	稅前淨利	4,159,582	(377,644)	3,781,938	1,982,826	(457,522)	1,525,304
7950	所得稅費用	(658,348)	90,960	(567,382)	(350,083)	111,418	(238,665)
8000	繼續營業單位之本期淨利	3,501,234	(286,678)	3,214,556	1,632,743	(346,104)	1,286,639
8100	停業單位損益(稅後淨額)	—	—	—	—	—	—
8200	本期淨利	3,501,234	(286,678)	3,214,556	1,632,743	(346,104)	1,286,639
8310	不重分類至損益之項目						
8312	重估增值	23,134	(23,134)	—	74,703	(74,703)	—
8316	透過其他綜合損益按公允價值衡量之權益工具投資未實現評價損益	414,939	—	414,939	(13,405)	—	(13,405)
8349	與不重分類之項目相關之所得稅	(62,867)	62,867	—	(39,221)	39,221	—
8360	後續可能重分類至損益之項目						
8361	國外營運機構財務報表換算之兌換差額	2,595,090	—	2,595,090	(716,131)	—	(716,131)
8370	採用權益法認列之關聯企業及合資之其他綜合損益之份額—可能重分類至損益之項目	8,563	—	8,563	40,872	—	40,872
8300	本期其他綜合損益(稅後淨額)	2,978,859	39,733	3,018,592	(653,182)	(35,482)	(688,664)
8500	本期綜合損益總額	\$ 6,480,093	(\$ 246,945)	\$ 6,233,148	\$ 979,561	(\$ 381,586)	\$ 597,975
8600	淨利歸屬於：						
8610	母公司業主						
	繼續營業單位本期淨利	\$ 2,223,181	(\$ 286,678)	\$ 1,936,503	\$ 1,094,758	(\$ 346,104)	\$ 748,654
	停業單位本期淨利	—	—	—	—	—	—
8620	非控制權益						
	繼續營業單位本期淨利	1,278,053	—	1,278,053	537,985	—	537,985
	停業單位本期淨利	—	—	—	—	—	—
		\$ 3,501,234	(\$ 286,678)	\$ 3,214,556	\$ 1,632,743	(\$ 346,104)	\$ 1,286,639
8700	綜合損益總額歸屬於：						
8710	母公司業主	\$ 4,376,434	(\$ 246,945)	\$ 4,129,489	\$ 670,788	(\$ 381,586)	\$ 289,202
8720	非控制權益	2,103,659	—	2,103,659	308,773	—	308,773
		\$ 6,480,093	(\$ 246,945)	\$ 6,233,148	\$ 979,561	(\$ 381,586)	\$ 597,975
9750	基本每股盈餘(新台幣元)						
9710	繼續營業單位淨利	\$ 1.37		\$ 1.19	\$ 0.66		\$ 0.45
9720	停業單位淨利	\$ —		\$ —	\$ —		\$ —
	本期淨利	\$ 1.37		\$ 1.19	\$ 0.66		\$ 0.45
9850	稀釋每股盈餘(新台幣元)						
9810	繼續營業單位淨利	\$ 1.37		\$ 1.19	\$ 0.66		\$ 0.45
9820	停業單位淨利	\$ —		\$ —	\$ —		\$ —
	本期淨利	\$ 1.37		\$ 1.19	\$ 0.66		\$ 0.45

註一：上列財務報表之所有損益科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率(HKD\$1:NT\$3.6269)換算。

註二：最近三年度港幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1:NT\$3.9161	HKD\$1:NT\$3.6020	HKD\$1:NT\$3.7957
一〇八	HKD\$1:NT\$4.0361	HKD\$1:NT\$3.8460	HKD\$1:NT\$3.9420
一〇七	HKD\$1:NT\$3.9687	HKD\$1:NT\$3.7063	HKD\$1:NT\$3.8492

董事長：



經理人：



會計主管：





神州数码控股有限公司及子公司
依中華民國規定重編後合併現金流量表
民國一〇九年及一〇八年一月一日至十二月三十一日

單位：新台幣仟元

代碼	項目	一〇九年度			一〇八年度		
		依香港一般 公認會計原 則編製金額	調節金額增(減)	依中華民國 規定編製金額	依香港一般 公認會計原 則編製金額	調節金額增(減)	依中華民國 規定編製金額
	營業活動之現金流量：						
A00010	繼續營業單位稅前淨利	\$ 4,159,582	(\$ 377,644)	\$ 3,781,938	\$ 1,982,826	(\$ 457,522)	\$ 1,525,304
A00020	停業單位稅前淨利	--	--	--	--	--	--
	本期稅前淨利	4,159,582	(377,644)	3,781,938	1,982,826	(457,522)	1,525,304
A20000	調整項目：						
A20010	不影響現金流量之收益費損項目						
A20100	折舊費用	460,203	349,826	810,029	492,366	339,532	831,898
A20200	攤銷費用	625,890	--	625,890	563,359	--	563,359
A20300	預期信用減損損失數	984,671	--	984,671	318,464	--	318,464
A20400	透過損益按公允價值衡量金融資產及負債 之淨損失	36,527	--	36,527	11,835	--	11,835
A20900	利息費用	538,435	--	538,435	825,142	--	825,142
A21200	利息收入	(39,022)	--	(39,022)	(37,299)	--	(37,299)
A21300	股利收入	(23,198)	--	(23,198)	(2,564)	--	(2,564)
A21900	股份基礎給付酬勞成本	300,420	--	300,420	66,623	--	66,623
A22300	採用權益法之關聯企業及合資損益之份額	454,331	--	454,331	288,951	--	288,951
A22500	處分不動產、廠房及設備損失	8,316	--	8,316	14,587	--	14,587
A22800	處分無形資產損失	6,445	--	6,445	17,707	--	17,707
A23100	處分投資利益	(3,620,194)	--	(3,620,194)	(1,502,041)	--	(1,502,041)
A23700	非金融資產減損損失	512,568	--	512,568	785,103	--	785,103
A24600	投資性不動產公允價值調整利益	(27,818)	27,818	--	(117,990)	117,990	--
A29900	遞延收入	(162,485)	--	(162,485)	(75,809)	--	(75,809)
A30000	與營業活動相關之資產/負債變動數						
A31125	合約資產減少(增加)	(7,812,027)	--	(7,812,027)	2,264,622	--	2,264,622
A31130	應收票據減少(增加)	108,259	--	108,259	(50,051)	--	(50,051)
A31150	應收帳款減少(增加)	5,943,717	--	5,943,717	(2,016,234)	--	(2,016,234)
A31180	其他應收款增加	(44,665)	--	(44,665)	(270,523)	--	(270,523)
A31200	存貨增加	(2,692,843)	--	(2,692,843)	(2,889,718)	--	(2,889,718)
A31230	預付款項增加	(69,745)	--	(69,745)	(30,052)	--	(30,052)
A31240	其他流動資產減少	2,615	--	2,615	58,306	--	58,306
A31990	其他營業資產減少	16,651	--	16,651	430,847	--	430,847
A32125	合約負債增加(減少)	3,320,801	--	3,320,801	(831,790)	--	(831,790)
A32130	應付票據增加(減少)	(320,226)	--	(320,226)	728,938	--	728,938
A32150	應付帳款增加(減少)	(309,193)	--	(309,193)	1,527,639	--	1,527,639
A32230	其他流動負債增加	2,064,109	--	2,064,109	1,495,407	--	1,495,407
A33000	營運產生之現金流入	4,422,124	--	4,422,124	4,048,651	--	4,048,651
A33100	收取之利息	55,564	--	55,564	71,065	--	71,065
A33500	支付之所得稅	(346,822)	--	(346,822)	(257,252)	--	(257,252)
AAAA	營業活動之淨現金流入	4,130,866	--	4,130,866	3,862,464	--	3,862,464

(接下頁)



神州數碼控股有限公司及子公司
依中華民國規定重編後合併現金流量表(續)
民國一〇九年及一〇八年一月一日至十二月三十一日

(承上頁)

單位：新台幣千元

代碼	項目	一〇九年度			一〇八年度		
		依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國規定編製金額	依香港一般公認會計原則編製金額	調節金額增(減)	依中華民國規定編製金額
	投資活動之現金流量：						
B00020	處分透過其他綜合損益按公允價值衡量之金融資產	145,787	--	145,787	28,602	--	28,602
B00100	取得透過損益按公允價值衡量之金融資產	(4,080,484)	--	(4,080,484)	(2,900,236)	--	(2,900,236)
B00200	處分透過損益按公允價值衡量之金融資產	4,210,040	--	4,210,040	4,316,780	--	4,316,780
B01800	取得採用權益法之投資	(127,090)	--	(127,090)	(237,441)	--	(237,441)
B01900	處分採用權益法之投資	6,366,250	--	6,366,250	417,271	--	417,271
B02200	對子公司之收購	(1,504,598)	--	(1,504,598)	(154,459)	--	(154,459)
B02300	處分子公司	48,923	--	48,923	(10,337)	--	(10,337)
B02700	取得不動產、廠房及設備	(217,770)	--	(217,770)	(722,243)	--	(722,243)
B02800	處分不動產、廠房及設備	5,542	--	5,542	25,272	--	25,272
B04500	取得無形資產	(254,068)	--	(254,068)	(181,940)	--	(181,940)
B05500	處分投資性不動產	425,747	--	425,747	--	--	--
B07600	收取之股利	457,581	--	457,581	117,069	--	117,069
BBBB	投資活動之淨現金流入	5,475,860	--	5,475,860	698,338	--	698,338
	籌資活動之現金流量：						
C01200	發行公司債	--	--	--	7,070	--	7,070
C01300	償還公司債	(8,846)	--	(8,846)	(2,066,805)	--	(2,066,805)
C01600	舉借長短期借款	10,609,266	--	10,609,266	13,168,071	--	13,168,071
C01700	償還長短期借款	(14,576,482)	--	(14,576,482)	(14,912,766)	--	(14,912,766)
C04020	租賃本金償還	(430,887)	--	(430,887)	(385,322)	--	(385,322)
C04500	發放現金股利	(590,565)	--	(590,565)	(185,378)	--	(185,378)
C04800	員工執行認股權	(1,766,271)	--	(1,766,271)	(142,523)	--	(142,523)
C04900	庫藏股票買回成本	--	--	--	(74,493)	--	(74,493)
C05600	支付之利息	(515,466)	--	(515,466)	(825,142)	--	(825,142)
C05800	非控制權益變動	1,707,399	--	1,707,399	(19,962)	--	(19,962)
CCCC	籌資活動之淨現金流出	(5,571,852)	--	(5,571,852)	(5,437,250)	--	(5,437,250)
DDDD	匯率變動對現金及約當現金之影響	677,716	--	677,716	(98,571)	--	(98,571)
EEEE	本期現金及約當現金增加(減少)數	4,712,590	--	4,712,590	(975,019)	--	(975,019)
E00100	期初現金及約當現金餘額	7,274,325	--	7,274,325	8,249,344	--	8,249,344
E00200	期末現金及約當現金餘額	\$ 11,986,915	\$ --	\$ 11,986,915	\$ 7,274,325	\$ --	\$ 7,274,325

註一：上列財務報表之所有損益科目金額，係以民國一〇九年十二月三十一日之港幣對新台幣匯率(HKD\$1:NT\$3.6269)換算。

註二：最近三年度港幣對新台幣最高、最低及平均匯率如下：

年度	最高	最低	平均
一〇九	HKD\$1:NT\$3.9161	HKD\$1:NT\$3.6020	HKD\$1:NT\$3.7957
一〇八	HKD\$1:NT\$4.0361	HKD\$1:NT\$3.8460	HKD\$1:NT\$3.9420
一〇七	HKD\$1:NT\$3.9687	HKD\$1:NT\$3.7063	HKD\$1:NT\$3.8492

董事長：



經理人：



會計主管：



神州數碼控股有限公司及子公司

合併財務報表重編說明

民國一〇九年及一〇八年度

(金額除另予註明者外，係以新台幣仟元為單位)

一、合併財務報表重編原則

神州數碼控股有限公司及其子公司（以下簡稱「合併公司」）如附件四所列之一〇九年及一〇八年一月一日至十二月三十一日之財務報告，係包括神州數碼控股有限公司（以下簡稱「本公司」）及其子公司之合併財務資訊（附件四譯稱「貴集團」）。

合併公司依香港財務報告準則、香港一般公認會計原則及香港公司條例（以下簡稱「香港一般公認會計原則」）的揭露要求編製之合併資產負債表、合併綜合損益表及合併現金流量表，與我國「證券發行人財務報告編製準則」、金融監督管理委員會認可之「國際財務報導準則」、「國際會計準則」、「國際財務報導解釋及解釋公告」（以下簡稱中華民國規定）之規定部分不同，爰依「第二上市（櫃）公司財務報告複核要點」規定，就上述合併資產負債表、合併綜合損益表及合併現金流量表依中華民國規定格式予以重編。

二、中華民國規定及香港一般公認會計原則之差異彙總說明

中華民國與香港一般公認會計原則之主要差異，茲彙總說明如次：

	中華民國規定	香港一般公認會計原則	對重編合併財務報表之影響
投資性不動產之衡量基礎	依照中華民國現行證券發行人財務報告編製準則，對投資性不動產之衡量可選擇採用成本模式或公允價值模式，惟若採用公允價值模式僅得採收益法評價。	符合規定的不動產需分類為投資性不動產，並得採公平價值執行重評價，可採用貼現現金流量法或假設發展法評價。	已予以調整 資產影響數 109.12.31：(6,688,131)仟元 108.12.31：(5,930,740)仟元 保留盈餘影響數 109.01.01：(3,426,776)仟元 108.01.01：(3,308,785)仟元 其他權益影響數 109.12.31：(2,883,711)仟元 108.12.31：(2,164,433)仟元 損益影響數 109.01.01~109.12.31： (377,644)仟元 108.01.01~108.12.31： (457,522)仟元

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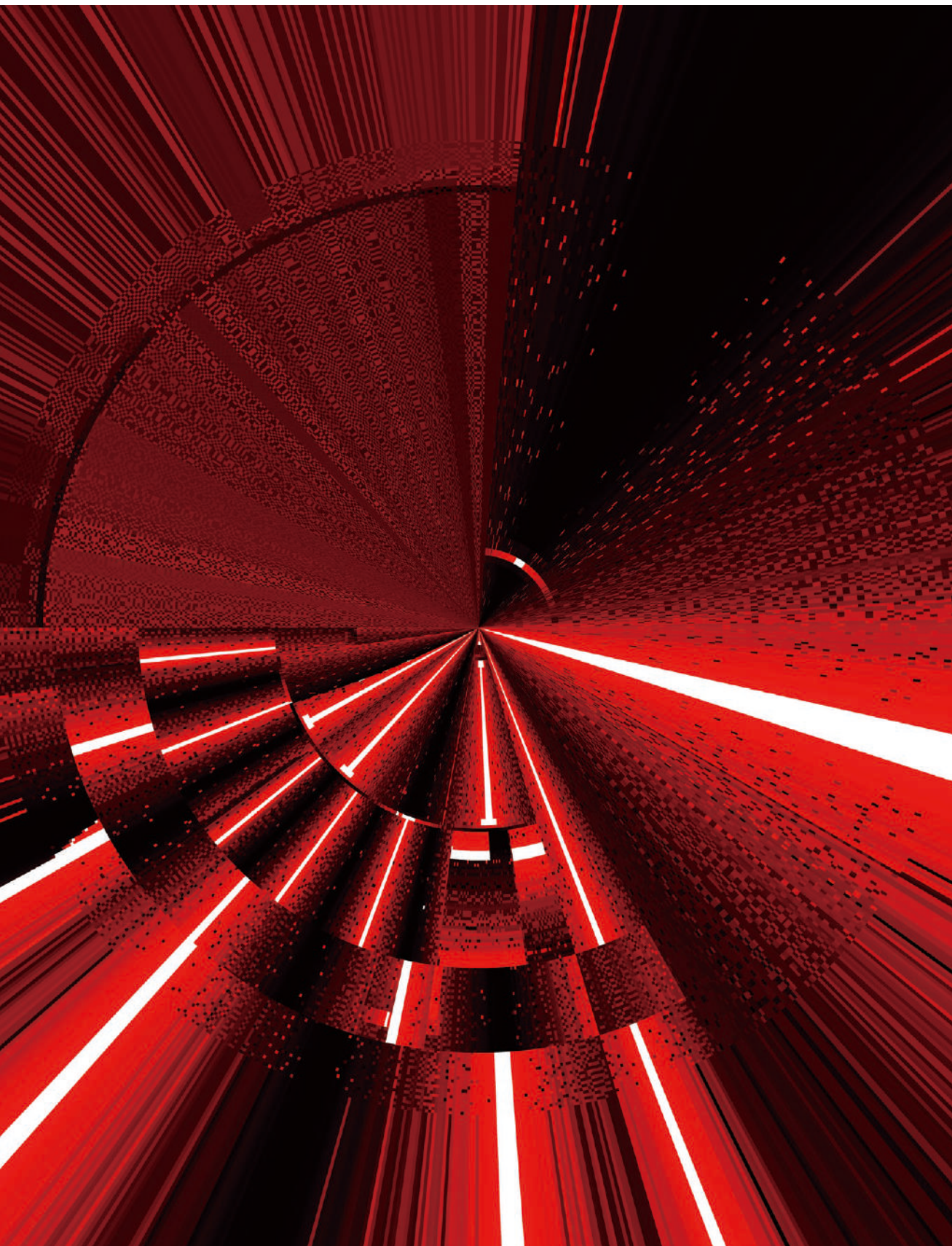
	中華民國規定	香港一般公認會計原則	對重編合併財務報表之影響
因投資性不動產而導致之遞延所得稅效果	以成本認列並計提折舊的方式計算財稅的課稅基礎差異，並計算其遞延所得稅效果。	以公平價值執行重評價的方式計算財稅課稅基礎差異，並計算其遞延所得稅效果。	已予以調整 資產影響數 109.12.31：(16,336)仟元 108.12.31：(3,043)仟元 負債影響數 109.12.31：(1,257,276)仟元 108.12.31：(1,143,757)仟元 保留盈餘影響數 109.01.01：522,579 仟元 108.01.01：493,077 仟元 其他權益影響數 109.12.31：627,395 仟元 108.12.31：536,219 仟元 損益影響數 109.01.01~109.12.31：90,966 仟元 108.01.01~108.12.31：111,418 仟元
資產負債表	一般之分類方式，資產係以流動性大小排列，流動性大者在前，流動性小者在後。負債則按到期日的遠近排列，永久性大者在前，小者在後。	一般之分類方式，資產係以非流動在前，流動資產在後。負債及股東權益，係以負債在前，股本及各項準備在後，負債以流動負債在前，非流動負債在後。	已依中華民國財務報表規定予以表達揭露
綜合損益表	應區分營業收入、營業成本、營業費用、營業外收入及支出、及所得稅費用，分別予以列示。	應區分營業收入、聯屬公司利益（損失）、財務成本、所得稅費用、本年度利益（損失）。	已依中華民國財務報表規定予以表達揭露
存貨跌價損失（回升利益）	存貨跌價損失（回升利益）列為營業成本項下。	存貨跌價損失（回升利益）帳列為營業費用。	已依中華民國財務報表表達揭露 損益影響數 109.01.01~109.12.31：395,470 仟元 108.01.01~108.12.31：317,550 仟元
處分不動產、廠房及設備損失	處分不動產、廠房及設備損失帳列其他利益及損失。	處分不動產、廠房及設備損失帳列營業費用。	已依中華民國財務報表表達揭露 損益影響數 109.01.01~109.12.31：8,316 仟元 108.01.01~108.12.31：14,587 仟元
減損損失	減損損失帳列其他利益及損失。	若企業採用性質別表達損費項目，資產減損應單獨列示；若採功能別表達損費項目，資產減損損失應歸屬於其相關之功能別費用。	已依中華民國財務報表表達揭露 損益影響數 109.01.01~109.12.31：512,568 仟元 108.01.01~108.12.31：740,153 仟元

附 件 四

ANNUAL REPORT

20
20

年
報



於百慕達註冊成立之有限公司 Incorporated in Bermuda with Limited Liability



Digital China Holdings Limited
神州數碼控股有限公司

Stock Code 股份代號: 00861



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公司簡介

神州數碼控股有限公司（簡稱：神州控股）於2000年成立，2001年在香港聯合交易所主板上市（股票代碼00861.HK）。

二十餘年來，神州控股始終以「數字中國」為使命，秉承「責任、激情、創新、共享」的企業文化，不斷突破創新，從IT基礎設施服務、整合IT服務、智慧城市服務，再到大數據服務，始終致力於以最佳方案賦能城市和行業的數字化升級，用科技構建更加美好的數字世界。

作為一家以自主創新大數據融合技術賦能核心場景的高科技企業，神州控股致力於成為賦能多場景的大數據服務公司，面向城市大數據場景、行業大數據場景、金融科技場景、創新孵化場景等核心場景，通過產學研創新孵化，圍繞數據供應鏈打造核心產品，以數據加工技術產品賦能數據產業加速發展，構建互為生態的軟件生態，為客戶提供全方位的數據軟件產品授權、訂閱及服務，持續賦能城市智慧化發展和產業數字化轉型，努力踐行數字中國之理想。

二零二零財年 二零一九財年
港幣百萬元 港幣百萬元

於年度內

收入	19,820	17,727
除稅前溢利	1,147	547
母公司股東應佔溢利	613	302
每股盈利(港仙)	37.74	18.31
每股股息(港仙)	13.6	6.4
營運現金流量	1,146	989

於年度末

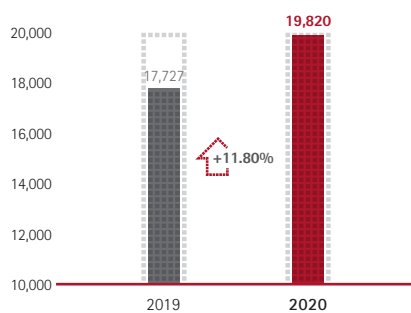
總資產	28,021	25,551
股東資金	9,430	8,936

財務比率

股東資金回報率(百分比)	6.50	3.38
利息覆蓋比率(倍)	8.7	3.4
付息債項佔股東資金比率(倍)	0.46	0.57

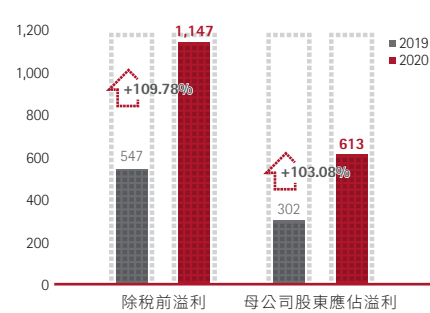
收入

港幣百萬元



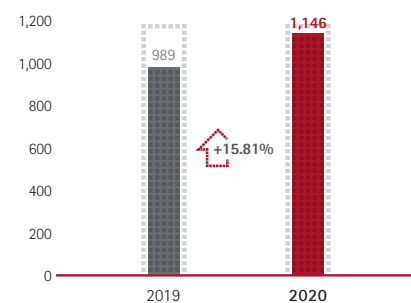
溢利

港幣百萬元



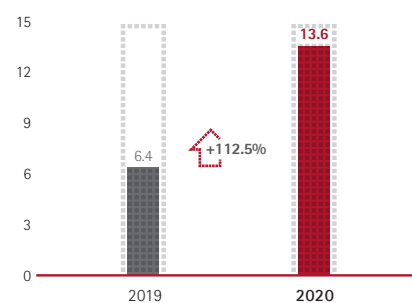
營運現金流量

港幣百萬元



每股股息

港仙



大事回顧

2020年

1月26日

神州控股宣佈發起神州數碼控股生態聯盟持續助力抗擊新冠疫情，聯合生態夥伴將各類物資源源不斷發往疫情前線。

4月7日

由神州控股發起，吉林省政數局、華為技術有限公司、龍芯中科技術有限公司等單位共同成立了吉林省信息技術應用創新產業聯盟。吉林省「神旗」信創產業基地暨吉林省「神旗」信創產業基金宣佈落戶長春新區。



4月30日

神州控股中標「智慧唐山」一期建設運營項目，項目金額8,340萬元。基於「加強頂層設計、夯實底層基礎、打通數據壁壘、強化智慧應用、體現唐山特色」總體思路，「智慧唐山」一期建設採用「四橫兩縱」結構和「1個基礎雲平台和N個子平台」模式設計。預計2021年3月底完成上線驗收進入運營期。

5月8日

神州控股旗下神州信息入駐北京經開區國家信創園。構建金融信創架構體系，發佈金融級分佈式技術平台Sm@rtGalaxy3.0和「分佈式+微服務+雲原生」核心系統，分佈式銀行核心業務系統獲中國電子學會2019中國電子學會科技進步三等獎；金融信創建設能力得到中國銀行、郵儲銀行等國有大行肯定。

5月20日

神州控股與長春新區管理委員會簽署戰略合作框架協議，共同推進長春新區信息技術產業頂層規劃及產業生態集群發展，合作共建神旗信創總部基地，共同成立神旗信創產業基金，推進數字新區建設。



6月

神州控股旗下神州信息參與設立北京金融科技研究院，聯合成立國內首個開放銀行實驗室。成為中國金融電子化公司「金融信息技術創新生態實驗室」首批合作夥伴；成為中國金融學會金融科技專業委員會會員單位；金融科技專委會會員單位；成為北京金融科技產業聯盟會員單位、區塊鏈專業委員會委員。

6月28日

神州控股與柳州市人民政府、雲墨智能科技(上海)有限公司簽署戰略合作協議，基於柳州市數字產業化和產業數字化生態建設的合作，攜手打造智能製造國家級產業示範基地。



7月6日

神州控股旗下科捷集團與馬來西亞物流公司LINE CLEAR簽署戰略合作諒解備忘錄，雙方在中國和馬來西亞之間開展物流、倉儲、訂單履行、分銷和貨運業務機會的聯合合作，促進雙方在中國、馬來西亞乃至東南亞國家的智慧產業鏈業務，強化生態能力、進一步完善國際化佈局。



8月25日

神州控股旗下神州信息分佈式銀行核心業務系統入選聯合國國家金融與發展實驗室共同發佈的「首屆NIFD-DCITS全球金融科技創新案例庫」。

9月3日

神州控股旗下神州信息全資併購雲核網絡，完善金融前端及移動端產品佈局。雲核網絡是國內專業的互聯網銀行解決方案提供商，基於AI+平台的發展戰略，業務聚焦手機銀行、網上銀行、交易銀行、直銷銀行等零接觸金融服務領域。

9月15日

神州控股旗下智慧城市業務公司成功獲7億元人民幣B輪融資，投後估值超62億人民幣。

10月24日

神州控股旗下神州信息發佈區塊鏈技術平台Sm@rtGAS，獲中國軟件行業協會2020年度優秀軟件產品獎、區塊鏈新金融產品創新獎。「基於區塊鏈的供應鏈金融企業應收賬款融資系統」應用案例入選ISO/TC 307 WG6《區塊鏈與分佈式賬本技術標準（徵集意見稿）》國際標準。

11月25日

神州控股、天津大學成立聯合實驗室，將在智慧城市「可信計算+區塊鏈」、「工業互聯網」、智慧供應鏈等方面深入研究。



11月27日

神州控股旗下神州信息與北京市地方金融監督管理局、北京市房山區人民政府簽署戰略合作，入駐房山區「北京金融安全產業園」，打造國家級金融安全基地，並成立北京神州數碼方圓科技有限公司（簡稱：神州方圓），推動區塊鏈的行業應用。



3月24日

神州控股與延邊州人民政府、延吉市人民政府舉行簽約儀式，合作方將充分發揮延邊州的少數民族特色、邊境區位特色、產業要素資源特色等優勢，基於延邊州數字產業化和產業數字化生態建設的合作，以數字孿生、雲服務、大數據、人工智能等科技手段，打造邊境特色數字經濟產業高地，賦能吉林全面、全方位振興，同時服務於中國北方地區及東北亞「一帶一路」沿線國家數字產業發展。

獎項

2020年

2020年1月9日，神州控股旗下因特睿入選「2019-2020年中國大數據產業創新百強」
 飲鹿網

2020年1月9日，神州控股榮獲2019金港股「最佳新經濟公司」大獎
 智通財經及同花順財經

2020年3月11日，神州控股旗下科捷捷雲快簽電子簽單雲平台獲「2019物流領域年度產品」
 中國科學院《互聯網週刊》、中國社會科學院信息化研究中心及eNet研究院



08

2019年度大數據提供商TOP100

排名	名稱
1	阿里巴巴
2	華為
3	騰訊
4	百度
5	聯通大數據
6	神州控股
7	中國電信
8	中興通訊
9	中科曙光
10	科大訊飛

2020年4月9日，神州控股位列「2019年度大數據提供商TOP100」第6位
 中國科學院《互聯網週刊》



2020年6月28日，神州控股旗下科捷捷運雲獲「2020年度創新型智慧物流解決方案」
 中國科學院《互聯網週刊》、中國社會科學院信息化研究中心、eNet研究院及德本諮詢

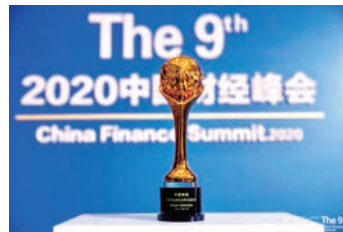
2020數字基建TOP100

排名	名稱	業務
1	神州控股	提供綜合信息技術IT服務
2	創新科技	全球ICT產業提供OEM/ODM/MEM的设备廠商
3	盛路通信	天線、射頻產品提供商
4	廣迪互聯	協同數字運營功能，構建企業協同中台
5	天翼雲	面向業務消費者的云存儲產品
6	沃特股份	為3C客戶提供全產業鏈高分子材料解決方案
7	廣建云	專注于醫療人工智能研究與應用
8	廣東聚星	高精度電路板提供商
9	欣天科技	射頻金屬元件研發生產商
10	光一科技	專注于信息采掘技術和全面解決方案的研發
11	創聯特	機械手及工業機器人研發商
12	匯歌	企業級大數據和人工智能解決方案提供商
13	新中大科技	項目管理信息化整體解決方案供應商
14	數聚家	互聯網綜合服務商
15	安博通	提供可視化网络安全專用核心系統產品
16	新华三	致力於雲技術與產品的研發

2020年7月16日，神州控股位列「2020數字基建TOP100」第1位
 中國科學院《互聯網週刊》

2020年8月28日，神州控股旗下神州信息入選IDC中國Fintech 50榜單

IDC (International Data Corporation)



2020年8月28日，神州控股旗下科捷榮獲「2020企業社會責任典範獎」及「2020最具投資價值獎」
中國財經峰會

2020年9月9日，神州控股旗下神州信息在IDC 2019中國銀行業IT解決方案市場份額排名中，核心業務、渠道管理、開放銀行、基礎業務四個解決方案排名第一，其中核心業務、渠道管理連續8年第一

IDC (International Data Corporation)



2020年9月14日，神州控股助力三明市、漳州市和威海市分別獲選政策保障類、復工復產類及疫情防範類2020年數字化抗疫優秀案例

中國城市和小城鎮改革發展中心、法國展望與創新基金會及中歐綠色智慧城市峰會組委會



2020年9月16日，神州控股榮獲「2020新基建大數據最佳服務商」

中國科學院《互聯網週刊》、中國社會科學院信息化研究中心、eNet研究院及德本諮詢



2020年10月13日，神州控股旗下神州信息位列「IDC 2020全球金融科技百強榜」第39名，連續2年位居中國上榜企業第一

IDC (International Data Corporation)

獎項



2020年10月15日，神州控股旗下科捷榮獲「國家5A級物流企業」資質
中國物流與採購聯合會



2020年11月3日，神州控股旗下科捷KingKooData供應鏈大數據應用平台榮獲「2020年度大數據、雲服務、區塊鏈創新應用優秀案例」
中國物流與採購聯合會

2020年11月12日，神州控股獲選為「2020中國智慧城市領軍解決方案提供商」，並助力建設運營的唐山、威海榮獲「2020中國領軍智慧城市」獎
IDG Asia



2020年11月26日，神州控股榮獲「2020智慧城市先鋒榜優秀企業獎」
中國智慧城市大會組委會



2020年12月16日，神州控股榮獲「2020年度新基建領軍企業」證書
中國科學院《互聯網週刊》、中國社會科學院信息化研究中心、eNet研究院及德本諮詢



2020年12月18日，神州控股獲選為「2020中國軟件和信息服務業·大數據領域傑出企業」
軟件大會組委員





2020年12月18日，神州控股旗下神州信息入選「中國金融科技50強企業榜單」
艾瑞諮詢

2020年12月21日，神州控股榮獲第八屆
「香港百強」最具投資價值獎
「香港100強研究中心」

2020年12月27日，神州控股位列
「2020中國物聯網企業百強」第4位
中國科學院《互聯網週刊》

序	企業	簡介
1	華為	構建万物互聯的智能世界
2	海尔智家	物聯網時代生態品牌引領者
3	海康威視	以視頻為核心的AIoT解決方案及產品
4	神州控股	大數據、物聯網引擎推動智慧城市建設
5	京東方	提供智慧顯示、服務和專業服務的物聯網公司
6	阿里雲	提供云计算、人工智能、物聯網等頂層技術服務
7	小米集團	物聯網軟件平台小米Vida
8	騰訊雲	覆蓋“云—邊—網—端”的5G全產品矩阵
9	科大訊飛	智能物聯網操作系統iFLYOS 2.0
10	海格雲	物聯網智慧社區/區域生態平台

2021年

2021年1月18日，神州控股旗下神州信息位列「2020中國領先金融科技企業」第50位
畢馬威

排名	企業	得分	增長	得分	排名
1	華為	98.59	98.50	99.00	98.36
2	中芯國際	98.50	98.30	98.50	98.77
3	中興通訊	97.24	98.70	98.90	98.28
4	中國軟件	97.84	98.00	98.00	98.25
5	阿里巴巴	99.30	97.40	97.80	98.13
6	中國鐵訊	98.97	96.80	98.40	98.06
7	神州控股	96.88	98.30	98.30	97.79
8	海康威視	98.17	97.80	97.20	97.72
9	博軟	97.80	97.44	97.50	97.65
10	中國系統	97.79	97.86	97.20	97.62
11	蒙迪集團	97.02	97.84	97.98	97.61
12	中國長城	96.94	97.96	97.89	97.60
13	百度	96.79	97.81	97.78	97.46
14	同方股份	96.76	97.76	97.77	97.43
15	海康威視	96.66	97.25	97.73	97.38
16	科大訊飛	96.52	97.72	97.62	97.29

2021年2月11日，神州控股位列「2020中國信創500強」第7位
中國科學院《互聯網週刊》



2021年3月12日，神州控股榮獲「大數據軟件服務行業2020年度企業」殊榮
(中國科學院《互聯網週刊》、中國社會科學院信息化研究中心等)

主席報告

致各位神州控股股東：

當前，數字化正在顛覆和重構我們的生產生活方式，一個嶄新的時代正撲面而來！作為一家成立時就以「數字中國」為使命的科技公司，神州數碼控股有限公司（「神州控股」或「本集團」）正迎來發展的最好機遇期。二十餘年來，從IT基礎設施服務、整合IT服務、智慧城市服務，再到如今錨定的大數據服務，神州控股始終致力於以最佳方案賦能城市和行業的數字化升級，用科技構建更加美好的數字世界。

2020年，面對突如其來的新冠疫情，公司第一時間發起抗疫生態聯盟，在確保全員無一人感染的同時，奮戰在抗疫最前線。期間，神州控股免費提供的物資及數字化服務價值約3,000萬元，帶動生態聯盟成員捐贈的物資價值超2億元。依托燕雲DaaS大數據核心技術以及生態的力量，我們助力北京、武漢、天津、長春、唐山、威海、徐州、龍巖、三明等多地科技戰「疫」，打贏疫情防控阻擊戰和復工復產攻堅戰，抗疫生態成員企業獲評全國工商聯頒發的「抗疫先進民營企業」殊榮。

數字經濟時代新機遇

時至今日，數據作為一種生產要素，其價值正隨著全面融入生產關係而不斷放大。憑藉可複製、可共享、無限增長、無限供給等稟賦和邊際成本幾乎為零的特點，成為聯接創新、激活資金、培育人才、推動產業升級和經濟增長的關鍵要素。大數據使人類可以重新認知世界、認知社會，驅動大數據應用持續拓展的人工智能、區塊鏈等新技術創新的過程也是人類對世界的再認知過程，將極大地推動人類進步和知識創新。

幸運的是，神州控股早在2016年就預判到這一趨勢，通過產學研合作，圍繞產業需求，開展大數據等新一代技術攻關、項目孵化，積累了一批先進技術成果。其中，基於「國家技術發明獎一等獎」技術成果轉化的燕雲DaaS便是其中之一。

作為自主研發、全球獨有的大數據旗艦產品，燕雲DaaS可在無需更新原有系統的情況下，以最低成本方式將不同年代、缺乏原廠支持的系統和數據通過產生API鏈接進行整合，實時更新，被廣泛應用於科技部、工信部、農業農村部等10餘個部委和北京、上海、貴州、浙江等20多個省市自治區，成為支撐萬億級大數據產業生態發展的一項共性關鍵技術，也成為各地發展新基建的利器。

在大數據技術方面的突破，使得神州控股擁有了抓住數字經濟發展機遇的利器。隨著技術紅利逐漸釋放，神州控股業績也迎來持續爆發。特別是在2020年，突如其來的新冠疫情，促使城市管理、企業運營、個人生活和消費方式發生轉變，帶來了旺盛的數字化轉型需求。借助國家大力發展新基建的東風，神州控股以大數據融合技術賦能的核心業務場景迎來全面爆發。



郭為先生

大數據賦能核心場景，引領行業新發展

城市大數據場景

城市是我們生產和生活的重要場所，是最大的數據載體，也擁有最多的應用場景，所以成為神州控股大數據賦能的重要場景之一。將海量城市大數據快速匯聚、有效融合，精準賦能市民、政府和產業發展，是「新基建」建設面臨的重要課題，也是神州控股業務聚焦的重點。

基於在智慧城市領域十餘年的持續耕耘，以及在200多個城市的深入實踐，神州控股對城市發展和城市治理有著深刻的理解。憑藉以「燕雲DaaS」為核心的大數據融合技術的優勢壁壘，公司能夠抓住城市大數據發展機遇，以「城市CTO」角色賦能城市智慧化發展和數字化轉型，幫助合作城市建設城市數據中樞和數據中台，打通城市數字生態網絡，快速推進以城市大腦和孿生數字城市為核心的新型智慧城市建設，不斷完善大數據軟件產品及服務，讓大數據科技更好的服務於市民、企業和城市管理者，成為城市的數字運營者。

行業大數據場景

5G、大數據、物聯網、人工智能等新技術日新月異，萬物互聯的數字新基建時代的到來，讓這個世界越來越平，為我們處理好「人」和「物」這兩大核心要素提供了更多可能。通過以數據為生產要素的智慧城市建設、以大數據為驅動的智慧供應鏈服務，正逐漸形成產城人融合發展的新格局。

除了橫向的城市大數據深耕外，得益於在供應鏈領域二十餘年的行業耕耘，神州控股得以縱深行業，將大數據服務拓展到整個智慧產業鏈。通過橫縱交錯，神州控股能夠形成相對完整的數據源和豐富的應用場景，大數據服務能力不斷提升。通過整個產業鏈的「客戶深耕」，產生持續且快速增長的收入。2020年，疫情促使人們生活方式發生轉變，網購需求增加，電商和在線教育快速發展。憑藉科技實力支撐，神州控股積極搶抓機遇，成功化危為機，解決企業供應鏈需求的同時，實現了自身業績的增量及覆蓋行業領域的拓展。

未來，基於遍佈全國延伸海外的供應鏈倉配網絡，依托自主知識產權的物流管理系統和供應鏈大數據應用平台 KingKooData，以及融合人工智能和物聯網 (AIoT) 等智能科技的物流系統綜合解決方案，神州控股能夠通過建立中國最大社會化倉儲服務生態網，為客戶提供供應鏈全鏈條一體化服務；依托供應鏈服務場景，通過與集團數據中台實現數據／算法共享，能夠打造供應鏈全鏈條軟件產品；同時，通過深化供應鏈服務場景人工智能和物聯網 (AIoT) 等智能科技應用，作為數據採集來源，能夠持續提升服務能力和客戶體驗，形成良性循環。

金融科技場景

在神州控股大數據戰略下，旗下神州信息戰略聚焦金融科技，通過多年金融科技行業深耕和價值挖掘，具備大數據資源獲取、算力提升、數據建模、大數據治理等核心技術能力及行業場景應用能力，並以跨行業大數據融合方式服務民生，在金融信創、場景金融、智能金融等方面處於領先地位。作為神州控股大數據產業生態場景的一部分，神州信息一方面補足了神州控股在金融、農業等行業大數據生態場景；另一方面，通過生態協同、業務聯動和客戶深耕，實現多贏。

創新孵化場景

「創新」作為神州控股的核心企業文化，一直是驅動我們不斷發展的源動力。今天，不僅要有內在的自我創新體系，還要建立整個行業更加廣泛的創新生態系統，匯聚全社會、全行業資源，以自主創新的核心技術，來推動企業、行業的發展。

一直以來，神州控股基於大數據核心戰略，通過持續創新孵化，打造企業可持續發展動能。一方面不斷拓展神州控股大數據產業生態，培育孵化數字產業生態鏈，形成更大合力；另一方面將收益用於佈局新的大數據生態場景，以及反哺核心業務場景，讓整個集團ROI最大化，形成良性循環。

數據軟件，神州控股新未來

功以才成，業由才廣。去年公司成立了「神碼匯」、「神技營」兩大組織，在選拔和培養管理精英和技術大咖，構建和完善人才管理體系方面，邁出了新的一步。公司也正式將「共享」作為公司的核心文化之一，未來我們將通過股權激勵等多種方式，讓每一個奮鬥者都能分享公司發展的紅利，成為公司的合夥人。

2021年是中國「十四五」開局之年、全面建設社會主義現代化國家新征程開啟之年，也是神州控股上市二十週年。展望未來，面對百年未有之大變局，神州控股將成為賦能多場景的大數據服務公司，面向城市大數據場景、行業大數據場景、金融科技場景、創新孵化場景等核心場景，通過產學研創新孵化，圍繞數據供應鏈打造核心產品，以數據加工技術產品賦能數據產業加速發展，構建互為生態的軟件生態，為客戶提供全方位的數據軟件產品授權、訂閱及服務，在科技、市場、業績等方面全面引領，持續賦能城市智慧化發展和產業數字化轉型，努力實行數字中國之理想，為股東和社會創造價值。

管理層研討與分析

2020年，突如其來的新冠疫情，促使城市管理、企業運營、個人生活和消費方式發生轉變，帶來了旺盛的數字化轉型需求。借助國家大力發展新基建的東風，神州數碼控股有限公司（「神州控股」或「本集團」）以大數據融合技術賦能的核心業務場景迎來全面爆發，「城市深耕」、「行業深耕」和「客戶深耕」戰略成效顯著，在成為大數據時代數字經濟運營者的征途上邁出重要一步。

報告期內，本集團整體營收約198.20億港元，同比增長11.8%；股東應佔溢利約6.13億港元，同比增長103.1%；其中大數據收入約2.31億港元，同比增長124.5%；服務類收入約60.24億港元；解決方案類收入約78.49億港元。憑藉在大數據技術及應用方面的領先地位，報告期內，神州控股榮登中國科學院《互聯網週刊》評選的「2020數字基建TOP100」榜單第一名，斬獲「2020新基建大數據最佳服務商」、「2020年度最佳新經濟公司」、「2020最具投資價值企業」等權威獎項。

1) 城市大數據場景（智慧城市）：「燕雲DaaS」數據底座搶佔先機，「城市CTO」深耕模式成效顯著，利潤同比大增149.4%

城市作為我們生產和生活的重要場所，是最大的數據載體，也擁有最多的應用場景，新基建風口之下，智慧城市作為數字經濟賦能的主舞台再次成為關注焦點。由工信部牽頭的2020年《數字學生白皮書》報告指出，到2023年，我國新型智慧城市市場規模將達到1.3萬億元。

基於智慧城市領域十餘年的持續耕耘、200多個城市實踐對城市發展和城市治理的深刻理解，加之「燕雲DaaS」為核心的大數據融合技術的優勢壁壘，神州控股得以搶抓城市大數據發展機遇，以「城市CTO」角色賦能城市智慧化發展和產業數字化轉型，幫助合作城市建設城市「數據底座」，鏈接城市、企業和市民，打通城市數字生態網絡，快速推進以城市大腦和學生數字城市為核心的新型智慧城市建設，不斷完善大數據軟件產品及服務。報告期內，該板塊整體收入約4.77億港元，較上財年同比增長46%；利潤約2,866萬港元，同比增長149.4%。

在城市大數據場景中，將海量大數據快速匯聚、有效融合，精準賦能市民、政府和產業發展，是「新基建」建設面臨的重要課題，也是神州控股業務聚焦的重點。由於數據存在於眾多不同年代、不同廠商的系統中，各類系統之間要實現數據互聯互通，往往面對「接口開發難、系統聯調難、數據共享難」等問題。神州控股基於國家技術發明一等獎成果轉化的「燕雲DaaS」，可在無需原廠商配合的情況下，通過「所見即所得」的方式快速打破城市信息孤島，為用戶節省90%以上的項目溝通協調時間，縮短50%以上的項目實施週期。

憑藉「燕雲DaaS」獨門利器，在「城市CTO」深耕模式的引領下，集團成功在多個省市落地大型項目，賦能當地新基建發展，助力民生服務改善、數字經濟發展。通過獨具特色的數據中台和數據中樞融合服務，圍繞城市中的市民、企業和城市管理者等不同服務對象，其應用場景得到了不斷延伸和擴展，實踐案例越來越豐富，城市合作也越來越緊密。

在吉林省，神州控股長期深耕並深度參與了吉林省市級多個新基建項目，又在此基礎上成功中標長春市城市數字大腦和吉林省外貿綜合服務平台兩個項目，通過「燕雲DaaS」賦能城市大腦和供應鏈大腦，助力長春市萬億級數據資源整合和吉林省千億進出口業務發展。同時，本集團牽頭成立吉林省信創產業聯盟，促進信創產業生態鏈的形成與發展，培育更多具有行業特色、產業優勢和規模效應的信創產業軟硬件骨幹企業和著名品牌，激活產業聚合能力，打造千億級數字產業集群。

在唐山市，神州控股正在建設的「智慧唐山」一期項目按照「1+N」的模式設計，通過「燕雲DaaS」為核心的軟件互聯技術，高效地整合唐山市的應用和數據資源；在此基礎之上，以運營目標為導向，為全市各領域智慧城市建設提供雲計算服務、數據服務和民生服務、城市管理、產融服務等應用支撐服務，促使唐山市城市治理、民生服務和產業創新發展水平進一步提升。

在蘇州市吳江區，本集團深度參與了吳江大數據平台一期、二期項目建設，其技術實力與服務能力得到了客戶的高度信任。報告期內再次中標吳江大數據平台三期項目，在數據匯聚、治理和服務能力基礎之上，持續推進全方位的數據安全保障體系建設。

此外，新冠疫情在給我們帶來災難的同時，也像一個「試金石」檢驗著我們的智慧城市建設。疫情期間，由於數據標準不統一、共享機制不健全等原因，不少智慧城市項目出現失靈的情況，「燕雲DaaS」憑藉其獨特優勢再次大顯身手，廣泛應用於各地「科技抗疫」項目中，解決客戶痛點和難點問題。在服務客戶的過程中，神州控股的大數據技術、數據軟件產品得到較好的檢驗和優化；以客戶需求為驅動，神州控股的大數據產品和服務能夠不斷完善和迭代。

目前，該板塊業務於二零二零年已經得到了資本市場認可，旗下公司北京因特睿在報告期內已獲投資者同意注資7億元人民幣（約8.3億港元）B輪融資，投後估值約62億元人民幣（約73.4億港元）。未來本集團將持續把握新基建發展機遇，在更多城市建設「數據底座」，佔據發展制高點，實現持續的快速增長。

2) 行業大數據場景（智慧產業鏈）：供應鏈全鏈條產品及服務價值釋放，利潤同比大增88.9%

5G、大數據、物聯網、人工智能等新技術日新月異，萬物互聯的數字新基建時代的到來，讓這個世界越來越平，為我們處理好「人」和「物」這兩大核心要素提供了更多可能。通過以數據為生產要素的智慧城市建設、以大數據為驅動的智慧供應鏈服務，正逐漸形成產城人融合發展的新格局。除了橫向的城市大數據深耕外，得益於在供應鏈領域二十餘年的行業耕耘，神州控股得以縱深行業，將大數據服務拓展到整個智慧產業鏈。通過橫縱交錯，神州控股能夠形成相對完整的數據源和豐富的應用場景，大數據服務能力不斷提升。通過整個產業鏈的「客戶深耕」，產生持續且快速增長的收入。

報告期內，該板塊實現收入約74.11億港元，同比增長約37.7%；利潤約2億港元，同比增長88.9%。

2020年，新冠疫情促使人們生活方式發生轉變，網購需求增加，電商和在線教育快速發展。但與此同時，很多供應鏈企業面對突發的新冠疫情運轉困難甚至停擺。神州控股依托自身強大的供應鏈管理體系，通過「供應鏈+大數據+AIoT」的戰略落地，借助供應鏈大數據應用平台KingKooData進行全鏈條數據分析，結合大數據與智能算法的應用，搭建了一套完整的數據中心，為各類電商企業提供智能數據服務，用技術手段來實現全產業鏈進銷存效率優化，降低企業倉幹配成本，受到電商、在線教育等多家頭部企業的青睞。電商物流業務的高速增長和經營效率的提升也是推動該板塊盈利突飛猛進的重要原因。

憑藉科技實力支撐，行業大數據業務板塊積極搶抓機遇，成功化危為機，解決企業供應鏈需求的同時，本集團實現了自身業績的增長以及覆蓋行業領域的拓展。除在電子、快消、母嬰、美妝等行業繼續領跑外，行業大數據業務板塊初步完成教育行業頭部卡位，神州控股目前已經服務行業前十客戶中的五家，佔據了該行業最大的服務份額。此外，還在新基建、生產供應鏈戰場成功插旗，拿下三一重工、特來電、許繼集團等頭部客戶，服務規模和範圍不斷擴大。未來，該板塊將持續深耕客戶，挖掘客戶全方位需求。

本集團二十多年來對科技戰略的堅持在報告期內迎來收穫期，在AIoT產業應用與供應鏈全鏈條軟件、大數據產品助力下，該板塊在2020年雙十一創下單倉發貨450萬單的行業新紀錄。同時，強大的科技實力也得到業界的高度認可，榮膺國家物流最高級5A級物流企業資質，成為極少數獲得該資質的輕資產公司，並斬獲多項行業大獎。此外，借助「一帶一路」政策東風，國際化業務在伴隨客戶出海戰略驅動下也發展迅速，未來增長空間巨大。

未來，基於遍佈全國延伸海外的供應鏈倉配網絡，依托自主知識產權的物流管理系統和供應鏈大數據應用平台KingKooData，以及融合人工智能和物聯網（AIoT）等智能科技的物流系統綜合解決方案，神州控股將開拓行業新的商業模式，充分調動並激活分散的中小私營倉，提升全域服務能力，建立中國最大社會化倉儲服務生態網，為客戶提供供應鏈全鏈條一體化服務；依托供應鏈服務場景，全鏈條採集豐富數據源，與神州控股數據中台實現數據／算法共享，能夠打造供應鏈全鏈條軟件產品；同時，通過深化供應鏈服務場景人工智能和物聯網（AIoT）等智能科技應用，作為數據採集來源，能夠持續提升服務能力和客戶體驗，形成良性循環。

3) 金融科技場景（神州信息）：協同聯動深耕金融生態，共鑄增長新引擎

在神州控股大數據戰略之下，神州信息作為神州控股金融科技場景實踐的主力軍，通過多年金融科技行業深耕和價值挖掘，具備大數據資源獲取、算力提升、數據建模、大數據治理等核心技術能力及行業場景應用能力，並以跨行業大數據融合方式服務民生，在自主創新的金融科技產品和解決方案、金融信創、場景金融等方面處於領先地位。

作為神州控股大數據產業生態場景的一部分，神州信息一方面補足了神州控股在金融、農業等行業大數據生態場景；另一方面，通過生態協同、業務聯動和客戶深耕，實現多贏。報告期內，該板塊實現收入約114.57億港元；利潤約6.15億港元，同比增長104.0%。

報告期內，該板塊以「七大解決方案+諮詢服務」為核心的自主創新的金融科技產品與解決方案穩定增長，分佈式應用平台Sm@rtGalaxy3.0的性能全方位提升，分佈式應用平台、分佈式核心業務系統中標、簽約15家金融機構核心系統，並且實現首次海外敏捷交付。數字貨幣領域，領先市場發佈區塊鏈平台Sm@rtGAS和數字貨幣（DCEP）解決方案。中標國有大行、政策性銀行、股份制銀行等客戶信創系統集成或信創軟件項目，具備完整的信創產業鏈。

金融科技場景業務板塊以「數據+科技+場景」融通創新，融合跨行業數據打通金融服務與更多行業鏈接，以場景金融服務實體經濟，打造金融科技生態圈。推出銀農直連、單品大數據助貸、銀稅互動、企業徵信評估等創新業務，為三農、中小微企業融資難破題。報告期內中標工商銀行、國家開發銀行、交通銀行、深交所等客戶信創系統集成或信創軟件項目，具備完整的信創產業鏈。

此外，行業數字化業務整體穩健增長，報告期內承建多個國家級、地市級大數據項目，重點農產品單品種全產業鏈數據採集、分析、發佈、服務為主線的全鏈條數據應用體系，大數據系統應用領域不斷增加，簽約蘋果、國家橡膠、國家油料等國家級及省市級全產業鏈單品大數據。量子通信方面，中標國家廣域量子保密通信骨幹網絡建設工程項目（北京-武漢、武漢-廣州）、京漢幹線延長線成渝漢段、濟青幹線，為後續骨幹網和城域網項目的簽約打下基礎。

報告期內，金融科技場景業務板塊榮獲IDC 2020年全球金融科技FinTech Rankings百強榜單第39位，蟬聯中國上榜企業第一名。分佈式應用平台及核心系統連續8年市場佔有率排名第一。

4) 創新孵化場景（投資業務）：戰略孵化優勢行業，優化大數據產業生態

圍繞神州控股核心戰略，創新孵化場景業務板塊以完善數據供應鏈核心產品、服務及能力為目標，通過持續創新孵化，不斷打造公司可持續發展動能。一方面不斷拓展神州控股大數據產業生態，培育孵化數字產業生態鏈，形成更大合力；另一方面將收益用於佈局新的大數據生態場景，以及反哺核心業務場景，讓整個集團ROI最大化，形成良性循環。

報告期內，本集團以5億元人民幣（約5.5億港元）出售持有的神州醫療部分股權，出售事項確認除稅前收益約3.38億港元，以及收到2019年出售神州醫療部分股權的對價2.2億港元，所得款項合計約7.7億港元，將用於大數據領域的進一步投資。出售事項完成後，本集團仍將保留神州醫療約3.99%的全部已發行股份。神州醫療主要從事健康醫療大數據、醫療雲服務、醫療衛生信息化等內容，作為神州控股大數據產業生態的一部分，雙方將繼續產生較好的生態協同效應。

本集團旗下智能雲科公司作為國內領先的聚焦於機加工領域的工業互聯網平台運營商，基於「智能終端+工業互聯+雲服務」創新模式，以「雲智造戰略」為行動綱領，打造iSESOL工業互聯網平台，通過數據賦能、開放共享，推動中國智能製造發展。報告期內，智能雲科入選工信部「2020年大數據產業發展試點示範項目單位」。智能雲科不僅補足了神州控股的工業大數據場景，而且能夠與行業大數據場景中的供應鏈服務有機融合，豐富供應鏈上下游產業鏈，拓展大數據服務領域，提升服務能力。未來，隨著其進一步發展，該板塊亦將可能對本集團產生可觀的投資收益。

本集團旗下科技地產業務報告期內亦發展迅猛，以生態體系內科技地產物業管理智慧化為基礎，神州控股將打造智慧物業大數據綜合管理平台，孵化智慧物管業務場景。同時，以智慧物管場景作為數字孿生切入點，拓展至整個城市生態，發展城市數字孿生。

5) 經營展望：引領萬億級大數據產業發展，回報股東和社會

《2020中國大數據產業生態地圖暨中國大數據產業發展白皮書》數據顯示，2019年中國大數據產業規模達5,397億人民幣，同比增長23.1%。伴隨著5G和物聯網的發展，業界對更為高效、綠色的數據中心和雲計算基礎設施的需求越發旺盛，大數據基礎層持續保持高速增長，預計2020年整體規模可達到6,670.2億人民幣，到2022年可突破萬億人民幣，持續促進傳統產業轉型升級，激發經濟增長活力，助力新型智慧城市建設和數字經濟發展，市場發展潛力巨大。

展望未來，面對百年未有之大變局，神州控股將成為賦能多場景的大數據服務公司，面向城市大數據場景、行業大數據場景、金融科技場景、創新孵化場景等核心場景，通過「產學研創新孵化」，圍繞數據供應鏈打造核心產品，以數據加工技術產品賦能數據產業加速發展，構建互為生態的軟件生態，為客戶提供全方位的數據軟件產品授權、訂閱及服務，在科技、市場、業績等方面全面引領，持續賦能城市智慧化發展和產業數字化轉型，努力實踐神州控股數字中國之理想，為股東和社會創造價值。

6) 關於本集團購買的若干理財產品的解決安排的最新情況

截止二零二零年十二月三十一日，理財產品未償付本金金額約為港幣19.33億元（人民幣16.34億元）。本集團已經取得理財產品最終相關資產主動處置權利，並制定了出售計劃及具體行動方案。

儘管二零二零年新冠疫情對各方面工作產生了巨大的影響，本集團仍依照行動方案，推進處置相關資產中的房地產住宅項目（涉及本息約港幣2.28億元（人民幣1.93億元））並取得成效。此房地產住宅項目已基本完成重整程序，掃清了其他債權人對資產變現干擾因素。項目資產按照市價計算，可足額覆蓋本集團於該項目中的債權。根據變現償還計劃，本集團將可優先自出售所得的銷售款項中收回欠付本集團的金額。變現償還計劃如根據相關法律規定執行，本集團將可收回相關資產之一的房地產住宅項目所涉及的全部款項共約港幣2.28億元（人民幣1.93億元）。

剩餘最終相關資產涉及約港幣17.05億元（人民幣14.41億元）。依照變現償還計劃，有關物業正在提升若干配套設施，旨在提升隨後出售的估值，同時本集團亦在積極與意向方洽商出售事項。本集團將繼續按照行動方案積極推進執行，若行動方案有重大進展，本公司會適時另行刊發公告。

管理層基於對相關資產可回收金額的判斷和對資產處置進程的理解，結合評估師就相關資產出具的評估報告，認為載列於本集團二零二零年期末財務報表的理財產品的相應金額合理、恰當。

資本開支、流動資金及財務資源

本集團主要以內部資源、銀行貸款及銀行信貸應付其營運所需資金。

於二零二零年十二月三十一日，本集團擁有總資產約港幣280.21億元，而資金來源為總負債約港幣142.56億元，非控股權益約港幣43.35億元及母公司股東應佔權益約港幣94.30億元。於二零二零年十二月三十一日，本集團之流動比率為1.40，而於二零一九年十二月三十一日為1.17。

於截至二零二零年十二月三十一日止年度內，主要用於購置房屋、辦公室設備及IT基礎設施建設而產生的資本開支約為港幣4.41億元。

於二零二零年十二月三十一日，本集團有現金及銀行結餘約港幣33.05億元，當中有約港幣29.89億元乃以人民幣計值。

於二零二零年十二月三十一日，本集團的有關貸款總額佔母公司股東應佔權益之比率為0.46，而於二零一九年十二月三十一日為0.57。上述比率按付息銀行及其他貸款總額約港幣43.79億元（二零一九年十二月三十一日：約港幣50.95億元）及母公司股東應佔權益約港幣94.30億元（二零一九年十二月三十一日：約港幣89.36億元）計算。

於二零二零年十二月三十一日，本集團的附息銀行及其他貸款的借款單位如下：

	以港幣元 計值 港幣千元	以人民幣 計值 港幣千元	總計 港幣千元
流動			
附息銀行貸款，無抵押	50,000	898,397	948,397
附息銀行貸款，有抵押	64,785	1,012,657	1,077,442
其他貸款	-	51,470	51,470
	114,785	1,962,524	2,077,309
非流動			
附息銀行貸款，有抵押	42,881	2,258,414	2,301,295
總計	157,666	4,220,938	4,378,604

本集團之若干銀行貸款：

- 約港幣23.84億元由金融機構授予本集團之若干附屬公司，並以於二零二零年十二月三十一日其總賬面價值約港幣42.57億元之樓宇、投資物業及預付土地租金作為抵押；及
- 約港幣9.95億元由金融機構授予本集團之若干附屬公司，並以於二零二零年十二月三十一日本公司非全資擁有附屬公司神州信息(直接由本公司全資擁有附屬公司持有)之已發行股份130,960,000股其總賬面價值約港幣24.02億元作為質押。

包括於本集團之流動及非流動銀行貸款分別約港幣2.02億元及港幣23.01億元為長期貸款須於二零二一年至二零三四年償還。於二零二零年十二月三十一日，除總額為約港幣25.55億元的貸款結餘按固定利率計息外，本集團的全部銀行貸款乃按浮動利率計息。

於以前年度，本集團的非全資附屬公司神州靈雲(北京)科技有限公司(「神州靈雲」)向其投資人發行可轉債借款。

在神州靈雲的二零一六年至二零二零年業績承諾全部得到滿足的前提下，投資人同意將可轉債借款全部轉換為對神州靈雲的投資，轉換後的投資均計入神州靈雲的資本公積。如業績承諾未得到滿足，由神州靈雲在收到投資人的通知後30天內予以償還上述可轉債借款。

於二零一九年十二月三十一日，約人民幣32,600,000元（相等於約港幣35,730,000元）的可轉債尚未轉換，其中包括神州信息提供約人民幣26,400,000元（相等於約港幣28,940,000元），其他投資人提供約人民幣6,200,000元（相等於約港幣6,939,000元）。

於二零二零年四月十五日，神州信息及其他投資人與獨立第三方（「靈雲受讓人」）簽署《轉讓協議書》，各方一致同意將彼等於神州靈雲的股權轉讓給靈雲受讓人，並退出神州靈雲。神州信息於神州靈雲的權益所付代價人民幣7,200,000元（相等於約港幣8,134,000元）。於交易完成後，神州靈雲不再為本集團的附屬公司，因此，可換股債券已經從本集團完全取消。

於二零二零年十二月三十一日本集團之可動用銀行總信用額為約港幣129.53億元，當中包括約港幣25.66億元之長期貸款額度，約港幣53.72億元之貿易信用額度及約港幣50.15億元之短期及循環現金透支。於二零二零年十二月三十一日，本集團已動用之長期貸款額度約為港幣25.63億元，貿易信用額度約為港幣7.30億元及短期及循環現金透支約為港幣17.11億元。

在一般業務範圍內，本集團為滿足若干客戶之個別要求，會就未能履約之潛在索償向該等客戶提供履約保證。由於過去並無客戶就履約保證作出任何重大索償，故管理層認為因履約保證而產生任何實際重大負債之可能性不大。

或然負債

於二零一八年十一月七日，中國普天信息產業集團有限公司向北京市第二中級人民法院發起訴訟，就神州信息協助深圳市生物港投資有限公司（「生物港公司」）抽逃出資為由，要求神州信息在協助生物港公司抽逃出資的人民幣25,000,000元及利息範圍內承擔連帶賠償責任。截止二零一八年十二月底，神州信息已向北京市第二中級人民法院提起管轄權異議訴訟，被北京市第二中級人民法院駁回。神州信息針對駁回管轄權異議的裁定書向北京市高級人民法院提起訴訟，於二零一九年五月被北京市高級人民法院駁回。於二零一九年十月二十九日，北京市第二中級人民法院出具了(2018)京02民初344號的民事判決書：神州信息在代墊資金本息共計人民幣35,120,000元範圍內，對於生物港公司在廣東省深圳市中級人民法院(2007)深中法委執字第539號執行案項下對中國普天信息產業集團有限公司的債務經強制執行不能清償的部分（以數額不超過人民幣68,125,000元為限）承擔補充賠償責任，其他第三方被告北京新富投資有限公司在抽逃出資人民幣58,380,000元範圍內承擔補充賠償責任，昆山市申昌科技有限公司在代墊資金本息共計人民幣60,250,000元範圍內承擔補充賠償責任。於二零一九年十二月三十一日，神州信息已上訴，但根據上述判決計提預計負債人民幣21,382,000元（相等於港幣23,948,000元）。

於二零二零年十一月十八日，神州信息與中國普天信息產業集團有限公司達成協議（「和解協議」）。根據和解協議，神州信息與中國普天信息產業集團有限公司同意和解案件，補償為人民幣21,000,000元（相等於港幣24,622,000元）。和解協議已於二零二零年十一月二十三日簽立，及中國普天信息產業集團有限公司已向北京市高級人民法院提交簽立證明。

承擔

於二零二零年十二月三十一日，本集團作出以下承擔：

	港幣千元
已簽約但未於綜合財務報表中撥備：	
土地及樓宇	16
向多間合營企業資本注資	32,337
向多間聯營公司資本注資	24,847
以公允價值計量且其變動計入其他全面收益的金融資產資本注資	507
	57,707

報告期後事項

自本公司報告期後至本報告日期，未有發生任何重大事項。

重大收購及出售附屬公司及聯營公司

出售北京勵致維欣的股權

於二零二零年一月十四日，本集團與SK China Company Limited訂立買賣協議，據此，本集團同意出售而SK China Company Limited同意收購本公司間接非全資附屬公司北京勵致維欣科技有限公司（「北京勵致維欣」）的全部股權，該公司進而持有神州數碼醫療科技股份有限公司（「神州數碼醫療」）的32,720,636股股份，佔神州數碼醫療全部已發行股本的約14.05%。

於交易日期，本集團持有神州數碼醫療約20.04%的全部已發行股份及北京勵致維欣的全部股權。緊隨出售事項完成後，本集團將保留神州數碼醫療約5.99%的全部已發行股份，及神州數碼醫療將不再為本公司的聯營公司。本集團亦將不再擁有北京勵致維欣的任何股權，而北京勵致維欣將不再為本公司的附屬公司。

詳情請參閱本公司於二零二零年一月十五日之公告。

出售鼎捷軟件的股權

於二零二零年七月四日，Digital China Software (BVI) Limited（「DC Software」）、Talent Gain Developments Limited與富士康工業互聯網股份有限公司（「富士康」）訂立買賣協議，據此，DC Software同意出售而富士康同意收購鼎捷軟件股份有限公司（「鼎捷軟件」）39,971,265股股份，佔鼎捷軟件全部已發行股份約15.08%。

於交易日期，本集團持有鼎捷軟件全部已發行股份約18.91%。緊隨出售事項完成後，本集團保留鼎捷軟件約3.83%的全部已發行股份，且鼎捷軟件不再為本公司之聯營公司。

詳情請參閱本公司於二零二零年七月四日、二零二零年七月七日及二零二零年十一月十七日之公告。

視作出售北京因特睿的股權

於二零二零年九月十五日，神州投資有限公司（「神州投資」）、深圳神州普惠信息有限公司（「深圳普惠」）（均為本公司間接全資附屬公司）、其他個人持有人、長春市金融控股集團有限公司（「長春金控」）及長春淨月高新技術產業開發區國有資產投資經營有限公司（「長春淨月」）及北京因特睿軟件有限公司（「北京因特睿」）（為本公司間接非全資附屬公司）訂立資本投資協議，據此，長春金控及長春淨月已有條件同意以現金注資的方式以代價人民幣4億元及人民幣3億元分別認購北京因特睿經擴大註冊資本的約6.45%及4.84%。

於交易日期，北京因特睿由神州投資、深圳普惠及其他個人持有人分別持有約80.65%、12.90%及合共6.45%。於注資完成後，北京因特睿的總註冊資本將增至約人民幣120,965,000元，其股權將由神州投資、深圳普惠、其他個人持有人、長春金控及長春淨月分別擁有約71.54%、11.45%、合共5.72%、6.45%及4.84%。北京因特睿仍將為本公司附屬公司。

詳情請參閱本公司於二零二零年九月十五日及二零二零年九月二十九日之公告。

除所披露外，本公司於二零二零年十二月三十一日止年度並無重大收購及出售附屬公司或聯營公司。

人力資源及薪酬政策

於二零二零年十二月三十一日，本集團約有全職僱員14,000名（二零一九年十二月三十一日：約11,800名）。該等僱員大部分均於中國受僱。本集團按照行業慣例提供酬金福利予僱員。僱員酬金包括基本薪金及花紅。本集團於截至二零二零年十二月三十一日止年度之僱員成本錄得約港幣27.92億元，比截至二零一九年十二月三十一日止年度約港幣25.75億元增長8.43%。為吸納及挽留優秀積極之僱員，本公司按個人表現及所達到之本公司目標，向僱員提供股權激勵計劃。本集團亦同時致力為僱員提供多項內部及外部培訓與發展計劃。

董事及高級管理人員之酬金乃參考經濟狀況、市況、各董事及高級管理人員所承擔的責任及職責及其個人表現而釐定。

供股所得款項用途的更新資料

於二零一七年九月，本公司完成供股（「供股」）及籌得資金約港幣13.35億元。下表為供股所得款項淨額（「所得款項淨額」）的用途情況：

供股所得款項 淨額擬定用途	所得款項淨額 港幣百萬元	於2020年 1月1日的 已動用金額 港幣百萬元	截至2020年 12月31日 止年度 的實際應用 港幣百萬元	於2020年 12月31日的 未使用金額 港幣百萬元	預計在 2022年 6月30日 之前使用 港幣百萬元
(i) 為投資於健康醫療大數據投資進行融資或確定任何其他潛在的投資及任何可能合適的收購機會	782	(409)	(76)	297	297
(ii) 償還債務及利息費用					
(a) 償還於2017年10月到期江蘇銀行股份有限公司的本金及利息費用	183	(183)	-	-	-
(b) 償還於2017年10月到期西部證券股份有限公司的本金及利息費用	286	(286)	-	-	-
(iii) 一般營運資金用途	84	(84)	-	-	-
總計	1,335	(962)	(76)	297	297

附註：於本報告日期，健康醫療大數據投資亦處於初期洽談階段及本集團未有簽定有法律約束力的協議。

本公司無意改變日期為二零一七年八月二十三日的供股章程所載的所得款項淨額的用途，並將根據上述預期目的逐步使用未動用的所得款項淨額。於二零二零年十二月三十一日，已動用所得款項淨額合共港幣10.38億元。

於二零二零年十二月三十一日，供股之未動用所得款項淨額約為港幣2.97億元。於二零二零年，受新冠疫情影響，投資氣氛比較低迷，公司管理層於投資併購專案更趨謹慎，因此這些未動用的所得款項淨額未能於二零二零年底全部動用，當發現任何合適的機會時，這些未動用的所得款項淨額將投資於健康醫療大數據投資或任何其他潛在的投資和收購，預期未動用所得款項淨額將於二零二二年六月三十日前全部動用。

有關供股的詳情，請參考本公司日期為二零一七年七月二十一日、二零一七年八月二十四日及二零一七年九月十五日的本公司公告、日期為二零一七年八月二十三日的供股章程及截至二零一七年十二月三十一日及二零一八年十二月三十一日及二零一九年十二月三十一日止的本公司年度報告。

主席、首席執行官兼執行董事

郭為先生



郭為先生，五十八歲，為本集團之主席、首席執行官兼執行董事，負責本集團之策略發展及整體業務營運管理。自二零零一年二月起，郭先生曾擔任本集團副主席兼總裁及首席執行官，其後於二零零七年十二月獲委任為本集團主席。於二零一八年六月再獲委任為本公司首席執行官。彼亦為本公司若干附屬公司及聯營公司之董事。郭先生於一九八八年獲得中國科學院研究生院（前稱中國科學技術大學研究生院）之管理碩士學位。彼於一九八八年加入聯想集團，並曾任聯想集團執行董事及高級副總裁。郭先生曾榮獲中國十大傑出青年稱號（二零零二年度）、中國科協「求是傑出青年成果轉化獎」（二零零二年度）、中國十大傑出青年科技創新獎（一九九八年度）、中國未來經濟領袖（二零零三年度）及首屆中國青年企業家管理創新金獎（二零零五年度）等重要獎項。彼亦獲《財富》中文版評為二零一一年及二零一二年中國最具影響力的五十位商界領袖之一。

郭先生現為神州數碼信息服務股份有限公司之董事長及戰略委員會主席及提名委員會委員及神州數碼集團股份有限公司（前稱為深圳市深信泰豐（集團）股份有限公司）之董事長兼總裁及戰略委員會和提名委員會委員（全部於深圳證券交易所上市）。此外，彼為Kosalaki Investments Limited（按證券及期貨條例第XV部所述屬本公司的主要股東）的董事。郭先生曾任慧聰集團有限公司（前稱慧聰網有限公司）（於香港聯合交易所有限公司主板上市）之非執行董事，上海浦東發展銀行股份有限公司（於上海證券交易所上市）的獨立董事、鼎捷軟件股份有限公司（於深圳證券交易所創業板上市）之董事，以及中國南方航空股份有限公司（於香港聯合交易所有限公司主板、上海證券交易所及紐約證券交易所上市）之獨立非執行董事。此外，郭先生現擔任國家信息化專家諮詢委員會第四屆委員會委員及數字中國產業發展聯盟副理事長。彼亦曾擔任中國人民政治協商會議第十一屆及第十二屆全國委員會委員、北京信息化協會理事會會長及中國民營科技實業家協會第六屆理事會理事長、中國智慧城市產業技術創新戰略聯盟理事長等社會職務。彼在業務策略發展及業務營運管理方面擁有逾三十年的經驗。

副主席兼執行董事

林楊先生



林楊先生，五十四歲，為本集團之副主席兼執行董事。彼亦為本公司若干附屬公司之董事。林先生於一九八八年畢業於西安電子科技大學，獲得計算機通訊學士學位，並於二零零五年畢業於長江商學院，獲得工商管理碩士學位。彼於二零零一年二月加入本集團，並曾任本集團之常務副總裁及總裁，以及亦於二零一一年四月至二零一八年六月期間曾任本集團之首席執行官。林先生曾任神州數碼信息服務股份有限公司（於深圳證券交易所上市）之副董事長、董事及審核委員會委員。彼於一九九零年加入聯想集團，並於IT業務管理方面擁有逾三十年之經驗。林先生於二零零一年榮獲首屆中國IT渠道精英評選終身成就獎，及於二零零五年榮獲中國IT分銷二十年影響力人物。彼亦於二零一三年榮獲二零一二年中國信息產業年度領袖人物和二零一二年中關村十大年度人物殊榮。此外，林先生曾擔任中國工業和信息化部中國信息產業商會IT渠道專業委員會理事長。

非執行董事

彭晶先生



彭晶先生，三十四歲，自二零一七年十二月二十七日起擔任本公司之非執行董事。彭先生現為廣州市城投投資有限公司副總經理及廣州市城投小額貸款有限公司之董事長。彭先生於二零零八年在廣州大學獲得文學學士學位，並於二零一七年在廣東財經大學獲得工商管理碩士學位。

彭先生曾服務於多家大型上市金融機構及國有企業集團，彼於二零零八年至今有近十三年金融投融資經驗。期間彼具體負責銀行信貸、貿易融資、國際業務及公司金融投資業務等。彼具體負責組建多家公司，從事基金投資、融資租賃、小額貸款、城市基礎設施建設與投資運營管理，以及新興產業的發展等多方面業務。近年主要聚焦於金融投融資、參與組建大數據基金、建設基金，全程參與集團智慧城市相關投資項目。

曾水根先生



曾水根先生，四十三歲，自二零二零年六月三十日起擔任本公司之非執行董事。曾先生現為廣州城市規劃技術開發服務部有限公司之黨支部書記兼董事、廣州城投紫光雲技術有限公司之法定代表人兼董事長並於二零二零年十二月起獲委任為廣州寬帶主幹網絡有限公司之董事。彼亦為廣州市城市建設投資集團有限公司（「廣州城市建設」）若干下屬公司的董事。曾先生於2006年在東北電力大學獲得計算器應用技術碩士學位，於2014年11月獲得高級工程師資格，並於2015年5月獲得信息系統項目管理師執業資格。

曾先生在智慧城市、大數據規劃與實施方面具有豐富的經驗，近年參與了多家大數據合資公司組建。彼於2017年8月加入廣州城市建設集團，於廣州市城投智能科技投資有限公司（前稱廣州市城投環境能源投資管理有限公司）擔任技術總監職務，服務於廣州智慧城市建設。彼於2016年4月至2017年8月間任職於九次方大數據信息集團南京研發總監、兼任安徽中康大數據有限公司副總經理，主持過多個大數據平台規劃與研發及實施。

獨立非執行董事



黃文宗先生

黃文宗先生，五十六歲，自二零零六年八月二十三日起擔任本公司之獨立非執行董事。彼持有中國廣州暨南大學管理學碩士學位。黃先生為英國特許公認會計師公會資深會員、香港會計師公會資深執業會員、英格蘭及韋爾斯特許會計師公會與香港華人會計師公會資深會員以及香港稅務學會之註冊稅務師。彼為一名資深執業會計師，於審計、稅務、公司內部監控及管治、企業收購及財務顧問、企業重組及清算、家族信託以及財富管理方面積累逾三十三年經驗。加入本公司前，黃先生曾於畢馬威（一間國際性會計師事務所）工作逾六年，並於香港中央結算有限公司工作兩年。黃先生具有香港聯合交易所有限公司證券上市規則第3.10條所要求具備之適當專業資格、會計及相關財務管理專長。

黃先生現為中國東方集團控股有限公司及綠心集團有限公司（全部於香港聯合交易所有限公司主板上市）之獨立非執行董事、審核委員會及薪酬委員會主席，以及提名委員會成員；上海東正汽車金融股份有限公司（於香港聯合交易所有限公司主板上市）之獨立非執行董事、審核委員會及薪酬及評估委員會主席、風險管理委員會及提名委員會成員；惠記集團有限公司及綜合環保集團有限公司（全部於香港聯合交易所有限公司主板上市）之獨立非執行董事、審核委員會主席，以及提名委員會及薪酬委員會成員；保利協鑫能源控股有限公司（於香港聯合交易所有限公司主板上市）之獨立非執行董事、審核委員會及策略及投資委員會成員；海隆控股有限公司及中智全球控股有限公司（全部於香港聯合交易所有限公司主板上市）之獨立非執行董事、審核委員會主席及薪酬委員會成員；齊屹科技（開曼）有限公司（於香港聯合交易所有限公司主板上市）之獨立非執行董事、審核與風險管理委員會主席及薪酬委員會成員。彼曾任昆明滇池水務股份有限公司（於香港聯合交易所有限公司主板上市）之獨立非執行董事及審核委員會主席，以及中國新高教集團有限公司（於香港聯合交易所有限公司主板上市）之獨立非執行董事、審核委員會主席及提名委員會成員；自二零一八年四月三日起，黃先生調任為才匯會計師事務所有限公司之非執行主席（前任董事總經理）及中審亞太才匯（香港）會計師事務所有限公司之非執行董事（前任董事），以便投入更多時間在上市公司獨立非執行董事的職務及處理慈善工作。黃先生現為黃文宗慈善基金有限公司，一慈善機構之創辦董事及成員。

倪虹小姐



倪虹小姐，四十八歲，自二零一零年九月二十九日起擔任本公司之獨立非執行董事。倪小姐於賓夕法尼亞大學法律學院取得法律博士學位及於康奈爾大學取得應用經濟及商業管理學士學位。倪小姐於二零一零年九月加入本公司。倪小姐現任科通芯城集團（於香港聯合交易所有限公司主板上市）的非執行董事及ATA Inc.（一家於美國納斯達克證券交易所上市的公司（NASDAQ代號：ATAI））的獨立董事、審核委員會主席及薪酬委員會成員。倪小姐於二零零四年八月至二零零八年一月曾任Viewtran Group, Inc.（「Viewtran」）的首席財務官及董事，後擔任該公司的董事局副主席直至二零零九年初。加入Viewtran前，倪小姐曾於紐約及香港的世達律師事務所擔任專門負責企業融資的執業律師長達六年。在此之前，倪小姐於紐約美林(Merrill Lynch)的投資銀行部門工作。

倪小姐曾任科通芯城集團（於香港聯合交易所有限公司主板上市）的執行董事及首席投資官；晶澳控股(JA Solar Holdings, Co. Ltd.)（一家於美國納斯達克證券交易所上市的公司（NASDAQ代號：JASO））的獨立董事、審核委員會主席、以及薪酬及提名委員會成員；全美在線（北京）教育科技股份有限公司（於二零一七年十月十一日在中國全國中小企業股份轉讓系統（又名新三板）終止掛牌的公司）的董事以及空中網公司(KongZhong Corporation)（一家曾於美國納斯達克證券交易所上市的公司（NASDAQ代號：KZ））的獨立董事。

劉允博士



劉允博士，五十七歲，自二零一四年三月二十五日起擔任本公司之獨立非執行董事。劉博士於二零二零年十月起擔任dormakaba Holdings AG (於瑞士證券交易所上市之公司) 之董事會成員並於二零二零十月一日起獲委任為深圳奧飛迪科技有限責任公司之首席執行官。彼曾擔任VOSS (國際飲用瓶裝水品牌) 的董事會成員及首席執行官一職及新加坡華彬控股私人有限公司(Reignwood Holdings Pte Ltd. (Singapore))的首席顧問。彼於二零一七年三月至二零一八年五月擔任萬達網絡科技集團副總裁兼首席運營官，於二零一四年十二月至二零一六年九月擔任ARM Holdings Plc. (於倫敦證券交易所上市) 的獨立非執行董事及於二零一六年六月至九月為保護國際基金會之全球高級副總裁暨大中華區首席代表。彼於二零一四年一月至二零一五年八月期間擔任奇虎360科技有限公司首席商務官一職。在此之前，他曾效力下列多間從事通信或網絡或軟件範疇業務的知名公司，擔任高級管理職務：谷歌(Google)全球副總裁兼大中華區總裁 (二零零八年至二零一三年)；SK電信(SK Telecom Co., Ltd.)中國區首席執行官 (二零零二年至二零零七年)；FreeMarkets Inc.大中華區總經理 (二零零零年至二零零二年)；國際航空電信集團(SITA Communication)中國區首席執行官 (一九九九年至二零零零年)；金獅集團(The Lion Group)電信部總經理 (一九九七年至一九九九年) 以及新加坡電信公司(Singapore Telecommunications Limited)大中華區業務發展總監 (一九九四年至一九九七年)。

劉博士於一九八三年畢業於北京師範大學，獲授數學學士學位，並於一九九七年獲丹麥理工大學頒授電信網絡管理博士學位。於二零一一年，劉博士修讀哈佛商學院的高級行政人員課程。

嚴曉燕女士



嚴曉燕女士，六十九歲，自二零一四年五月二十七日起擔任本公司之獨立非執行董事。嚴女士有約四十一年之金融從業經歷，彼曾在中國人民銀行及中國工商銀行擔任高級領導職務，並自一九九六年於北京銀行（於上海證券交易所上市）擔任董事及副行長職務，並分別於二零零二年及二零一零年擔任行長及副董事長職務。嚴女士亦曾擔任北京市銀行業協會第六屆理事會會長。彼亦曾任北銀消費金融公司董事長，曾兼任北京市人民政府參事、北京上市公司協會副理事長、中國志願服務聯合會副秘書長及中國志願服務基金會副理事長兼秘書長等職務。嚴女士是銀行業鮮見的富有卓越專業智慧和領導力的女金融企業家。

嚴女士為高級經濟師，取得西南財經大學經濟學碩士及廈門大學管理學碩士，彼是中央財經大學研究生導師及客座教授，西安交通大學校級兼職教授及北京銀行博士後科研工作站指導教師。

金昌衛先生



金昌衛先生，五十四歲，於二零一八年六月二十九日獲委任為本公司之獨立非執行董事。金先生自二零一八年十月至二零一九年十二月出任香港羅盛諮詢公司之董事總經理及於二零零七年一月至二零一六年五月期間出任億康先達（上海）有限公司（一家領先的高級管理人才搜索諮詢公司）之合夥人。在此之前，金先生曾於下列幾間全球科技公司擔任領導角色的職位：eBay中國之首席運營官（二零零五年四月至二零零六年十一月），美國電話電報公司（AT&T）大中華之總經理（二零零二年八月至二零零五年四月），瑞士信貸第一波士頓（CSFB）香港之電信與媒體業總監（二零零一年九月至二零零二年四月），香港電訊及電訊盈科之企業規劃與發展之負責人（一九九九年九月至二零零一年九月），博思艾倫諮詢公司之高級經理（一九九五年至一九九九年九月）及於美國IBM公司之高級系統顧問（一九八八年二月至一九九三年七月）。

金先生於美國密西根大學取得電氣工程學士學位及於美國賓夕法尼亞大學沃頓商學院取得金融學工商管理碩士學位。

公司秘書

王自強先生



王自強先生，五十四歲，本公司之公司秘書。王先生專責處理本集團之財務申報工作及上市事務。王先生畢業於香港大學，持有社會科學學士學位，並為英國特許公認會計師公會資深會員及香港會計師公會會員。彼曾任慧聰集團有限公司（前稱慧聰網有限公司）（於香港聯合交易所有限公司主板上市）之非執行董事及薪酬委員會成員。在此之前，王先生曾於安永會計師事務所（一間國際性會計師事務所）工作六年。王先生於財務管理及企業行政擁有逾三十年經驗。

本集團致力推行最高標準之企業管治及維持健全及良好的企業管治常規，藉此提高對本公司股東（「股東」）之透明度、問責性及企業價值。

本公司嚴格遵守營運地所屬司法權區的管治法律及規例，及遵守監管機構發佈的適用指引及規則。

企業管治常規

本公司之企業管治常規乃建基於香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治守則》及《企業管治報告》（「守則」）所載之原則、守則條文及若干建議最佳常規。

於截至二零二零年十二月三十一日止年度（「報告期」）內，除下述偏離若干於守則內所載之守則條文（「守則條文」）外，本公司已於整個報告期一直遵守守則條文，經考慮後之理由提供如下：

守則條文第A.2.1條規定，主席與首席執行官兩者之角色應有區別，並不應由一人同時兼任。主席與首席執行官之間職責的分工應清楚界定並以書面列載。

郭為先生（本公司董事會（「董事會」）主席）自二零一八年六月八日起擔任雙重職位，為本公司主席兼首席執行官。郭為先生於業務策略發展及管理方面均擁有豐富經驗，彼負責監管本集團之整體業務、策略發展及管理。董事會相信，郭為先生擔任雙重職位可使業務策略之建立及履行之一致性，並為本集團及股東帶來整體利益。

守則條文第A.4.1條規定，非執行董事的委任應有指定任期，並須接受重新選舉。

本公司所有非執行董事並無任何特定任期。由於所有董事（董事會主席或董事總經理除外）均須按本公司之新公司細則（「新公司細則」）之規定於每屆股東週年大會上輪流退任並符合資格可膺選連任。董事會認為按新公司細則，董事於每屆股東週年大會上輪流退任之規定，已賦予本公司股東權利對董事服務之延續作出批准。

守則條文第A.4.2條規定，每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。

根據新公司細則，於每屆股東週年大會上，時任董事數目的三分之一（若董事數目並非三或三之倍數，則以最接近三分之一為準）必須退任，惟董事會主席或董事總經理在職期間毋須輪流退任。因此，董事會主席郭為先生毋須輪流退任。鑒於本公司現有董事之數目，不少於三分之一董事須於每屆股東週年大會上輪流退任，從而使每名董事（董事會主席除外）最少每三年輪流退任一次。

守則條文第A.5.1條規定，上市公司應設立提名委員會，由董事會主席或獨立非執行董事擔任主席，成員須以獨立非執行董事佔大多數。

本公司現時並未設立提名委員會。本公司認為成立提名委員會未必是必須的，因按新公司細則，董事會有權不時及隨時委任任何人士出任董事，以填補臨時空缺或作為董事會之增補，因此，董事會已能承擔提名委員會的職責。董事會將物色及評估候選人是否具備均衡技能及經驗的組合，以配合本公司業務所需，以及擁有合適資格可擔任董事會成員。

守則條文第D.1.4條規定，董事應清楚了解現行的授權安排。上市公司應有正式的董事委任書，訂明有關委任的主要條款及條件。

本公司並無與任何非執行董事或獨立非執行董事訂立任何書面委任書。然而，董事會認為(i)有關董事已遵守適用於在聯交所上市的公司之董事的法規，包括上市規則，以及受信責任作決策以符合本公司及其股東的最佳利益；(ii)彼等已具備良好專業，並於其他上市公司擔任董事職務；及(iii)現時的安排已獲本公司採用多年並行之有效。因此，董事會認為，有關董事於現時的安排下都能負責任及有效地履行其職責。

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之《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易之行為守則。經本公司向董事作出具體查詢後，全體董事均確認，彼等於整個報告期一直遵守標準守則所規定之標準。

董事會

組成

於報告期末，董事會由九名董事組成，當中包括兩名執行董事、兩名非執行董事及五名獨立非執行董事。以本公司所知悉，董事會成員彼此並無任何財務、業務、家族或其他重大／相關之關係。

董事會具備清晰界定的責任與問責關係的一個緊密框架，目的為保障及增進股東利益，以及提供一個穩健活躍的平台以便實施本集團的戰略。

董事之簡歷載於本年報第27頁至第36頁標題為「董事及公司秘書」。

角色及職能

董事會負責制定本集團之整體策略、以及領導及監控本集團，例如本集團之長遠目標及策略、批准本集團之企業及資本架構、財務申報及監控、內部監控及風險管理、重大合約、與股東的溝通、董事會成員及其他委任事項、董事及其他重要高級管理人員之薪酬、各董事委員會之授權及企業管治等事務。

於報告期內，已舉行一次股東大會及一次股東特別大會，董事會已舉行四次定期會議（大約每季度一次）及七次特別會議，董事均親身或以電子通訊方式出席董事會會議。

委任及重選

董事會根據新公司細則所賦予之權力委任任何人士出任董事，以填補董事會之臨時空缺或作為新增成員。只有合資格候選人才會被建議予董事會以作考慮，而甄選之標準乃主要按彼等之專業資格、經驗及彼等對本集團有可能作出的貢獻作為評估。

獨立非執行董事

根據上市規則第3.10(1)條及第3.10(2)條，本公司已委任五名獨立非執行董事，其中一名具備合適之專業資格或會計或相關財務管理專業知識。

每名獨立非執行董事已根據上市規則第3.13條之規定，各自就其獨立性作出年度確認。本公司認為，全體獨立非執行董事均符合上市規則第3.13條所載之獨立指引，且視彼等為獨立人士。

主席及首席執行官

郭為先生(董事會主席)自於二零一八年六月八日起擔任雙重職位，為本公司主席兼首席執行官。郭為先生於業務策略發展及管理方面均擁有豐富經驗，彼負責監管本集團之整體業務、策略發展及管理。董事會相信，郭為先生擔任雙重職位可使業務策略之建立及履行之一致性，並為本集團及股東帶來整體利益。

審核委員會

本公司審核委員會(「審核委員會」)於二零零一年成立，並備有明確書面職權範圍。審核委員會有三名成員及全體成員均為獨立非執行董事。審核委員會現時由黃文宗先生擔任主席(彼具備適當的專業資格，或具備適當的會計或相關的財務管理專長)，倪虹小姐及嚴曉燕女士擔任成員。

最新的審核委員會職權範圍於二零一八年十二月二十一日經董事會重新採納並生效，以及現已分別上載聯交所及本公司網站。

審核委員會協助董事會履行有關財務匯報、風險管理及內部監控，以及保持與外聘核數師關係的監督責任。

審核委員會負責(其中包括)以下：

- (i) 監察本集團財務報表之完整性；
- (ii) 檢討本集團財務監控、風險管理及內部監控系統；
- (iii) 檢討本集團財務及會計政策及實務；
- (iv) 檢討及監察本集團內部審核功能，並確保內部及外聘核數師的工作得到協調；及
- (v) 履行獲董事會授權之企業管治職能。

企業管治職能

於現有審核委員會職權範圍下，審核委員會獲董事會授權履行以下企業管治職能：

- (i) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (ii) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (iii) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (iv) 制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；及
- (v) 檢討本公司遵守根據上市規則附錄十四編製的守則的情況及在本報告內的披露。

於報告期內，審核委員會舉行四次會議，成員均親身或以電子通訊方式出席。

在報告期，審核委員會已與本公司高級管理人員及核數師（「核數師」）審閱彼等各自之審核結果、在將其提交董事會審議及批准半年度及全年度財務業績、本集團採納之會計原則及實務、法律及監管合規事務，並研討有關審核、內部監控、風險管理及財務申報等事宜。董事會已透過審核委員會定期檢討本集團於報告期內內部監控系統之成效以及討論有關企業管治職能的事項。

就核數師之甄選、聘任、辭任及解聘，審核委員會與董事會並無意見分歧。

薪酬委員會

本公司薪酬委員會（「薪酬委員會」）於二零零六年八月三十一日成立，並備有明確書面職權範圍。薪酬委員會由三名成員組成及全體成員均為獨立非執行董事。薪酬委員會現時由劉允博士擔任主席，黃文宗先生及金昌衛先生擔任成員。

最新的薪酬委員會職權範圍現已分別上載聯交所及本公司網站。

薪酬委員會協助董事會就薪酬政策及董事及高級管理層的薪酬待遇進行評估及提供建議。

薪酬委員會負責（其中包括）以下：

- (i) 就所有董事及高級管理人員的本公司薪酬政策及架構，以及就設立正規而具透明度的程序以制訂薪酬政策，向董事會提出建議；及
- (ii) 就個別執行董事及高級管理人員的薪酬待遇，包括非金錢利益、退休金權利及賠償金額，以及就非執行董事的薪酬，向董事會提出建議。

在報告期內，薪酬委員會舉行了一次會議，成員均親身或以電子通訊方式出席。

在報告期，董事酬金之詳細資料載於財務報表附註9。

董事酬金乃參考經濟狀況、市況、各董事所承擔的責任及職責及其個人表現而釐定。

董事出席會議記錄

於報告期內，各董事出席以下會議之記錄載列如下：

董事會成員	委員會成員		出席／舉行會議次數					
	審核委員會	薪酬委員會	董事會定期	特別	審核委員會	薪酬委員會	股東週年大會	股東特別大會
執行董事								
郭為 (主席兼首席執行官)	-	-	4/4	7/7	不適用	不適用	1/1	1/1
林揚 (副主席)	-	-	4/4	7/7	不適用	不適用	0/1	0/1
非執行董事								
彭晶	-	-	2/4	5/7	不適用	不適用	0/1	0/1
曾水根	-	-	2/2	2/4	不適用	不適用	不適用	0/1
余梓平	-	-	1/2	0/3	不適用	不適用	0/1	不適用
獨立非執行董事								
黃文宗	主席	成員	4/4	7/7	4/4	1/1	1/1	1/1
倪虹	成員	-	4/4	6/7	4/4	不適用	1/1	0/1
劉允	-	主席	4/4	5/7	不適用	1/1	0/1	1/1
嚴曉燕	成員	-	3/4	7/7	4/4	不適用	0/1	0/1
金昌衛	-	成員	4/4	6/7	不適用	1/1	1/1	1/1

董事就職培訓及持續專業發展

新任董事將會接獲一份有關委任的綜合資料，藉此可確保其了解在上市規則及相關監管規定下之董事職責及義務。

董事會獲鼓勵參與持續專業發展以發展及更新其知識及技能。本公司亦會在需要或適當的時候組織及安排研討會及／或提供相關閱讀資料予董事，藉以確保他們了解作為一間上市公司董事之角色、職能及責任，以及發展其對必要或適用之監管規則的最新知識。

於報告期內及直至本年報的日期，本公司已提供培訓材料給當時的所有董事，讓其緊貼法例、監管規則以及企業管治的最新發展。本公司亦已收到所有該等董事之培訓記錄。

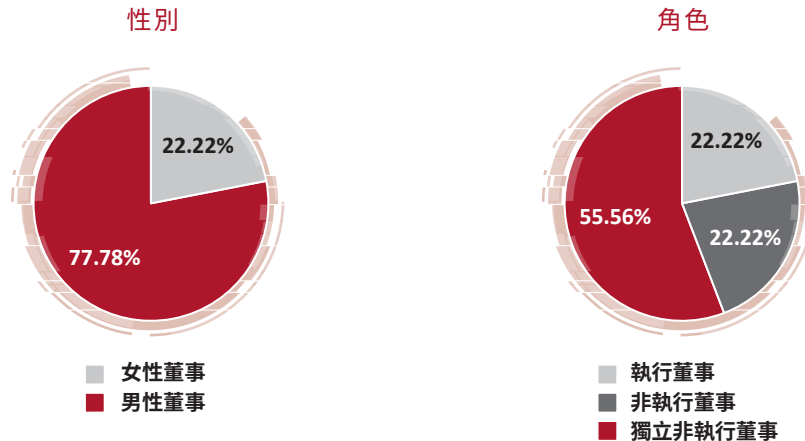
董事會成員多元化政策

本公司致力促進董事會成員多元化，及已採納董事會成員多元化政策（「**董事會成員多元化政策**」）並自二零一三年八月二十日起生效。董事會成員多元化政策表述董事會對培養多元化的企業文化之承擔，尤其專注董事會成員組合。

本公司明白並深信提升董事會多元化可獲得多元董事會價值的裨益，而多元的董事會價值實為達致本公司可持續平衡發展的必要元素。在釐定最切合本公司需要的董事會成員組合時，會考慮多個方面的因素，包括但不限於性別、年齡、種族及文化背景、技能、地區及行業經驗、專業經驗、服務任期及董事的其他特質。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

於報告期末，董事會成員多元化的狀況闡述如下圖，董事會九名董事組成之中，其中兩名為女性；九名董事之中兩名為非執行董事，五名為獨立非執行董事，藉以作出批判檢討及監控管理流程。就年齡、文化、教育背景、專業知識及技能方面而言，董事會均屬相當多元化。董事會致力引領向前，並確信董事會成員就適合本公司業務所需之技能、經驗及多元化方面取得平衡。

於報告期末之董事會成員多元化狀況



核數師酬金

於報告期，核數師之核數服務酬金約港幣2,750,000元及非核數服務酬金約港幣150,000元以審閱有關發放及發行台灣存託憑證的財務報表。

風險管理及內部監控

風險管理及內部監控理念

足夠及有效的風險管理及內部監控系統是實現本集團戰略目標的重要保障。風險管理及內部監控系統應保障業務活動的有效進行、會計記錄的真實和公允，保障本集團遵守有關的法律、法規及政策，以及保障公司股東的資產及權益安全。

風險管理及內部監控的特點及成效

董事會承認有責任設立、維持及檢討本集團風險管理及內部監控系統的有效程度，以保障股東的投資及本集團的資產。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證，並管理而非杜絕導致本集團目標出現嚴重失誤的風險。此責任主要由審核委員會履行，其代表董事會每年就本集團對處理風險與財務會計及報告的風險管理及內部監控系統是否持續有效、營運是否有效及富有效率、有否遵守有關法規及風險管理職能等方面進行每年至少一次的檢討，並監控本集團會計、內部審核、財務、員工資歷及經驗、營運、合規的風險。董事會亦明白其對內部監控、財務控制及風險管理之整體責任，並會不時檢討其效能。

審核委員會代表董事會持續檢討風險管理及內部監控系統。檢討的程序包括(但不限於)聽取業務管理團隊、內部審計部、法務部以及外聘核數師等的報告，審閱各項工作報告和關鍵指標資訊，以及與高級管理團隊討論重大風險。

就二零二零年度而言，董事會認為本集團的風險管理及內部監控系統有效而充足。另外，董事會相信，本集團的會計及財務報告職能已由足夠的且具有適當資歷及經驗的員工履行，且該員工已接受合適而充分的培訓及發展。董事會亦相信，本集團的內部審核職能已獲足夠的資源，其員工資歷及經驗、培訓計劃及預算等亦均為足夠。

風險管理

1. 風險管理的三道防線

為保障風險管理及內部監控系統的有效性，本集團採用了三道防線模型，在董事會的監督和指導下，建立了風險管理及內部監控組織架構，並每年結合本公司的實際情況進行優化及完善。

- 第一道防線—運營及管理：主要由本集團各層級職能及業務部門構成，負責日常運營和管理，並負責設計和執行相關控制措施以應對風險。
- 第二道防線—風險管理：主要由各業務集團風險管理職能部門構成，負責規劃並開展風險管理及內部監控系統的建設工作，按照風險管理制度要求組織、指導、協調及落實各業務集團的風險信息收集、風險識別、風險評估、重要風險應對實施等工作，協助第一道防線建立及完善其風險管理及內部監控系統。
- 第三道防線—獨立保障：主要由本集團內部審計部構成，負責對本集團風險管理工作進行監督和評價，保障風險管理和內部監控系統的有效性。

2. 用於識別、評估及管理重要風險的程序

本集團用於識別、評估及管理重要風險的程序簡介如下：

- **風險識別與評估：**識別可能對本集團各業務單元業務和營運構成潛在影響的風險，建立並不斷更新風險信息庫；使用管理層審閱通過的評估標準，評估已識別的風險，評估時考慮風險發生的可能性及對業務的影響；
- **風險應對：**通過比較風險評估結果，排列風險優先次序，及釐定風險管理策略及內部監控程序，以防止、避免或降低風險；及
- **風險監察及匯報：**持續並定期監察有關風險，以及確保設有適當的內部監控程序；於出現任何重大變動時，修訂風險管理政策及內部監控程序；及向審核委員會及管理層定期匯報風險監察的結果。

3. 本集團的重要風險及應對策略

二零二零年度，本集團通過上述風險管理流程識別和評估出本集團的重要風險。

審核委員會協助董事會監察本集團整體的風險狀況，並檢討了本集團重要風險的性質及嚴重程度的轉變。審核委員會認為管理層已採取適當的措施以應對及管理關鍵風險至董事會可接受的風險水平。

隨著業務規模、經營範圍、複雜程度以及外部環境的不斷變化，本集團的風險狀況可能會發生改變。下文扼要地列示本集團現時面對的重要風險、與上年相比重要風險發生變化的情況及原因、及已實施的風險應對措施。

二零二零年度，本集團排名前三的重要風險如下表所示：

序號	風險
1	競爭風險
2	人才流失風險
3	大客戶依賴風險

與二零一九年相比，二零二零年三風險沒有明顯變化，仍然為競爭風險、人才流失風險和大客戶依賴風險，只是大客戶依賴風險由第二位下降到第三位，人才流失風險則由第三位上升為第二位。二零二零年，受外部市場波動、國際關係變化、新技術發展等因素的影響，尤其是新競爭對手的介入及迅速成長，競爭風險仍比較突出。同時，本集團內部調整和組織優化仍在持續，人員流動率雖較二零一九年下降了1.6個百分點，但仍維持在較高水準。此外，本集團在戰略協同發展方面注重與大客戶的合作，會導致收入的集中度上升，大客戶所在行業景氣度、客戶自身產品生命週期和客戶持續經營能力的波動，會影響本集團收入穩定增長。

為了應對和防控這些風險，本集團已採取了相應的控制措施，並將持續優化：

- 市場競爭方面，各業務單元繼續從自身業務的角度出發，充分了解和分析市場環境及競爭對手的發展變化情況，利用燕雲DaaS、KXDATA、人機共舞等強大的技術優勢和各業務場景解決方案的積累，發揮各相應產業的廣闊市場優勢，為業務規模的不斷擴大提供保障和支援，增強企業的整體競爭實力。
- 人才管理方面，集團人力資源部不斷完善薪酬分配和考核激勵體系，實行崗位工資制、績效獎金和股權激勵相結合的分配制度，以績效為導向，吸引和凝聚人才。二零二零年，在繼續推進「神碼匯」人才培養平台項目的同時，本集團又創建了旨在培養技術人才的「神技營」，通過「神碼匯」和「神技營」的「雙神」組織培養核心管理團隊，構建神州控股精英人才培養體系，使優秀員工脫穎而出，激發組織活力，保證核心人才長期穩定的發展。
- 客戶管理方面，在維護和強化現有客戶關係的基礎上，充分發揮公司戰略協同優勢，挖掘更多潛在客戶，積極拓展更多的新增行業客戶和業務領域，同時，實現多產品線、系列化經營，開拓新渠道，分散大客戶依賴風險，進一步優化客戶結構。

根據上述檢討的結果，董事會確定而管理層亦向董事會確定，本集團的風險管理及內部監控系統（在所有重要的監控方面，包括財務監控、運作監控及合規監控）有效及足夠，且本年度均有遵守《企業管治守則》的風險管理及內部監控條文。

內部監控

1. 內部監控系統

本集團一貫重視內部監控系統的建設。本集團管理層負責設計、實施和維持內部監控系統的有效性，董事會及審核委員會負責監督及監管管理層推行的內部監控措施是否適當，以及是否得到有效的執行。

本集團的內部監控系統就關鍵行動清晰界定各方的管理職責、授權和審批，就重要業務流程制定明確的書面政策和程式，並向員工傳達也是內部監控系統的重要環節。本集團政策是各業務流程的管理標準，涵蓋財務、法務、運營等各方面，所有員工均須嚴格執行。

董事會透過以下主要程序設立及維持良好的內部監控系統：

- 設立合理有效的組織架構，並訂明清晰的功能、職責及權限；
- 嚴格的預算制定及預算管理程序，每年制定業務規劃及財務預算，並根據業務規劃合理調整組織架構，確保組織有效運行，檢討預算執行情況，並根據最新情況進行合理調整；
- 內部審計部 - 獨立評估主要業務監控之完備性及效能，每半年度向審核委員會匯報主要發現及建議；及
- 獨立核數師 - 在每年業績審核中，針對內部管理之相對薄弱環節提出若干管理建議，管理層會認真檢討，並向審核委員會提呈改進方案。

2. 年度內部監控評估

在報告期內，內部審計部採納了專注於主要流程及監控的風險基準方法，並每半年度向審核委員會匯報內部審計結果。董事會透過審核委員會檢討本集團內部監控系統之效能。內部監控系統涵蓋所有重大監控事項，包括財務、營運及遵守法規事宜、風險管理功能以及在本集團的會計及財務匯報職能方面，員工的資源、資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否足夠。於二零二零年度內，內部審計部並沒有發現重大內部監控缺失。

內幕消息的披露

本公司管理層負責評估任何不可預計重大事件可能對股份價格或成交量的影響，並決定有關資料是否視為內幕消息，而須根據上市規則第13.09條及13.10條及香港法例第571章證券及期貨條例第XIVA部的《內幕消息條文》在合理可行情況下盡快披露。董事會負責批准本公司授權其董事刊發該等公告及／或通函。

董事及核數師就財務報表承擔之責任

董事確認彼等須負責依照法定要求及適用會計準則，按持續經營基準編製真實公平反映本公司及本集團財務狀況之本集團財務報表。

核數師就本集團財務報表所作之申報責任聲明載列於本年報第96頁至第101頁之獨立核數師報告內。

與股東的溝通

董事會致力維持與股東及投資者保持對話。

本公司股東週年大會是與股東溝通的其中一個主要方式，而所有本公司之企業通訊，包括但不限於中期報告、年報、會議通告、公告、通函及其他相關的公司資料已上載於本公司網站www.dcholdings.com。

本公司已制定股東通訊政策，以處理股東向董事會提出之查詢。

本公司相信，通過公司網站與股東溝通是及時快捷傳達資訊的有效途徑。本公司將會不時審閱及更新公司網站資訊，確保資訊合時，或已適當註明日期及歸檔。

股東權利

本公司重視股東權利，並鼓勵股東參與股東大會，或若未能出席，委託委任代表代其出席及於會上投票。股東大會提供重要機會予股東向董事會及管理層表達意見，並行使股東權利。根據新公司細則，股東有權召開股東特別大會，並提呈議程事項予股東考慮。新的公司細則已分別上載於聯交所及本公司網站。

本公司歡迎股東利用出席股東大會的機會，就本集團的業績、營運、戰略、企業管治及／或管理提出問題或給予意見。董事會成員，特別是董事委員會主席或成員、合適的管理行政人員及外部核數師均會出席股東大會，以回答股東問題。

股息政策

本公司已採納股息政策並自二零一八年十二月二十一日起生效，其摘要如下：

1. 董事會可向股東宣派及派付股息。
2. 公司可在股東大會上宣佈以任何貨幣派發股息，惟股息金額不得高於董事會所建議者。
3. 在當時生效的本公司組織章程大綱及新公司細則許可的前提下，董事會可根據本公司的財務狀況向股東建議派發末期股息並不時向股東派發中期股息，但不保證將在任何既定期間派發任何特定金額的股息。
4. 本公司能否宣派股息將取決於(其中包括)本公司的經營業績及盈利、資本需求、一般財務狀況、當前經濟環境及董事會當時可能視為相關的其他因素。
5. 本公司股息的宣派及支付還須符合百慕達一九八一年公司法(經不時修訂、補充或以其他方式修改)、本公司組織章程大綱及新公司細則以及其他生效的關於宣派、派付股息或其他與股息相關的適用法律、規則及規例。

環境、社會及管治報告

主席致辭

二零二零年，是不平凡的一年。一場突如其來的疫情，打亂了正常生活和工作的節奏，整個世界都在迷失。這場疫情，考驗著每個人的心智，也考驗著每個公司的堅強。

中國在全球範圍內首先實現了在疫情環境下的復工復產。神州數碼控股有限公司（以下簡稱「神州控股」、「本集團」或「我們」）也同全國人民一道，積極參與到武漢保衛戰和復工復產的戰役中去。疫情期間，本集團嚴格按照防控要求加強人員流動排查，在辦公場所為員工提供口罩、消毒水等防疫用品，安排非必要人員在家辦公等一系列人性化措施，同時員工也體現了極大的奉獻和自律精神。這些都有效地阻斷了疫情傳播的渠道，確保了本集團員工零感染。不僅如此，本集團還積極捐助資金支持湖北地區疫後重振、抗洪賑災以及推動青少年教育事業發展。神州控股人以極大的愛心、以強烈的社會責任感、以數字科技之力，為抗擊疫情和社會可持續發展做出了自己的貢獻。

對於神州控股而言，我們致力成為技術領先的大數據服務商，並在業務運營中遵守道德規範及可持續性發展的原則，這是我們的願景和目標。因此，我們有責任推動積極的改變，我們將預估環境、社會及管治議題對業務的影響，並積極應對可持續性發展帶來的挑戰。

二零二零年，我們不僅走出疫情的陰影、戰勝了恐懼，而且在業務上創造了新高，再一次用行動註解「數字中國」的使命。這一年，我們在管理水平上再上新台階，我們將公司可持續性發展納入運營管理和風險管理之中，面向客戶、員工、供應商及其他合作夥伴，努力為業務的長期發展及為利益相關者創造更多、更可持續的價值。我們致力於與全球可持續性發展的工作重點同步，按照港交所和全球報告倡議組織GRI關於可持續性的發展目標不斷努力，為各利益相關者的福祉持續助力。

二零二一年，是神州控股領跑及組織基因重構的一年：科技、市場、業績一一引領！我們以顛覆傳統，大膽改革的決心，通過組織結構重組、技術持續創新、及管理的不斷提升，讓組織更加強健，讓團隊更加凝聚，讓員工更加富有激情。同時，我們會持續關注我們的客戶需求、關注員工健康，以及關注所有利益相關者的聲音，助力我們所在的社區共同發展。二零二一年，我們將努力創造更加美好及更具可持續發展的未來。



關於我們

神州控股於二零零零年成立，二零零一年在香港聯合交易所主板上市（股票代碼00861.HK）。二十年間，神州控股以「數字中國」為使命，秉承「責任、激情、創新、共享」的企業文化，銳意變革，砥礪前行，以自主創新的核心技術賦能城市智慧化發展與產業數字化轉型，推進數字中國進程；為客戶提供先進、專業的數字化服務。在完成從中國IT產品分銷龍頭企業，向中國領先的整合IT服務商、信息化專家和智慧城市專家戰略升級之後，神州控股再一次向數字化轉型之路邁進，致力於成為技術領先的大數據服務集團。神州控股及其附屬公司，截至二零二零年十二月三十一日共計14,399名員工。

作為一家以自主創新的大數據融合技術賦能城市智慧化發展和產業數字化轉型的高科技企業，神州控股已在智慧城市、智慧產業鏈、金融科技、智能醫療、智能製造、智能農業、智能運維、量子通信等核心領域完成相關佈局，成績斐然。

• 我們的願景及使命

我們深明神州控股在業界越來越重要的地位，因此我們在持續創新的過程當中，將如何為社會與自然環境創造長遠價值作為我們考慮的一個重要內容。作為中國頂尖科技人才的僱主，我們必須為我們的員工提供安全健康保障以及不斷發展的機會。作為社區的一份子及企業公民，我們亦熱心公益，通過扶危濟困等行動推動社會的進步。我們致力於將社會責任融入企業的各個方面（包括產品、服務、科技創新、文化傳承和數字化升級），為推動社會可持續發展助力。

展望未來，神州控股將不忘初心，努力踐行「數字中國」之理想，將面向城市大數據場景、行業大數據場景、金融科技場景、創新孵化場景等核心場景，通過產學研創新孵化，圍繞數據供應鏈打造核心產品，以數據加工技術產品賦能數據產業加速發展，構建互為生態的軟件生態，為客戶提供全方位軟件授權及訂閱服務，持續賦能城市智慧化發展和產業數字化轉型，不斷助力民生服務改善和數字經濟發展，努力為股東、客戶和社會創造更大的價值。

關於本報告

《神州數碼控股有限公司環境、社會及管治報告》（以下簡稱「本報告」）根據香港聯合交易所有限公司於二零一九年十二月頒布的《環境、社會及管治報告指引》，並參考全球報告倡議組織GRI的相關規則而編製，旨在向廣大利益相關方群體闡述我們的環境、社會及管治政策，以及年內的工作與成果。環境、社會及管治報告小組由本集團各相關部門人員構成，每年負責收集、整理相關信息，匯總編撰形成本報告。

• 管治架構、策略及目標

董事會負責評估及釐定本集團有關環境、社會及管治的風險，並確保本集團已設立合適及有效的環境、社會及管治風險管理及內部監控系統，對本集團的環境、社會及管治策略匯報及負責。二零二零年，本集團環境、社會及管治風險管理及內部監控系統有效運行。

我們認為，制定有效的管治策略，使本集團業務的經濟、環境及社會利益與本集團本身的其他業務目標得以平衡至關重要。我們已將環境、社會及管治和管理的考慮因素全面融入本集團的業務營運及管理中，作為企業發展策略的一部分，並且特別重視我們與利益相關者之間的聯繫，如聽取用戶的意見、與合作夥伴協作互動、關懷員工並與他們一起成長，以及肩負更多的社會責任等。我們環境、社會及管治策略的目標，是做負責任的大數據運營服務集團，並獲得公眾廣泛認可。在實現這個目標時，我們奉行可持續性、恪守誠信及推動行業內共享增長與發展的原則。

- **匯報原則及範圍**

在匯報原則方面，本報告遵循：

- **重要性原則：**結合本集團戰略和營運情況，我們就影響本集團業務營運可持續性、且各利益相關者表示密切關注的經濟、環境和社會事宜，來確定本報告檢討的重要領域。為此，本集團會與各利益相關者保持密切溝通，以評估環境、社會及管治議題的重要性及排序（詳見下文「利益相關者」內容）。
- **量化原則：**本報告將盡可能用數據展示相關環境和社會事宜，如列示關於資源消耗和碳排放相關數據、以及折算的假設和計算方法及參考依據等。
- **一致性原則：**本報告將披露統計方法或關鍵績效指標的變更（如有），或任何其他影響比較的相關因素，以避免誤導報告使用者。

在匯報範圍方面，除非特別註明，本報告所載內容涵蓋所有神州控股的附屬公司。

另，本報告所引用的全部信息數據來源於本集團正式文件、經過審計的公司年報、經本集團職能部統計／匯總與審核的相關數據信息。

下文，我們將從利益相關者、用戶、員工、社區、知識產權、供應鏈及反舞弊和環境等幾個方面均衡闡述我們的環境、社會及管治策略，以及二零二零年度的實施成果。

利益相關者

• 利益相關者分析

我們深知利益相關者對我們環境、社會及管治表現進行反饋的重要性。因此，我們與利益相關者保持了密切的溝通，收集利益相關者在環境、社會及管治方面的相關意見和建議。我們亦會通過不同渠道（包括會議，意見調查，研討會等形式）與利益相關者進行公開且透明的對話。下表列示了本集團主要利益相關者、議題和溝通渠道。

利益相關者	主要議題	主要溝通渠道
政府及監管機構	合規，企業管治	會議，書面報告，訪問，政策諮詢，信息披露
股東及投資者	業務發展，投資回報	公司信息披露，投資者會議，社交媒體平台互動
非政府組織及媒體	環境保護，合規諮詢，慈善	行業活動，新聞發佈會，社交媒體平台互動
客戶	產品及服務質量，隱私保護	客戶反饋，會議，客戶服務熱線，實時客戶支援
員工	培訓，福利，職業規劃，健康工作環境	工會，員工大會，神碼匯培訓機制，企業社交平台，定期員工滿意度調查反饋
社區及公眾	志願者服務，慈善，環境保護	公司網站，公司微信公眾號，媒體報道，不定期社區／志願者活動
供應商	公平合作，誠信	會議，定期評估，實地考察

舉例說明，本集團非常重視和監管機構、股東及媒體的互動（本集團與其他主要利益相關者的溝通互動請見正文），除嚴格按照監管要求履行信息披露義務外，還多渠道多方式搭建交流平台，通過定期和不定期的交流會，讓監管機構、股東及媒體等利益相關者充分了解本集團的經營情況和發展方向；同時本集團也認真聽取相關方的意見和建議，希望以可持續、健康的方式不斷發展，回饋各利益相關者。



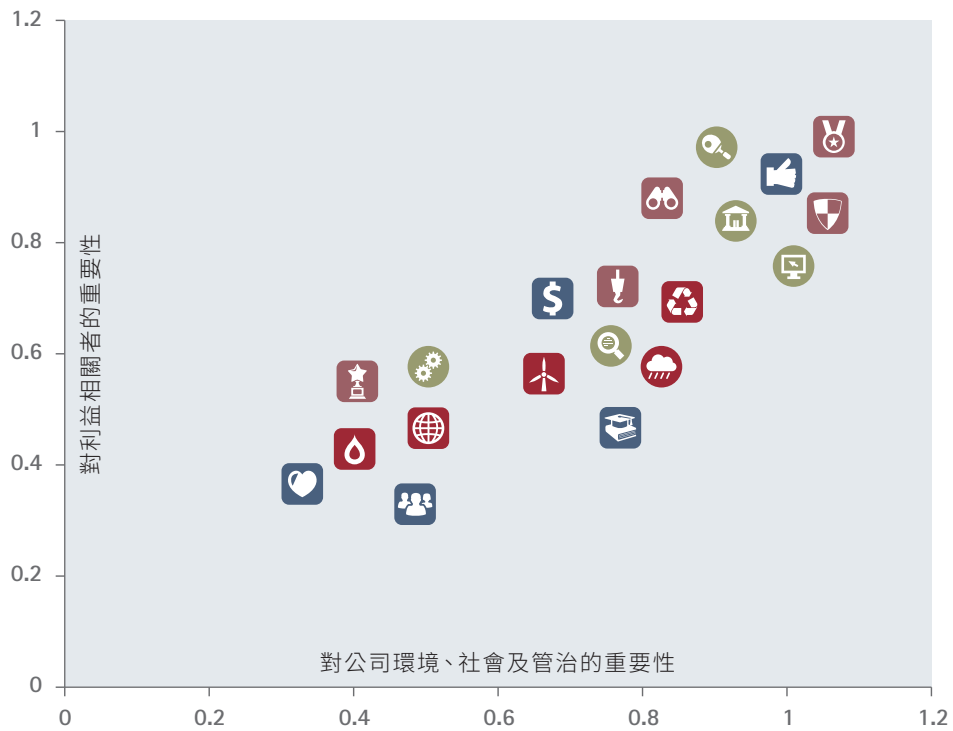
與媒體、投資者等
交流互動

環境、社會及管治報告

於二零二零年，本集團除按照監管要求嚴格進行信息公告、定期召開股東大會外，日常也不定期邀請股東／投資者召開介紹會。據統計，二零二零年度本集團與股東／投資者及媒體召開的會議已超60場。境內外多家券商分析師都定期出具本集團的研報。

- **環境、社會及管治議題重要性評估**

於二零二零年，我們不僅通過上述溝通渠道與我們的利益相關者探討環境、社會及管治議題的重要性，更通過一次在線問卷調查了解本集團利益相關者對相關議題重要性的排序。結合調查結果及我們與利益相關者的溝通，環境、社會及管治議題重要性評估的結果如下：



- | | | | |
|-----------|----------|-----------|-----------|
| 疫情下公司正常運營 | 反貪腐 | 多元化 | 吸引，挽留人才 |
| 遵守監管法規 | 社區、志願者活動 | 員工健康與安全 | 員工福利 |
| 媒體、分析師披露 | | 員工培訓與發展 | |
| 應對氣候變化 | 節能管理 | 供應鍊／供應商管理 | 產品創新 |
| 減少污染 | 廢棄物管理 | 客戶滿意度 | 客戶數據安全及隱私 |
| 水資源管理 | | 知識產權 | |

- **環境、社會及管治方向**

神州控股上市二十年來，不忘初心，始終以「數字中國」為使命，秉承「責任、激情、創新、共享」的企業文化，持續創新，為我國數字化轉型賦能。同時全力推進可持續發展戰略，積極搭建健康的產品生態。

在引領「產業大數據」創新「數字新基建」的過程中，神州控股經外部機構評選，取得了二零二零年度數字基建Top100第一名，二零二零年新基建大數據最佳服務商，以及二零二零年最具成長性科技中概股上市公司等等獎項。未來，我們會繼續強化企業管理體系，將環境、社會及管治更深地融入本集團的業務營運之中，並與各利益相關者更緊密合作，力求開創更美好的將來。

用戶

- **科技助力，高標準服務客戶**

作為一家大數據科技公司，本集團一直堅持「以客戶為中心、以服務為導向」的宗旨，圍繞城市大數據、行業大數據和金融科技等業務場景，向政府、行業、企業等客戶提供一站式的信息化服務，包括項目實施服務、平台運營、數據運營、軟件訂閱服務、軟件維護支持服務、諮詢服務以及端到端的供應鏈服務等。

本集團致力於為客戶提供高標準的服務，旗下公司已獲得ISO20000信息技術服務管理體系認證。同時，為保障客戶服務連續性，本集團建立了ISO22301業務連續性管理體系，通過體系的建立和執行，評估相關風險，保障為客戶提供業務服務的連續性目標，確保向客戶提供有專屬資源，包括軟件系統、設備、人員、資金等。持續優化服務中斷應急預案，全面部署應急管理工作，明確職責分工和應急處理工作流程。並做好應急管理日常培訓，提高應急管理人員的應急處理意識和應急實戰能力，將應急管理意識融入到日常管理工作中。同時每年會更新完善服務中斷應急預案，不斷提高預案的合理性和可操作性，加強服務中斷應急預案體系建設。二零二零年農曆新年期間，本集團項目組技術工程師放棄休息，堅持從初一到初六到客戶現場進行系統巡檢，保障系統在假期期間穩定運行，得到客戶的高度認可；疫情期間，項目組技術工程師排除重重困難，完成了威海市政府疫情防控的信息化支撐任務。

此外，本集團還通過信息化的手段，建立了完善的客戶服務體系，使得整個客戶服務過程標準、透明、高效，做到「問題有積累，問題有跟蹤，問題有答覆」。本集團立足自身業務實際情況，結合市場發展和客戶需求變化，根據不同業務服務類型精細化的設計定期客戶滿意度調查，力求充分的、真實的了解客戶的意見和建議並作為企業持續提升服務的重要依據。

在售後服務體系方面，本集團設有專門部門處理客戶投訴和反饋。二零二零年度，客戶或客戶經理收集反饋的投訴數量約為16,000單，整體投訴單量約佔整體業務單量的萬分之五。一旦客服人員收到投訴，客戶部以客戶為先，把解決客戶問題放在第一位，首先達成客戶要求，後續再聯合運作部通過對發生問題的流程進行梳理，針對問題環節進行整改，制定相應的管理規範和操作流程，減少或避免類似問題再次發生。

- **加強質量管理，提升客戶體驗**

在質量標準方面，本集團高度重視研發過程和項目交付質量，具有很強的內控管理意識和能力。本集團具有成熟的基於PMBOK的項目交付管理體系、基於CMMI-5級的軟件成熟度體系和ISO9001的質量管理體系、測試管理體系規範、配置管理體系規範等，同時還擁有完善的項目管理和工程過程的工具體系作為支撐，有效地保障了項目管控和質量管理的效果。

在體系保障方面，我們搭建了匹配客戶業務視角的服務支持體系與貫穿交付全過程的質量管理體系。內外部協同分工，成立對應項目部，設置項目經理、商務客服，對接客戶端，將需求進行轉化內部項目流程；內部運營體系也設置相應的接口人，項目部與運營體系聯合協同，輸出對應的服務方案和產品，從而對服務質量進行保障；在服務過程中對客戶的需求和問題進行及時的響應和反饋，每月每季度都會對客戶KPI指標進行統計分析，針對有問題的項目及時進行整改，滿足客戶需求，提升客戶體驗。

- **保障數據安全與用戶隱私的重要性**

隨著全球信息化的不斷推進和互聯網的高速發展，數據將滲透到當今每一行業和業務領域，成為繼土地、勞動、資本之後重要的生產要素，構成未來發展的核心競爭力。政務數據不僅包括了城市管理和建設相關的數據，還涉及到無數公眾的民生服務和消費的信息；金融數據包括金融行業所涉及的市場數據、公司數據、行業指數和定價數據等；用戶個人數據則囊括了個人身份信息、健康信息乃至消費習慣等相關的各種信息……這些數據具有無窮的潛力，正在成為企業的核心資產和創新的源泉。

大數據在帶來便利的同時，也喚起人們對於數據重要性及安全性的關注。面對如此體量龐大且種類繁多的數據和信息，如何對其進行安全保護、防止數據被洩露，已經成為數據安全建設中最重要的任務。

- **科技創新及數據安全**

科技創新是持續發展的源動力。神州控股旗下因特睿基於國家技術發明獎一等獎技術成果轉化的燕雲DaaS，作為自主創新、世界領先的大數據旗艦產品，可在無需更新原有系統的情況下，以最低成本方式將不同年代、缺乏原廠支持的系統和數據通過產生API鏈接進行整合，實時更新，同時提供用戶認證、通道隔離、內容加密、訪問防護、數據區塊鏈等多種技術保障數據安全，正被廣泛應用於科技部、工信部、農業農村部等10餘個部委和北京、上海、貴州、浙江等20多個省市自治區，成為支撐萬億級大數據產業生態發展的一項共性關鍵技術。

二零二零年，神州控股在多地中標了城市級大數據平台，圍繞數據的採集、存儲和共享使用進行整體數據安全方案的設計，有效解決數據共享使用中的數據確權、數據追溯等痛點問題，保障數據不被洩露，有效打消部門及大數據管理局對數據安全的擔憂和顧慮，讓各部門「願意給，願意用」數據，大數據管理局可以放心實施政務數據的交換共享。

金融安全關係國家安全。伴隨國內金融機構數字化轉型創新步伐的提速，打造具有敏態高效、穩定安全等特點的IT應用體系，已成為金融機構支撐業務創新的必選項。神州控股旗下公司通過技術手段，以金融安全穩定為使命進行科技創新活動，從主動安全和被動安全兩方面共同發力，構建安全生態。本集團依托擁有眾多金融適配應用案例的行業地位優勢，持續與金融行業內重要基礎軟硬件企業展開廣泛適配，不斷擴大自身金融產品適配範圍，並通過金融生態構建，攜手共同牢鑄金融安全。截止目前，本集團基於銀行分佈式核心業務系統，已在多個銀行取得落地案例，為金融機構提供一站式解決方案，助力金融機構在安全前提下進行數字化轉型、高質量發展。

● **項目執行及數據安全**

在項目執行過程中，本集團也非常注重數據安全和用戶隱私。在人員安全、物理安全、網絡安全、應用安全、日誌管理等方面均制定和實施了相關的技術措施和管理措施，在較大程度上保障了客戶信息的保密性、完整性和可用性。

- 客戶需求調研階段，明確安全需求，輸出需求調研報告中包含具體的安全需求的內容，並進行可行性分析；編製設計說明書時，根據需求調研報告回應安全需求，做出對應的安全設計，並經過評審確認；
- 編碼階段，遵循安全編碼規範並經過安全審核，定期備份，任何變更情況都經過評審與客戶確認；
- 測試階段，除進行必要的功能性等檢測外，對系統進行缺陷監測、風險漏洞掃描、訪問控制等安全性測試；
- 試運行階段，除關注系統運行狀態功能性能的表現，對照需求調研報告驗證客戶安全需求是否得到滿足；
- 維保階段，注重系統上線後的安全巡檢，定期補丁升級，安全加固，並進行病毒查殺，輸出相應記錄。

● **安全管理資質**

神州控股旗下公司擁有ISO27001信息安全管理體系認證、信息安全服務資質、安防工程企業資質一級、信息安全服務資質(安全工程)一級、信息安全服務資質(風險評估)一級等系列信息安全相關資質。通過安全體系的建立和安全資質的獲取，加強並完善了本集團在客戶服務中的風險管控要求。同時，本集團每年組織開展信息安全內審，並聘請專業第三方機構對信息安全管理體系的建立和執行情況進行複審，落實保障本集團為客戶服務的信息安全管理，降低科技風險。

員工

• 平等及多元化

一個企業的成功，最關鍵的因素是人才。我們相信，員工在塑造企業文化、成就公司發展中起著至關重要的作用。神州控股能取得持續的成功，一萬四千多名員工的專業知識與敬業精神不可或缺，我們始終堅持以企業文化為導向的人才選拔和獎勵機制，就是要形成一個土壤，吸引越來越多的人才成為神州數碼事業的同路人。神州控股給志同道合的優秀人才提供了一個沒有天花板的舞台，努力為一萬四千多名員工提升工作與生活質量。

神州控股公平對待所有同事和求職者。根據本集團相關政策，在招聘、培訓、晉陞、調職、薪酬、福利等方面，我們不會受員工的年齡、性別、身體健康、婚姻狀況、家庭崗位、種族、膚色、國籍等因素所影響。我們十分重視當地法律和國際勞工組織關於工作中的基本原則和權利，以消除強迫勞動。我們禁止業務和供應鏈中使用童工，所有的員工必須在本集團經營所在地的法定年齡以上。我們消除在就業和職業方面的歧視，尊重社團自由和工會談判的權利等。

我們採用不同的招聘渠道，以吸引優秀人才。我們還鼓勵同事推薦人才，創造一個令人舒適、能夠充分發揮潛能的工作環境。

訪問我們的網站，以下載我們的《神州控股多元共融政策》及《神州控股人權政策》。

• 僱傭

針對國內員工，神州控股嚴格依照《勞動法》和相關法律法規的要求，與員工簽訂勞動保障合同。按照國家政策要求，為員工繳納養老、醫療、失業、工傷及生育等社會保險及住房公積金。除年假外，員工享有婚假、產假、喪假、陪產假等相關假期。本集團每年為員工組織一次免費身體檢查。本集團還設有年度獎金，根據經營業績情況發放予表現良好的員工。

針對港澳台及海外員工，本集團亦遵守所有當地法律以及國際勞工組織的基本原則和權利宣言，以確保公平對待我們的員工。

• 薪酬及福利

為了吸引及保留優秀人才，保障公司的持續發展，本集團建立了相應的薪酬分配和考核激勵體系，實行崗位工資制和績效獎金相結合的分配製度，以績效為導向，吸引和凝聚人才。

我們的薪酬採用「3P薪酬管理方法」，在該方法中，我們根據工作崗位(Position)，人員能力(Person)，和績效(Performance)來制定員工的薪酬。我們旨在為員工提供公平、有競爭力的薪酬，為此會定期覆核固定和浮動工資，優化福利組合，滿足不斷發展的人才和組織需求，也保障性別平等和遵守不斷變化的法律法規要求。

同時，我們認為非財務獎勵對於吸引、聘用和留住員工非常重要，因此除了員工固有的薪酬和福利外，我們通過提供豐富的學習和發展機會，助力員工的職業發展。

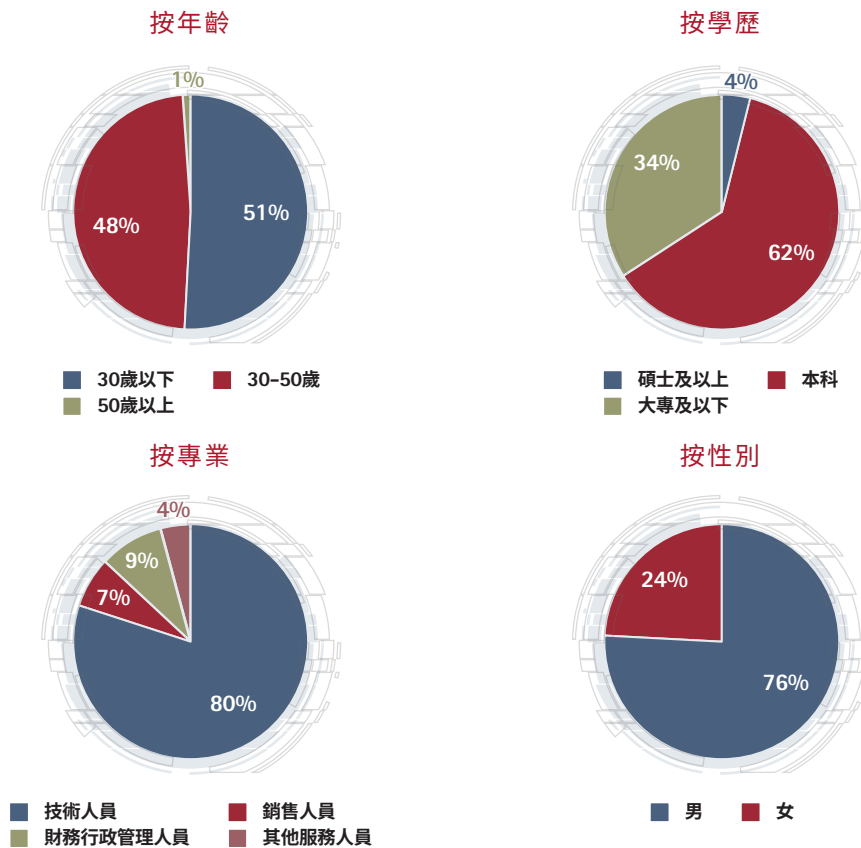
此外，我們會定期表彰為組織做出貢獻的員工。例如，本集團設立了「傑出貢獻獎」、「創新獎」、「協同合作獎」和「主人翁獎」等獎項，對獲獎的團隊和個人進行公開表彰。我們還定期組織「員工日」，使員工擁有更強的歸屬感，進一步提升公司的凝聚力。

• **員工基本情況**

人才是引領業務發展的關鍵因素。在過去的一年中，本集團為吸引優秀人才，持續拓展和優化渠道建設，搭建人才體系，實行綜合考核、擇優錄取，同時也關注本集團員工的多樣化，歡迎不同種族、民族、性別和地域的優秀人才加入神州控股。

截至二零二零年底，神州控股員工人數為14,399人，較二零一九年同期人數11,803人增長約22%。二零二零年神州控股人員大幅增加，主要原因在於神州控股旗下部分公司業務擴張，增加了用人需求所致。

二零二零年，神州控股員工按年齡、學歷、專業和性別等劃分及所佔比例如下：



備註：以上均為全職員工；因業務需要的臨時用工，本集團會與人力資源公司合作使用外包人員。

• 發展與培訓

作為一家力求創新的企業，神州控股每年均確保投放充分的資源，為員工提供各類培訓。我們的培訓體系設計與員工在本集團的職業發展路徑相匹配，所有培訓課程設計的宗旨都是幫助員工在相應的發展階段能更加勝任崗位的要求，並能更好、更快地向上發展。我們組織骨幹新員工培訓，使其更加了解本集團的業務現狀及戰略目標、發展歷程和企業文化，增強員工的文化認同感。本集團業務單元按實際需要設計並開展業務專業類培訓。我們還利用在線學習中心提供通用性培訓，幫助員工有效提高工作能力與效率、提升職業化素養。同時，員工可主動申請參加外部培訓機構提供的專業技能培訓、管理技能培訓或專業認證考試等。

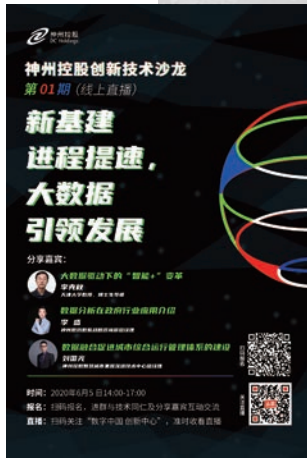
二零一九年，為建立本集團管理幹部和專業精英的儲備梯隊，本集團創建了「神碼匯 (DC Elite)」人才培養平台項目，以激發組織活力及業務發展的內生動力。二零二零年，本集團又創建了旨在培養技術人才的「神技營 (DC Geek)」，通過「神碼匯」和「神技營」的「雙神」組織培養核心管理團隊，構建神州控股精英人才培養體系。

「神碼匯」致力於為神州控股選拔並培養管理幹部，在一年的運營中，神州控股專屬的人才培養體系在不斷成熟和完善，從選拔標準的迭代，到培養模式的升級，再到實戰演練的蛻變，讓每一位成員切切實實感受到了自我的提升。「神碼匯」成員作為本集團的後備幹部梯隊和先進員工代表，勇於踏出各自崗位，充分發揮主人翁精神，通過攻克一個個課題，迎接一次次挑戰，更加密切接觸本集團戰略、業務佈局、發展規劃等，不斷探索創新，用責任、激情、創新和共享共同推動本集團的創新和變革，為成為神州控股的未來幹部蓄積能量。

「神碼匯」課題討論及匯報



「神技營」致力於為神州控股選拔並培養技術「大咖」，作為一家大數據領軍企業，科技力是本集團對外開疆拓土的硬實力，也是成就本集團戰略、實現行業領先的關鍵一環。「神技營」成員在本職工作之餘，全身心投入到技術戰略落地中，積極推動本集團的科技文化建設，並邀請外部專家，以開放的心態積極了解業界友商的技術特長，充分了解新領域的業態和趨勢，成功舉辦了多場有份量的技術沙龍。「神技營」成員堅持立足技術，秉承極客文化，在成就本集團戰略的新技術中，不斷探索創新、突破自我，創造了一次又一次的奇跡。



「神技營」技術沙龍
海報集錦



二零二零年，本集團進一步加大培訓資源投入，員工學習時間超過13.7萬小時，學習人次超過18,000人次。培訓內容涵蓋運營崗位、團隊管理、倉儲管理、新員工入職培訓、規章制度、客戶專題、財務專題等。二零二零年，在疫情影響的情況下，本集團人均培訓時長約為10.32小時，與二零一九年人均培訓時長9.5小時相比，仍實現8.6%的提升。主要在於本集團以疫情為契機，大力發展線上培訓渠道，加強了培訓的靈活性，有效的解決了地域性、學員時間不好調配等因素對培訓實施的影響，並可有效統計培訓完成率，跟蹤培訓效果。

按職級劃分，年內HR培訓系統及在線學習中心、雲課堂等記錄的不同職級僱員平均接受培訓時數如下表。高級經理至總經理除了常規認證培訓外，外派培訓及內部專業培養內容較多，享受到更多的培訓資源。

按職級統計	平均培訓時數
高級經理至總經理	75.43
總裁及副總裁	46.70
經理	8.64
一般員工	5.53

按性別劃分，年內員工平均接受培訓時數如下表。男女員工平均享受的培訓資源基本持平，無明顯變化。

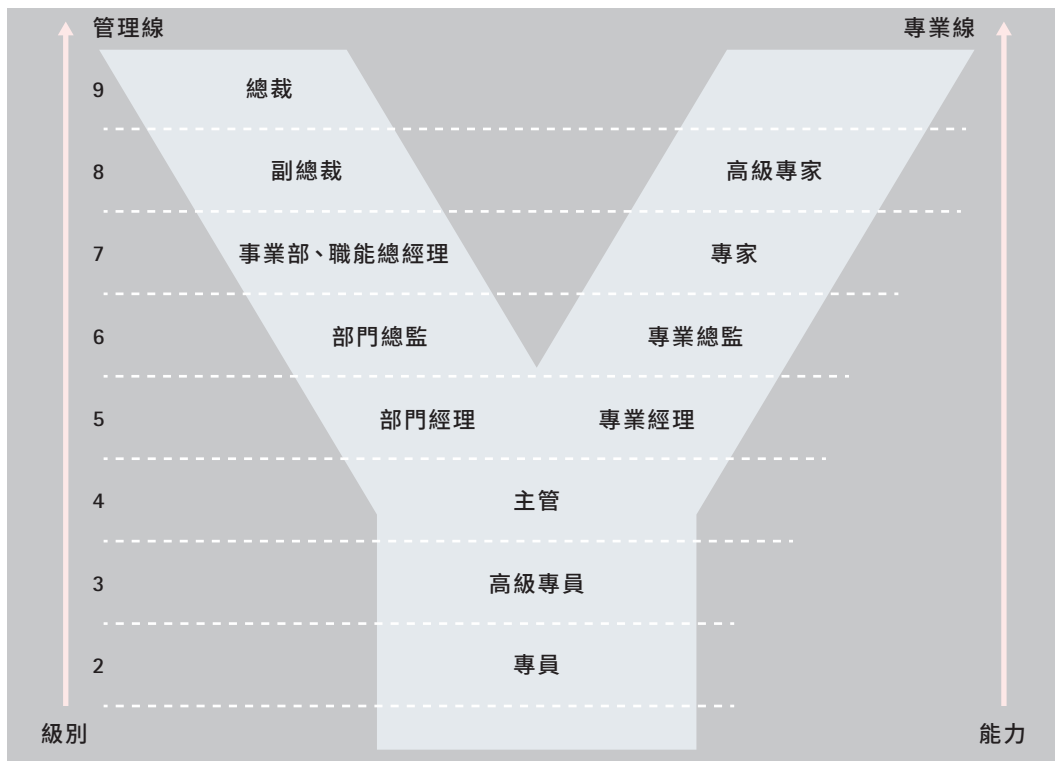
按性別統計	平均培訓時數
女	10.83
男	10.14

按培訓內容劃分，年內員工接受各類培訓內容的平均培訓時數如下表。業務專業類培訓相比其他內容的培訓有更多的資源投入。此外，二零二零年新增流程制度類培訓，有利於全體員工更加清晰的了解本集團的規章制度和相關流程，增強員工對本集團內控體系的認知和認同感。

按內容統計	平均培訓時數
專業培訓	5.84
企業文化	1.63
管理培訓	1.58
廉潔從業	0.75
通用技能	0.29
流程制度	0.23

晉陞與職業發展

在神州控股，員工可通過晉陞承擔更多的工作職責、到達更高的工作崗位，同時享受更好的薪酬待遇。本集團通過組織及幹部管理規範，加強了神州控股組織設置、幹部任命和專業級別評聘的規範化管理，為員工晉陞發展提供了公平公正的平台。本集團設立管理和專業雙通道發展路徑，打破「官本位」，建立了具有神州控股特色的職位晉陞體系。



2020年神州控股職位晉陞體系示意圖

在評定員工晉陞及發佈幹部任命時，我們一般考慮以下因素：

- 員工已證明其工作能力超出原有工作的期望／範圍；
- 員工將承擔更大工作責任，並且很有可能在新職位上勝任並獲得成功；
- 員工已獲取新技能，並繼續成長發揮更大的貢獻；
- 員工有個人意願來提高職能責任等。

本集團正式將「共享」作為本集團的核心文化之一。未來我們將通過「神州控股合夥人計劃」，為員工職業生涯開闢新的通道，激發每一位「合夥人」的主人翁意識，使其能夠更深入地參與到本集團的經營管理，讓每一個奮鬥者都能分享本集團發展的紅利，實現「共建、共治、共享」。

我們通過獨具特色的人才培養機制，為志同道合的員工提供了一個能夠充分發揮聰明才智、沒有天花板的舞台，使得優秀人才能夠脫穎而出。本集團倡議的自主職業生涯規劃理念，提供上述多樣化的發展路徑，鼓勵員工選擇適合自己的職業發展及晉陞路徑，實現「我的未來我做主」。我們希望，在神州控股的舞台上，每位員工能成就自身的理想，並在未來成長為「數字中國」的棟樑。

• 離職及解聘

神州控股致力為員工提供連續及持久的就業機會，但員工的離職和流動存在各種主客觀原因。我們致力確保以公平、非歧視和一致的方式處理所有離職事宜。在處理任何離職時，我們都尊重本集團員工的權利，並充分遵守當地法律法規的要求。

對於有能力的員工，本集團將盡力挽留，降低人才流失率。如個別員工的工作行為違反我們的既定規則和／或當地法律法規，本集團將視情況進行紀律處分、解聘和／或採取糾正措施，甚至移送司法機關。二零二零年，神州控股員工流動率按照專業、性別、年齡組別及地區劃分如下所示：

劃分標準		流動率
按照專業構成	技術人員	22.76%
	銷售人員	24.62%
	財務、行政、管理人員	21.08%
	其他服務人員	25.21%
劃分標準		流動率
按照性別構成	男	23.65%
	女	8.69%
劃分標準		流動率
按照年齡構成	30歲以下	25.81%
	30-50歲	19.32%
	50歲以上	24.16%
劃分標準		流動率
按照地區構成	內陸	22.84%
	港澳台及海外	21.31%

二零二零年度，本集團員工流動率整體為22.84%，較二零一九年的24.47%有所下降。通過按不同劃分標準流失率的對比，可以看出按專業崗位分組銷售及其他服務人員流動性相對較高，按年齡分組30歲以下的員工流動性相對較高，按性別分組男性員工流動性較高。

備註：

- 1、 本報告中，員工流動率=流動人數／(年末人數+當年內流動人數)*100%；
- 2、 二零一九年及以前的環境、社會及管治報告中，披露的員工流動率=離職人數／((年初人數+年末人數)/2)*100%；
- 3、 上文中，二零一九年的員工流動率24.47%已經按照新的計算方式重新計算，與二零二零年的員工流動率具有可比性。

本集團將遵守所有當地法律以及國際勞工組織的基本原則和權利宣言，以確保公平對待我們的員工。

訪問我們的網站，以下載我們的《神州控股行為準則和商業道德政策》。

• 工作生活平衡

我們認為，過度的工作壓力會影響員工的情緒、身體健康及其家庭生活。在多元化的文化環境下，我們鼓勵工作與生活的平衡文化。本集團非常注重員工文化活動，把開展、豐富員工文體活動作為輔助本集團文化建設的重要組成部分，成立了員工游泳健身俱樂部、羽毛球籃球等球類健身俱樂部、雲合唱團等。

二零二零年，助力本集團疫情防控工作，激勵員工強身健體，本集團工會等組織開展員工游泳及羽毛球健身俱樂部活動，累計參與人數840餘人次，守護健康，釋放壓力。同時組織開展了員工羽毛球等賽事活動，百餘名員工參與其中，團結拚搏，超越自我，感受運動快樂，共享健康生活。



二零二零年員工
羽毛球賽合影

自疫情爆發以來，本集團設法保留了人力資源，未實施任何裁員、降薪或要求員工申請無薪假等措施。我們希望和員工一起，同舟共濟，共克時艱，並因此進一步提升公司的凝聚力。

• 職業健康及安全

神州控股的日常業務以辦公室內計算機應用和文書工作為主，此等活動並無重大職業安全及健康風險。雖然如此，我們仍致力於保障員工的職業健康與安全，並制定具有實際操作意義的職業健康與安全政策，有效保障員工的健康與安全。神州控股旗下公司，已獲得《ISO45001職業健康安全管理体系認證證書》。

依據《中華人民共和國社會保險法》，本集團為員工及其家庭提供各種與健康和安全的保險福利，包括：醫療保險、商業保險、意外險、人壽險等；並與專業醫療機構合作，為員工提供私人醫生在線問診服務；更在疫情期間為派駐海外的員工新增新冠疫情專項保險。更好的保障了員工身體健康，提高員工風險抵抗能力。只有提高和保障員工的職業健康與安全水平，才能有效提高生產率，從而達到企業與員工的雙贏。

本集團還通過員工互助基金會，繼續做好、做實送溫暖工程，服務員工需求，積極助力和諧勞動關係建設，提升員工幸福指數。在員工的大力支持與參與下，二零二零年員工互助基金入會人數6,912人，收取會費人民幣82.94萬元，其中包括本集團部分高管人員的捐贈。本集團重視紀律，高管人員嚴守規定並率先垂範，會議遲到情況下，會觸發自主捐贈機制，捐獻款項用於互助基金的員工救助。二零二零年，本集團員工互助基金累計完成救助傷病員工7例，理賠共計人民幣30.32萬元。二零一八至二零二零年，本集團因工亡故員工1人。二零二零年工傷員工共計4人，損失3,656個工時。

我們嚴格遵守營運地點有關於職業健康與安全的相關法律法規；在工作場所為員工提供必要的健康與安全指引；制定職業安全與健康應急管理條例及辦法；並為員工提供優質的辦公和生活場所。

- 二零一七年開始，本集團安裝新風淨化系統，保障了辦公室內優質的空氣，為全體員工身體健康提供有力保障。本集團行政部負責統籌數碼科技廣場的日、夜間保安，消防設備和急救設備的維護，以及火警演練；
- 二零一八年，本集團對大廈健身房進行了全面升級改造，優化了硬件環境，新增了划船機、動感單車、桌面足球等健身設施，並且對本集團所有員工免費開放，鼓勵員工在工作之餘，注重健康，強身健體；
- 二零一九年開始，為最大限度保障員工飲水安全及質量，避免二次污染，統一將辦公區桶裝純淨水改為納濾直飲水，品牌選用國內龍頭企業；
- 二零二零年，面對突發及持續的疫情防控，我們採取了一系列措施以保障員工的健康與安全：向員工發放口罩；定期組織對辦公區進行重點消殺和清潔；實施出入管理，人員進入需測溫、查驗工卡、登記；抽調會議室，安排員工分散辦公，做好日常防疫防護工作，保障疫情期間辦公區的安全等。此外，全面更換餐廳桌椅，設立了休閒會議室，在保障疫情安全的前提下使員工享受乾淨整潔、輕鬆美好的環境。

訪問我們的網站，以下載我們的《神州控股職業健康及安全政策》。

• 溝通渠道

神州控股鼓勵上級與下級之間保持平等的對話。這種良好、融洽、坦誠的人際關係與交流溝通，保持了本集團內部和諧、相互信任、共同進步的工作氛圍，是高效協作的基礎。本集團建立了順暢的溝通渠道，員工的直接上級和部門、人力資源部，為員工在工作滿意度提升、勞動保障、職業心理輔導與申訴等方面提供幫助。人力資源部負責收集員工的合理化建議，並及時進行傳遞和改善。

二零一九年以來，本集團建立了每季度召開員工大會的機制，本集團管理層通過員工大會向全體員工做主題分享，解讀本集團的發展戰略和業務生態。員工積極參與溝通，表達出對本集團發展的關注，並通過員工大會的形式了解本集團的戰略及業務狀況。本集團也對員工每次提出的問題及建議進行了跟進與反饋，如拓展會議形式、成立關鍵人才庫等。通過這種形式，本集團可以更好地進行目標溝通、更為直接地讓員工了解本集團的核心價值與發展目標、並促使員工深入思考自身在本集團的工作定位和未來職業發展方向。二零二零年疫情期間，本集團推廣了線上員工大會的形式，員工線上參會、線上提問非常踴躍，保證了疫情期間本集團內部的順暢溝通。



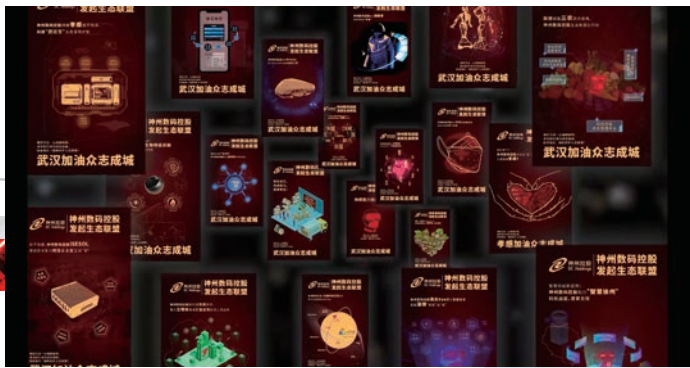
線上員工大會

二零二零年，神州控股迎來了自己十九週歲慶生的榮光一刻，因疫情原因，該活動也採用線上的形式開展，全國員工通過視頻互動的方式參與慶典活動，共同分享美好時刻。

社區

科技抗疫

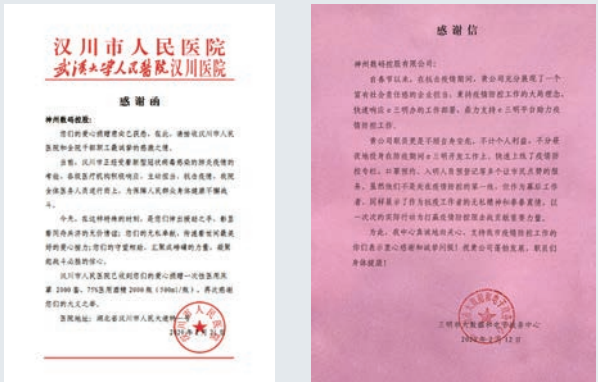
新冠肺炎疫情發生後，神州控股第一時間發起成立抗疫生態聯盟，以生態聯盟+智慧供應鏈「兩位一體」的模式，在確保全員無一人感染的同時，持續抗擊疫情。...



神州控股發起 抗疫生態聯盟

與此同時，神州控股通過應用基於「國家技術發明獎一等獎」技術成果轉化的燕雲DaaS平台，快速採集病患數據、醫療數據、關聯數據，實現疫情數據的互通共享，並結合疫情數據實現多類型大數據應用...

醫院及政府的感謝信

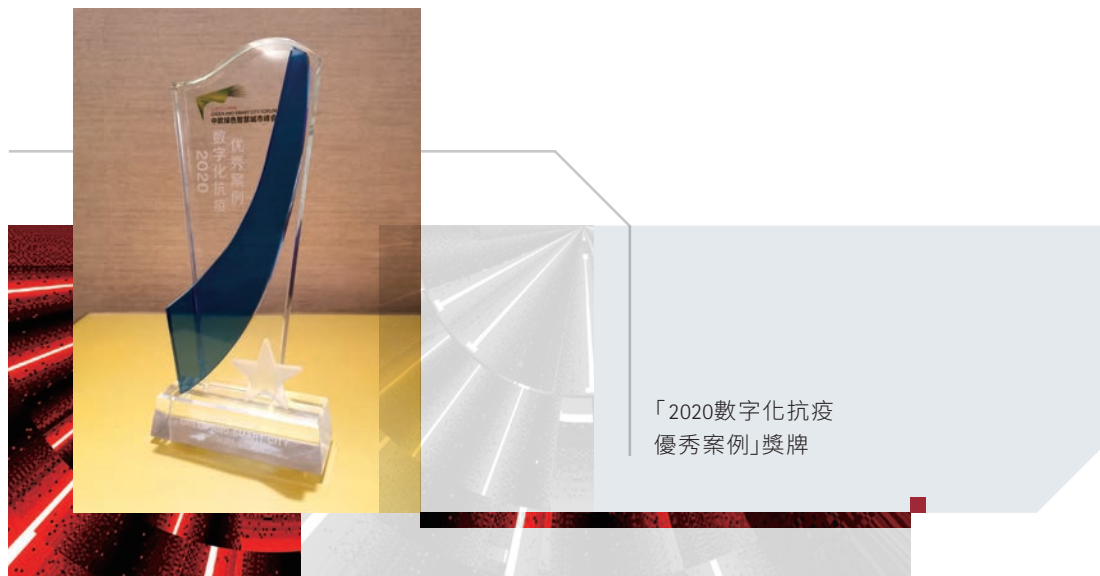


在三明市，三明市政府攜手神州控股基於「e三明」平台和燕雲DaaS快速部署有關服務，有效助力抗擊疫情和復工復產工作。包括：快速上線疫情防控服務專欄，提供防控知識查詢和在線義診服務等，讓群眾知情安心。快速上線口罩預約服務，向市民提供135萬個口罩。推行全流程網上辦事，圍繞復工復產、復商復市，推出入明人員掌上預登記服務。通過政民企互動渠道，及時答疑解惑、回應市民訴求等。有效地保障疫情防控期間生活生產、復工復產有序進行，發揮了顯著作用，受到一致好評。

在漳州市，漳州市政府攜手神州控股利用燕雲DaaS和網上公共服務平台資源共享和優化整合的特點，多方面助力經濟復甦：依托「漳州通」APP推出「出行碼」，探索大數據在加強餐飲領域疫情防控的深度應用，實現服務業有序開放；上線「個人消費發票抽獎活動」及「乘用車補貼活動」，進一步助力疫情經濟的全面復甦，提振消費信心，激發消費潛力；設立「疫情防控期間政務服務網上辦事專區」，通過線上處理業務減少市民線下活動；推行「隨手拍」疫情訴求，與市防疫指揮部建立聯繫通道。

在威海市，威海市政府攜手神州控股充分利用大數據技術，解決疫情防控過程中的疫情監控、指揮調度、基層防控、物資保障、復工復產、業務協同等問題，為政府決策提供了大數據支撐，運用智慧化手段在「精準」、「精細」上下功夫，讓科學防治、精準施策事半功倍。

在「2020中歐綠色智慧城市峰會」上，神州控股以世界領先的大數據技術燕雲DaaS持續賦能三明、漳州和威海的三個城市案例，在眾多國內外案例中脫穎而出，榮獲「2020數字化抗疫優秀案例」。這是對神州控股科技抗疫的又一次肯定，也標誌著中國的技術抗疫再次獲得國際認可。



「2020數字化抗疫
優秀案例」獎牌

• 公益捐贈

神州控股的使命是「數字中國」，在這一過程中，強烈的責任感和追求可持續的創新是我們的兩大信念。在我們日常工作和對社會承擔的責任中，我們的每一個抉擇都堅守著這兩大信念。神州控股及其員工積極踐行這兩大信念，成立了神州控股愛心基金會，十餘年來在抗震救災、教育扶貧和扶危濟困等社會公益活動中累計對外捐贈善款、物資及數字化服務價值人民幣超4,900萬元，彰顯出公司企業文化的正能量和對社會責任的擔當。其中，二零二零年神州控股及旗下公司的主要公益捐贈包括：

- 抗疫捐助物資及服務價值人民幣3,000萬元：抗擊疫情期間，神州控股免費提供的物資及數字化服務價值人民幣約3,000萬元，帶動生態聯盟成員捐贈的物資價值人民幣超2億元。
- 助力湖北抗疫捐贈人民幣100萬元：在疫情發生後，為幫助疫情最為嚴重的湖北省渡過難關，二零二零年五月，本集團旗下公司在中華全國工商業聯合會組織的「知名民企湖北行」活動中向湖北省扶貧基金會捐贈人民幣100萬元用於湖北省脫貧幫扶資金，為湖北疫後重振、打贏脫貧攻堅戰貢獻力量。
- 扶助青少年教育捐贈人民幣50萬元：讓貧困地區的孩子接受教育，是扶貧工作的主要任務之一，也是阻斷貧困代際傳遞的主要途徑。二零二零年十一月，本集團旗下公司向東潤公益基金會捐贈人民幣50萬元，幫助貧困偏遠地區的青少年獲得公平教育機會，健康成長與發展。
- 支持南京抗洪賑災捐贈人民幣20萬元：二零二零年受強降水及天文大潮等影響，南京市高淳區及周邊地區遭受嚴重損失。災後重建等工作雖有條不紊地開展，但防汛形勢依然嚴峻，災後重建任務十分艱巨。為切實履行上市公司社會責任、回饋社會，以實際行動支持抗洪賑災工作，二零二零年七月，本集團旗下公司向南京市高淳區慈善總會捐贈人民幣20萬元用於抗洪賑災。



神州控股旗下公司
公益捐贈證書

上述捐贈已履行相關審議程序和信息披露義務，詳見在《證券時報》和巨潮資訊網上披露的《關於對外捐贈助力湖北疫後重振脫貧攻堅的公告》、《關於向東潤公益基金會捐贈的公告》和《關於向南京市高淳區慈善總會捐贈抗洪賑災款的公告》。

未來，神州控股將繼續倡導企業公民責任，助力社會和諧進步為宗旨，並基於愛心基金會平台，鼓勵更多的員工通過平台參與熱心公益的組織、員工互動起來，使更多的員工參與公益、體驗公益，奉獻愛心、回饋社會。

- **教育扶助**

自二零零二年開始，本集團帶領員工共同籌集善款，先後在四川、湖北、河北等九省建立了十所神州控股希望小學，並持續關注希望小學的發展，至今已經維護十九年，累計捐款捐物人民幣370餘萬元。截至二零二零年底，成都及西安兩所希望小學已按當地規劃撤銷或並校，其餘八所希望小學在正常運營。

另外，本集團還積極助力在線教育。新冠疫情發生後，在線教育需求迎來爆發。神州控股旗下公司作為行業內領先的第三方供應鏈服務商，依托領先的大數據科技，為在線教育公司助力。截至目前，已經與K12（學前至高中教育）、興趣培養、思維拓展、語言培訓等細分領域排名前三的近十家在線教育平台開展合作，提供供應鏈服務。

- **公益扶貧**

為了給社會上困難的人員奉獻一份自己的愛心，神州控股的員工一直在努力。主要實踐包括：

關愛太陽村

北京市太陽村位於順義區趙全營鎮，是經過政府有關部門正式註冊的非營利性機構。「太陽村」的創始人張淑琴接受服刑人員的委託，無償照顧他們無人撫養的未成年子女，依靠社會的支持，為孩子提供生存、生活及基本權益保障。為主動分擔社會責任，保護無辜的兒童，促進社會穩定及和諧，神州控股的部分員工自二零零八年起，一直踴躍參與這一社會公益活動，為他們帶去各種各樣的學習生活用品，關心、幫助太陽村孩子們，助力他們的生活得到改善。

大數據精準扶貧--龍巖

在福建省龍巖市，神州控股為龍巖打造的精準扶貧信息平台，圍繞政府、企業、個人三類主體提供個性化的精準扶貧應用服務：面向政府，依托大數據技術創新打造「精準識別、精準施策、精準脫貧」三大能力，實現扶貧全流程精準可控；面向企業，為「萬企幫萬村」精準扶貧行動打造了精準扶貧大數據平台，有6萬多家民營企業參與其中；面向公眾，搭建了「i幫扶」社會扶貧平台，匯聚社會力量參與扶貧，為貧困大學生和突患大病的貧困人群伸出援助之手。在神州控股的助力下，龍巖市考上大學而交不起的學費現象不再出現。

- **志願服務**

在希望小學運營過程中，熱心於公益活動的員工踴躍參與，通過不同主題實踐志願者行動，例如武漢平台員工參與的科技節課堂、成都平台員工參與組織的趣味運動會等活動。未來，本集團愛心基金會將通過建立志願者管理機制，使更多的員工參與其中。

● **農村開發**

扶貧先扶智，在新的時期，精準扶貧離不開科技的強力支撐。借助新技術賦能，提升扶貧效率，解決傳統扶貧模式的痛點難點，成為了扶貧攻堅工作新的亮點。有著「中國蘋果之鄉」美譽的陝西省洛川縣，蘋果種植面積佔全縣總耕地面積的80%，全縣95%的農民從事蘋果生產。作為引領洛川脫貧致富的支柱，當地蘋果產業的發展也在不斷進步和迭代。神州控股旗下公司與洛川縣政府共同搭建蘋果大數據平台，採集了洛川全縣種植戶、果園、用工、投入、果庫、合作社、專賣店等7類基礎數據312萬條，為果農、企業等主體提供精準權威的數據，面向市場提供系統化的信息服務，引導當地蘋果產業高質量發展。

除了借助大數據平台向農戶、企業提供常態化的蘋果生產及市場價格信息外，神州控股旗下公司還基於全產業鏈數據，聯合當地金融機構創新金融服務，為解決果商融資問題提供了新的思路。當前金融「下鄉」難的主要問題之一在於農村徵信和服務體系薄弱。神州控股旗下公司聯合洛川農村商業銀行，開展倉單質押的惠農業務，通過供應鏈物流對入庫的貨物進行監管，獲取數據，幫助洛川農商行向果商發放貸款。

● **創新中心持續賦能**

本集團持續打造獨具特色的創新中心，以產業前沿引領技術和戰略性技術研發與應用為核心，將其打造成為神州控股科技理念、創新資源、場景應用和實踐成果的展示營銷創新平台和前沿技術交流平台。

作為企業展示自身品牌形象的重要窗口，創新中心通過優化品牌形象，聚合展示生態圈多業務領域最新戰略和場景化行業體驗方案，獲得業務團隊的持續信任，能夠讓客戶了解神州控股業務生態圈的文化、技術、品質、服務等全面的綜合實力。

創新中心
圖片



目前，我們正在幫助多個城市打造城市創新中心和產業孵化器，聚合上下游產業資源，匯聚眾多創新的核心技術，賦能產業發展及生態圈打造，構築一個城市智慧化發展以及產業變革的橋樑和紐帶，成為一張靚麗的城市名片。

目前本集團已舉辦各類活動100餘場，與八十餘位藝術家建立合作關係，完成多個智慧城市、創新中心、展會的策劃、陳列、硬件配置、內容製作、大數據服務、落地執行等一條龍式項目服務。集團努力嘗試將藝術人文與科學技術協同研究，發展集教學、研究與創作於一體的跨學科、跨界域的新型教研實踐基地，將「信息、生態、智慧」與「創造、發展、共享」和諧地融合，在科學與藝術的旗幟下引領大眾對未來社會的思考。

知識產權

創新是本集團業務發展的核心競爭力，也是我們的價值觀之一。自主知識產權不僅可以作為提高業務能力及收益的重要工具、投資資本及未來的核心產品，更是推動國家新基建、大數據、智慧城市和金融科技等核心行業標準化發展進程的有力驅動。

在知識產權方面，本集團法務部門及各業務單元專人負責涉及商標、專利、軟件著作權和其他知識產權等法律事宜的日常管理工作。二零二零年，本集團完善了知識產權管理辦法，進一步規範各業務單元知識產權的管理工作，維護本集團知識產權利益，保護本集團知識產權不受侵害。

截止二零二零年底，本集團擁有知識產權1,846項，其中軟件著作權1,483項，專利99項，商標264項。

在城市大數據領域，我們擁有自主研發、全球獨有的深網挖掘數據融合技術「燕雲DaaS」國家發明專利及相關產品的軟件著作權，該項技術於2018年獲得國家技術發明一等獎，可在無源代碼、無需原廠商配合的情況下，快速打破城市信息孤島，為用戶節省90%以上的項目溝通協調時間，縮短50%以上的項目實施週期。此外，我們在市民服務、城市管理、產業融合等多個領域，也擁有眾多軟件產品和相關軟件著作權，幫助合作城市建設城市「數據底座」，鏈接城市、企業和市民，打通城市數字生態網絡，快速推進以城市大腦和孿生數字城市為核心的新型智慧城市建設。

在行業大數據領域，我們持續打造協同層的供應鏈全生命週期協同管理軟件，提高供應鏈上下游協同效率。我們擁有供應鏈大數據工具軟件、金庫系列產品的軟件著作權，並已完成金庫產品全面升級，核心產品OMS、WMS、TMS、BMS的技術架構重構。本年度著力打造人力用工、資產管理、供應商管理三個全新系統，為本集團雙十一再創單倉發貨450萬單的行業新記錄提供了堅實的技術保障。與此同時，為改善傳統AGV（自動導引車）揀選方式的不足，我們創新性的提出新型機器人智能揀選方案，可應對超高彈性比的業務場景，在行業應用中具備獨特性和領先性，其中「人機共舞」系列技術獲得國家發明專利。

未來，我們將持續推進知識產權管理，優化知識產權線上維護，使其持續高效運轉；重點進行知識產權資本化及產品化嘗試，爭取形成神州控股的新型業務增長點；繼續積極鼓勵創新，加大自主知識產權研發設計；加強維權力度，積極打擊侵權行為，擴大自主知識產權影響力及價值，並積極參與國家相關行業標準化的推進，為我國的高新科技發展積極助力。

供應鏈及反舞弊

• 供應商及採購管理

在採購管理方面，本集團積極與供應商建立良好的合作夥伴關係，始終堅持以誠信對待供應商，建立了公平、公正的評估體系，保證採購成本和質量的控制，從而提升客戶滿意度。目前，本集團已與2,000多家知名IT設備和服務廠商建立了較長時間的穩定合作關係，其中包括5家海外供應商。通過戰略合作及聯盟，積極探索產業發展與生態建設之道，把國內外先進的技術和產品帶給用戶，為用戶提供全面的解決方案和優質高效的服務，共同提升企業對經濟、社會和環境的整體影響力。

為了保障本集團與供應商在業務往來中各自的合法權益，充分體現公平、公正的合作精神，本集團建立了完備的供應商管理計劃與過程監督機制。在選擇合格供應商方面，通常向至少三家供應商進行詢價，並綜合考慮成本價格、交付週期及供應商技術能力等多種因素。嚴格執行供應商准入標準，根據合作的期限、訂單量及需求性質，核查供應商信用和資質情況，並逐步加大在知識產權方面的管理力度。對於新增供應商，要求其提供必須的資質文件以及相應產品的著作權、知識產權的認證資料。本集團還會密切關注合作供應商在相關媒體上的表現，對於污點供應商會停止合作。

本集團非常注重採購過程中的風險防控，制定了公開透明的採購和招標流程，編製了較為完善的採購管理制度，在ISO質量管理體系及上市公司內控合規管理相關要求下採取必要的管控措施，在採購過程中對供應商的供貨質量、交貨期、技術支持和售後服務等關鍵環節方面的信息進行收集、跟蹤和評價，從而實現對採購過程的合規管理和採購商品的質量控制。

本集團一貫倡導「攜手共贏、共創未來」的合作理念，積極與供應商簽署關於「環境保護和職業健康安全維護倡議」的合作條款。並將環境、商業誠信與道德、用工標準及慣例（如禁用童工等）、職業健康和安全等因素，納入甄選供應商程序和採購決策的考量之中。推動與供應商合作過程中節約資源與能源、保護生態環境、保障員工的健康和安全，為社會可持續發展助力。

訪問我們的網站，以下載我們的《神州控股供應商行為守則》及《神州控股可持續採購政策》。

• 反舞弊 重誠信

《中華人民共和國反不正當競爭法》規定，經營者不得利用財物或其他手段賄賂特定的單位或個人，以謀取交易機會或者競爭優勢。《中華人民共和國刑法》規定，單位人員利用職務上的便利，將本單位財物非法佔為己有，可構成職務侵佔罪。此外，針對洗錢等犯罪行為，《中華人民共和國反洗錢法》規定，任何單位和個人發現洗錢活動的，有權向反洗錢行政主管部門或者公安機關舉報。

神州控股深信公平、誠實、廉潔是本集團重要的商業資產，我們嚴格遵守有關反貪腐的法律及法規，提倡正直、進取、協作和創造的價值觀。我們已制定系統的反腐倡廉的制度與措施，以檢查及防範貪污、行賄或任何其他舞弊行為，並持續推進風險管理及風險監控的內部審計。本集團屬於非金融類機構，但風險管理和內部監控部門就日常運營中可能存在的洗錢等犯罪行為保持密切關注，不放過任何可疑的交易。

- **風險管理及內部監控政策**

二零一六年起，我們對風險管理及內部監控政策進行了更新，建立了三道防線制度。第一道防線是本集團各層級業務和職能部門，第二道防線是各業務單元的風險管理及內部監控部門，內部審計部門則擔當第三道防線。該政策明確了不同利益相關者在風險管理與內部監控中的角色與職責，同時強調各個事業部的管理層主要負責所在部門的風險管理和內部監控。一旦發現任何舞弊行為，有關部門的管理層應立即完善監控程序，以防止此類事件的再次發生。風險管理及內部監控部門設有指定的團隊，為各事業部提供內部監控及風險管理支持。內部審計部門亦對各主要業務持續進行審計，以及時和系統地檢查違規行為、識別風險，提高舞弊風險管理及內部監控的有效性。

二零二零年，本集團風險管理評估項目組亦組織對本集團主要相關風險進行了全面評估。風險評估的主要程序包括：風險識別、風險評估和風險應對。其中，對於腐敗風險的評估覆蓋到本集團所有的主營業務，當期末識別或評估出重大貪腐風險。

二零二零年，本集團進一步加強反舞弊制度建設和廉潔從業宣傳，從制度建設、審計監督以及行業誠信聯盟等多角度完善反腐倡廉體系建設。

- **反舞弊及舉報制度**

本集團已公佈《神州控股廉潔從業政策》及《神州控股舉報政策》，向全體員工及供應商、業務合作夥伴傳達關於對舞弊行為零容忍的信息。《神州控股廉潔從業政策》，提倡員工廉潔自律管理，為員工明確了行為規範準則。《神州控股舉報政策》，鼓勵所有員工及供應商、業務合作夥伴，對任何現有或潛在舞弊及違規行為的疑慮都可以進行舉報。舉報政策中明確，員工及供應商、業務合作夥伴，均可以通過舉報信箱：(dchaudit@dcholdings.com)開誠佈公地舉報各種舞弊違規情況。因舉報及時給本集團挽回損失的，同時會獲得舉報獎勵。本集團審計部門會就舉報事項展開調查，舉報人信息會被嚴格保密。

訪問我們的網站，以下載我們的《神州控股廉潔從業政策》及《神州控股舉報政策》。

- **舞弊檢查及防範**

當收到關於涉嫌舞弊行為的舉報時，審計部門會被委派獨立地開展有關調查。調查完畢後，如有員工被確認收受任何形式的回扣或其它利益，將被立即解雇，情節嚴重的，本集團會追究其法律責任；如有供應商或其他業務合作夥伴被查實在合作中存在舞弊或其他違規行為，本集團會將其列入黑名單終止合作，情節嚴重的，本集團會追究其法律責任。同時，對於查實有問題的業務部門，將在風險管理及內部監控部門的協助下，採取糾正行動以應對調查過程中發現的業務風險或漏洞。

為營造公平、健康的商業環境，建設良好的供應商合作生態，並對外傳達我們打擊舞弊行為的決心，本集團於截至二零二零年十二月三十一日止年度內，與所有獲正式聘用的供應商均簽署了《合作夥伴廉潔誠信協議》，弘揚廉潔、誠信的合作精神，反對商業賄賂，在信任、誠實、坦率與正直的前提下構築相互之間的合作關係。我們並不知悉我們的供應商參與任何商業賄賂行為。本集團在日常工作中，也不斷加強反商業賄賂的法律、法規教育，開展職業道德宣貫，在本集團內部樹立正氣，堅決抵制歪風邪氣，築牢員工的思想道德防線。本集團制定了嚴格的供應商評價制度和流程，定期對合作供應商進行評價，評價結果不合格的供應商將被納入黑名單終止合作。本集團多年來的良好合作生態，已經得到了眾多供應商的認可和信任。

• 反舞弊宣傳培訓

為普及反腐倡廉宣傳，本集團所有員工在入職時均會接受課堂形式的反腐敗培訓。二零二零年，為進一步擴大反腐倡廉宣傳力度，本集團審計部聯合法務部和人力資源部，共召開4次廉潔誠信宣講會，對內覆蓋到本集團各業務單元，員工通過線上線下做到了全員參會、100%覆蓋；對外還輻射到部分業務的外部供應商。這些宣講，除了對本集團員工進行了生動的反腐倡廉宣傳外，也對本集團合作的供應商表達了廉潔誠信合作行為要求及長久合作的期望，在本集團內外起到了很好的宣傳及警示作用。



• 舞弊違規查處案例

在做好宣傳攻勢的同時，本集團審計部門不放棄任何一條相關線索，大力度開展反腐調查，並依法依規嚴肅處理。二零二零年，共查處1起舞弊或違法違規行為，涉及1名員工。某倉庫勞務人員張某，涉嫌盜竊倉內貨品，金額總計人民幣2,543元。根據《神州控股廉潔從業政策》相關規定，張某已被開除，並依法移送司法機關。二零二零年十一月，司法機關一審判決張某有期徒刑九個月，並處罰金人民幣五千元。

- **行業誠信聯盟**

二零一九年上半年，本集團加入陽光誠信聯盟 (Trust and Integrity Enterprise Alliance)。陽光誠信聯盟由行業知名企業發起成立，以誠信經營為使命，共同推廣廉潔自律、奉公守法的經營理念，共同打造誠信經營、放心消費的商業環境，共同構築科技反腐敗、反欺詐、反假冒偽劣的安全長城，共同提升成員內控部門的履職能力和員工的職業道德建設，引領中國商業文明的發展。目前陽光誠信聯盟成員企業已超500家，包括百度、京東、美團、寶潔、騰訊、小米、滴滴等眾多知名企業。

本集團作為陽光誠信聯盟的成員企業，在反腐敗等方面與聯盟進行數據及信息共享，共同打造陽光誠信的商業環境：通過反刷單、反炒信、反欺詐的交流平台，集聯盟力量打擊黑色產業鏈，建立品牌保護合作機制；通過信息安全共享機制，交流和共享信息安全調查經驗，共同打擊信息安全犯罪。聯盟失信信息共享系統對本集團人力資源開放，實現違法違規人員的信息共享，對違法違規人員自動識別和預警，提高違法違規成本，共築「守信者一路綠燈，失信者處處受限」的企業廉潔環境。

環境

環境的保護和天然資源的保育是我國的基本國策之一。《中華人民共和國節約能源法》規定，任何單位和個人都應當依法履行節能義務。《中華人民共和國環境保護法》規定，一切單位和個人都有保護環境的義務，企業應當減少廢棄物排放和對生態的影響。我們承認環境保護及天然資源保育的重要性，我們亦秉承著重視環保和可持續發展的原則進行日常經營和業務運作。於二零二零年，本集團遵守了所有適用的保護和保育環境的法律及法規。

本集團對於環境管理有著嚴格的管理標準，旗下公司已取得《ISO14001環境管理體系認證證書》。我們注重在日常工作和運營中實施節能環保，打造低碳、綠色、環保的工作模式。同時，我們採取多項措施提高能源利用效率，減少能源消耗，減少有害排放和廢棄物。另外，我們還致力於用科技創新的手段，助力城市生態環保。通過以上各種措施，最大限度降低對環境及氣候變化的負面影響。

• 助力生態環保

神州控股致力於用創新科技助力城市生態環保。在北京市延慶區，神州控股攜手延慶區政府，圍繞延慶區建設國際一流生態文明示範區的戰略目標，充分運用物聯網、大數據、雲計算等先進技術手段，建立天空地一體、上下協同、信息共享的延慶智慧環保系統，在生態環境立體監測、環境信息綜合分析、大數據預測預警等方面，具備精準高效實施環境治理的能力，為「世園會」和「冬奧會」提供高質量的環境保障，助推延慶區的整體生態環境質量達到國際一流。北京市延慶區也因此榮獲「2019中歐綠色智慧城市-技術創新城市」殊榮。

延慶智慧環保系統圖



在項目實施中，神州控股通過應用基於「國家技術發明獎一等獎」技術成果轉化的燕雲DaaS平台，實現了環保局與其他機構的數據打通與業務協同，能夠測算多重因素對區域環境的影響，並通過網格化平台及APP實現了環境執法線上與線下的協同，增強了環境執法的時效性，提高了執法效率，為環保局在環境業務上的決策提供了有效的數據支撐與方案參考。

• 節約能源

本集團主要辦公樓宇、數據中心及倉庫採取的節能降耗措施包括：

• 節約用電

1、中央空調主系統

在滿足員工需求和辦公舒適環境的前提下，根據環境氣溫變化，嚴格控制設備的啟停時間，通過調整中央空調主機冷熱水出水溫度來實現節能目標。

2、電梯運輸系統

調整電梯的運行管理方式，通過分散控制、合理地維修維護與科學的日常管理，實現更節能的目標。

3、 照明設備系統

主要辦公大廈及倉庫採用了新型低功率LED節能燈具，同時從管理入手，對所有公共區域的照明及設備開關約定啟停時間，劃分負責部門和責任人，嚴格執行照明時間從而實現降耗的目標。室外道路、停車場照明則隨季節變化隨時進行調整。

4、 給排水系統

供水採用變頻技術控制水泵運行，排水通過液位控制自動運行，實現節能目標。

5、 通風系統

新風機組隨室外溫度開啟，如春季10:00---15:00，夏季8:00---18:00，秋季10:00—17:00，冬季不開；以實現節能目標。

6、 數據中心

本集團的數據中心採用多個微模塊封閉冷通道，冗余精密空調製冷，恆溫恆濕，製冷效率高。通過虛擬化技術減少物理服務器數量，在降低計算設備能耗的同時，因發熱量下降，空調製冷能耗也有所降低，整體PUE值低於1.5。

近幾年，本集團致力於在數據中心建設高密度的虛擬化集群，將原有的老舊物理服務器中的系統遷移到虛擬化集群中，僅通過少量高性能服務器組成的集群替代原有大量物理服務器。二零二零年度，數據中心共下架了264台物理服務器，僅服務器耗電量每年可以降低70萬度。

• 節約用水

- 1、 我們在公區衛生生活用水處，均張貼「節約用水」的宣傳圖片；同時定期檢查供水設施，發現有跑、冒、滴、漏現象，及時安排維修。
- 2、 對於空調用水、給排水等閥門管道，本集團值班人員會定期巡視，發現問題及時處理。

• 節約用紙，最大限度使用可再生資源

- 1、 提倡無紙化辦公：本集團統一信息系統建設，實現辦公自動化，推行電話會議、視頻會議、網絡會議等會議解決方案，並推行電子發票無紙化報銷，最大程度降低紙張使用。
- 2、 對已作廢的單面紙張，在允許的情況下盡可能回收二次利用。

訪問我們的網站，以下載我們的《神州控股能源政策》。

• 減少排放

本集團主要辦公樓宇及倉庫採取的減排措施包括：

- 直接減少碳排放：旗下智慧產業鏈業務，採取措施減少物流車輛尾氣排放，如北京按照「國家第六階段機動車污染物排放標準」更換車輛，同時鼓勵合作承運商在城區使用電動能源車配送。
- 間接減少碳排放：鼓勵通過視訊會議、線上溝通等，降低差旅出行頻率，間接減少碳排放。
- 保障辦公場所空氣質量合格：二零二零年對大廈進行集中空調通風系統清洗，並對新風量、送風中可吸入顆粒物和有害病菌數量等進行檢測，保障辦公場所空氣質量合格。
- 保障大廈污水排放符合標準：二零二零年對餐飲污水排放加裝油水分離淨化裝置，並對餐飲污水的化學需氧量、氨氮、懸浮物、PH值等進行檢測，符合國家污水排放標準。
- 保障大廈油煙排放符合標準：二零二零年對餐飲油煙排放加裝油煙淨化裝置，並對固定污染源廢氣進行顆粒物、飲食業油煙、非甲烷總烴等指標進行檢測，符合國家排放標準。

• 保護環境

本集團主要辦公樓宇、數據中心及倉庫採取的保護環境的措施包括：

- 辦公環境、用餐環境中採用環保傢俱，避免空氣污染。
- 積極響應垃圾分類的政策，在辦公等區域投放不同種類垃圾桶，對各類垃圾分別收集，區別處理，最大限度減少環境污染。
- 對於工作和生活中產生的廢棄物，分別進行處理：辦公地點產生的固體廢棄物、危險廢棄物，由各部門負責隨時清掃、收集，並送到指定的地點；餐廚垃圾和廢油由環衛部門的指定處理單位進行收集，集中處理；物流服務過程中產生的固體廢棄物，由工作場所人員在每天下班前進行收集，並按分類標識放入指定的垃圾桶。

訪問我們的網站，以下載我們的《神州控股環保政策》。

• 應對氣候變化

本集團深明應對氣候變化的重要性。為保障本業務正常運營，除做好日常夏季防暑、冬季防寒、春秋季防火之外，我們對汛期水澇、冬季暴雪等災害可能給生產生活造成的影響也做了應急預案，本集團會提前發佈預警和進行響應，以盡量減緩氣候變化及其為業務運營帶來的影響。同時，我們還努力運用大數據軟件等高科技手段，助力政府部門和其他用戶積極應對氣候變化帶來的影響，如使用智能交通系統及時開展災害氣候條件下的人員交通疏散等決策。

面向未來，我們致力於推動本集團「碳達峰、碳中和」目標的實現，把減少碳排放作為我們可持續發展的重要目標之一，以更好地應對氣候變化。相關措施包括：

- 減低溫室氣體排放量，減少碳足跡。
- 考慮並採取最佳舉措，以提高業務營運所使用能源的效益。
- 盡可能使用可再生能源、低碳及具能源效益的產品和物料。
- 在可行的情況下增加物業的綠化面積，以減緩氣候變化風險。
- 適時監察及應對與氣候變化相關的市場、技術及政策的最新發展。

訪問我們的網站，以下載我們的《神州控股氣候變化政策》。

環境績效指標

以下為本集團部分環境績效指標，依據《環境、社會及管治報告指引》編製。除另有說明者外，下面數據涵蓋本集團位於中國大陸的主要辦公樓及數據中心。

從下表可以看到，由於進一步降低了本集團自有車輛的使用，本集團二零二零年直接使用汽油、柴油和天然氣產生的溫室氣體排放量由二零一九年的62.94噸，降低到二零二零年的44.19噸，下降率為29.8%。

排放物及廢棄物 類型	截至十二月三十一日止年度	
	二零二零年	二零一九年
溫室氣體排放總量 (噸)	1,326.97	1,280.89
直接溫室氣體排放量 (噸)	44.19	62.94
其中：汽油 (噸)	6.00	13.65
柴油 (噸)	12.25	22.48
天然氣 (噸)	25.94	26.81
間接溫室氣體排放總量 (噸)	1,282.78	1,217.95
其中：外購電力 (噸)	1,282.78	1,217.95
人均溫室氣體排放量 (噸／員工)	0.09	0.09
有害廢棄物量 (噸)	1.00	
人均有害廢棄物 (噸／員工)	0.00007	二零一九年 未統計該數據
無害廢棄物量 (噸)	1,200.00	
人均無害廢棄物 (噸／員工)	0.08	

備註：

1. 基於業務性質，本集團的主要氣體排放為溫室氣體排放，源自使用燃料及由化石燃料轉化的外購電力。
2. 本集團的溫室氣體清單主要為二氧化碳。截至二零二零年十二月三十一日止及二零一九年十二月三十一日止年度的溫室氣體排放數據均按二氧化碳當量呈現，並根據中華人民共和國生態環境部公佈的《2017年度減排項目中國區域電網基準線排放因子》，及《2006年IPCC（政府間氣候變化專門委員會）國家溫室氣體清單指南》中所載的適用係數進行核算。二零二零年度碳排放總量，較二零一九年度碳排放增加46.08噸，增長率為3.6%，主要增長原因為本集團科捷物流業務擴張、倉庫增加導致的用電量增加。
3. 汽油及柴油的消耗，主要來自集團自有的車輛。
4. 天然氣的消耗，主要用於集團大廈供暖等設備。
5. 本集團的辦公樓運營涉及的有害廢棄物類型，主要包括打印設備產生的廢棄硒鼓和墨盒、部分電器設備產生的廢棄電池。這些有害廢棄物均集中管理，並交由有資質的回收單位進行回收。
6. 本集團的辦公樓運營涉及的無害廢棄物類型，主要包括生活垃圾和無害辦公廢棄物。生活垃圾由物業管理公司及廚餘垃圾回收商處理，不能單獨計量。我們根據國務院發佈的《第一次全國污染源普查城鎮生活源產排污係數手冊》，對辦公樓產生的生活垃圾進行了估算。無害辦公廢棄物集中交由回收商進行回收處置，數據統計包括本集團位於中國大陸的所有辦公樓。

資源使用 類型	截至十二月三十一日止年度	
	二零二零年	二零一九年
能源消耗總量 (兆瓦時)	16,202.98	16,271.69
直接能源消耗量 (兆瓦時)	1,905.96	2,683.82
其中：汽油 (兆瓦時)	310.40	705.93
柴油 (兆瓦時)	409.60	751.95
天然氣 (兆瓦時)	1,185.96	1,225.94
間接能源消耗量 (兆瓦時)	14,297.02	13,587.88
其中：外購電力 (兆瓦時)	14,297.02	13,587.88
人均能源消耗總量 (兆瓦時／員工)	1.13	1.13
自來水用量 (噸)	80,497.53	56,017.12
人均自來水用量 (噸／員工)	5.59	3.89
蒸汽用量 (噸)	718.10	967.48
人均蒸汽用量 (噸／員工)	0.05	0.07
包材總用量 (噸)	25,996.87	21,391.70
平均每單消耗量 (噸／訂單)	0.000250	0.000246

備註：

1. 本集團的使用水源來自市政自來水供水，二零二零年度自來水用量，較二零一九年度增加24,480.41噸，增長率為43.7%，主要增長原因為本集團科捷物流業務擴張、倉庫增加導致的用水量增加。
2. 本集團使用的蒸汽來源於市政供暖單位。
3. 能源消耗量，根據外購電力和燃料的消耗量及《2006年IPCC國家溫室氣體清單指南》、《綜合能耗計算通則》中轉換因子計算。
4. 本集團使用的包材主要為智慧產業鏈業務所使用的包裝紙箱，木箱因用量極少，未進行統計。

董事會報告

本公司董事欣然提呈彼等之報告連同本公司及其附屬公司（「**本集團**」）截至二零二零年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司乃一間投資控股公司。主要附屬公司之主要業務詳情載於本財務報表附註49。

業績及股息

本集團截至二零二零年十二月三十一日止年度之業績以及於該日期本集團之財務狀況載於本年報第102頁至第243頁之財務報表內。

於本年度內，董事會建議就截至二零二零年十二月三十一日止年度派發末期股息每股普通股10港仙。

業務審視

本集團截至二零二零年十二月三十一日止年度之業務審視載於本年報第16頁至第26頁標題為「管理層研討與分析」內。本公司面對的風險及不明朗因素之描述可於本年報不同部份找到。

五年財務摘要

本集團於過去五個財政年度之業績以及資產、負債與非控股權益概要載於本年報第245頁。五年財務摘要並不構成經審核財務報表的一部份。

物業、廠房及設備

於截至二零二零年十二月三十一日止年度內本集團及本公司物業、廠房及設備之變動詳情載於本財務報表附註14。

投資物業

於截至二零二零年十二月三十一日止年度內本集團投資物業之變動詳情載於本財務報表附註15。

股本

於截至二零二零年十二月三十一日止年度內本公司股本之變動詳情連同有關理由載於本財務報表附註37。

可分派儲備

於二零二零年十二月三十一日，根據百慕達公司法計算，本公司之可分派儲備金額為港幣1,116,919,000元。此外，本公司之股份溢價賬為港幣4,651,977,000元，可供以繳足紅利股份之方式分派。

優先購股權

根據本公司新公司細則（「新公司細則」）或百慕達法例並無有關優先購股權之條文，惟百慕達法例並無對該等權利有所限制。

獲准許之彌償條文

本公司之新公司細則允許每位董事可在百慕達法律允許的範圍內，獲得從本公司於其資產中補償所有責任。該等獲准許之彌償條文於財政年度內及至批准本報告時仍為有效。本公司已安排適當的董事及高級職員責任保險予本集團之董事及高級職員。

董事

於截至二零二零年十二月三十一日止年度內及截至本報告日期止之本公司董事為：

執行董事

郭為先生 (主席兼首席執行官)

林楊先生 (副主席)

非執行董事

彭晶先生

曾水根先生 (附註1)

余梓平先生 (附註2)

獨立非執行董事

黃文宗先生

倪虹小姐

劉允博士

嚴曉燕女士

金昌衛先生

附註:

1. 曾水根先生自二零二零年六月三十日舉行之股東週年大會結束之時起獲委任為本公司之非執行董事。
2. 余梓平先生自二零二零年六月三十日舉行之股東週年大會結束之時起退任本公司之非執行董事。

根據新公司細則第99條，劉允博士、嚴曉燕女士及金昌衛先生將輪流退任。根據新公司細則第102(A)條，曾水根先生於二零二零年六月三十日股東大會後獲委任為董事之任期將至本公司應屆股東週年大會。所有將退任之董事均合資格於本公司應屆股東週年大會上膺選連任。

根據上市規則第13.51B(1)條之董事資料披露

根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第13.51B(1)條規定須予披露董事資料之變更如下：

董事名稱	變更詳情
劉允博士	<ul style="list-style-type: none">於二零二零年十月份召開之股東大會上獲委任為dormakaba Holdings AG (股份於瑞士證券交易所上市之公司) 之董事會成員於二零二零年十月一日起獲委任為深圳奧飛迪科技有限責任公司之首席執行官
曾水根先生	<ul style="list-style-type: none">於二零二零年十二月起獲委任為廣州寬帶主幹網絡有限公司之董事

董事之服務協議

本公司每位執行董事均與本公司訂立一份服務協議，並持續有效至(i)任何一方向對方發出不少於三個月之通知；或(ii)按新公司細則告退其董事職務，而並未在股東週年大會中獲本公司股東（「股東」）重選連任；或(iii)董事違反服務協議內之條款。

除上文所披露者外，擬於本公司應屆股東週年大會上膺選連任之本公司董事概無與本公司訂立不可於一年內終止而毋須支付賠償（法定賠償除外）之服務協議。

管理合約

於年度內，本公司並無訂立或存有有任何有關於整體或部分主要業務的管理及行政合約。

董事於交易、安排或合約之權益

本公司或其任何附屬公司於二零二零年十二月三十一日或截至二零二零年十二月三十一日止年度之任何時間內，概無訂立任何重大交易、安排或合約，致令本公司之董事或與董事有關連之實體直接或間接獲得重大利益。

購股權計劃

本公司的購股權計劃於二零一一年八月十五日採納（「二零一一年購股權計劃」），有效期為十年。二零一一年購股權計劃之詳情，以及於截至二零二零年十二月三十一日止年度內之購股權變動之詳情載列於本財務報表附註39。

受限制股份獎勵計劃

本公司於二零一一年三月二十八日採納了一項受限制股份獎勵計劃（「受限制股份獎勵計劃」），其目的在於給予本公司之股份以獎勵及激勵（其中包括）本公司及其附屬公司的董事（包括執行及非執行）及員工（「參與者」）。受限制股份獎勵計劃詳情載列於本財務報表附註39。

神州數碼信息服務股份有限公司股權激勵計劃

神州數碼信息服務股份有限公司股票期權激勵計劃

本公司的股東和神州數碼信息服務股份有限公司（「DCITS」）的股東分別於二零一九年九月十日及二零一九年九月十六日批准採納股票期權激勵計劃（「股票期權激勵計劃」）。股票期權激勵計劃的主要條款如下：

- (1) 股票期權激勵計劃之目的是為了進一步建立、健全DCITS長效激勵機制，吸引和留住優秀人才，充分調動DCITS及其附屬公司董事、高級管理人員和核心骨幹人員的積極性，有效地將股東利益、DCITS利益和核心團隊個人利益結合在一起，使各方共同關注DCITS的長遠發展。
- (2) 股票期權激勵計劃的激勵對象包括DCITS及其附屬公司董事、高級管理人員及核心骨幹人員，但不包括DCITS獨立董事、監事及單獨或合計持有DCITS 5%或以上股份的股東或實際控制人及其配偶、父母、子女。股票期權激勵計劃的所有激勵對象必須在DCITS授予股票期權時以及在股票期權激勵計劃的有效期內與DCITS具有聘用、僱傭或勞務關係。
- (3) 根據股票期權激勵計劃：
 - (a) DCITS全部有效的激勵計劃所涉及的標的股票總數累計不超過股票期權激勵計劃提交DCITS股東大會時DCITS股本總額的10%；
 - (b) 可於股票期權激勵計劃及DCITS任何其他計劃所有已授出但未行使的股票期權予以行使時發行的股份數目，不會超過DCITS不時已發行的A股普通股的30%；及
 - (c) 任何一名激勵對象通過DCITS全部有效的股權激勵計劃獲授的DCITS股票總數均未超過DCITS總股本的1%。
- (4) 股票期權激勵計劃的股票來源為DCITS向股票期權激勵計劃激勵對象定向發行A股普通股。
- (5) 根據股票期權激勵計劃授予的股票期權在行使前必須持有的最短期限為自根據股票期權計劃完成股票期權授予登記之日（「授予期權登記完成日」）起之十二個月。

- (6) 在符合股票期權激勵計劃中行使股票期權的條件下，自授予期權登記完成日起滿十二個月後的二十四個月內，被授予人可分兩次行使其股票期權，具體如下：

行權期	可行使期間	可行使之股票期權比例
第一個行權期	自授予期權登記完成日起十二個月後的首個交易日起至授予期權登記完成日起二十四個月內的最後一個交易日當日止	50%
第二個行權期	自授予期權登記完成日起二十四個月後的首個交易日起至授予期權登記完成日起三十六個月內的最後一個交易日當日止	50%

- (7) 根據股票期權激勵計劃授予的股票期權行權價格為每股人民幣12.76元。
- (8) 股票期權激勵計劃的有效期自授予期權登記完成日起至根據股票期權激勵計劃授予被授予人的所有股票期權被行使或註銷之日止，有效期不得超過三十六個月。

- (9) 在股票期權激勵計劃的行使期內，被授予人行使其股票期權前必須滿足若干條件，包括：

- (a) DCITS未發生以下任一情形：
- (i) 最近一個會計年度DCITS財務會計報告被註冊會計師出具否定意見或者無法表示意見的審計報告；
 - (ii) 最近一個會計年度DCITS財務報告內部控制被註冊會計師出具否定意見或者無法表示意見的審計報告；
 - (iii) 上市後最近三十六個月內出現過未按法律法規、DCITS章程、公開承諾進行利潤分配的情形；
 - (iv) 法律法規及適用的上市規則規定不得實行股權激勵的情形；及
 - (v) 中國證券監督管理委員會（「中國證監會」）或有關監管機構認定的其他情形。
- (b) 股票期權激勵計劃之授予人未發生以下任一情形：
- (i) 最近十二個月內被深圳證券交易所認定為不適當人選；
 - (ii) 最近十二個月內被中國證監會及其派出機構認定為不適當人選；
 - (iii) 最近十二個月內因重大違法違規行為被中國證監會及其派出機構行政處罰或者採取市場禁入措施；

- (iv) 具有〈中華人民共和國公司法〉規定的不得擔任DCITS董事、高級管理人員的情形；
 - (v) 法律法規規定不得參與上市公司股權激勵計劃的情形；及
 - (vi) 中國證監會或有關監管機構認定的其他情形。
- (c) DCITS實現以下財務績效目標：

行期權 業績考核目標

第一個行權期 DCITS於二零一九年淨利潤不低於人民幣3.6億元；

第二個行權期 DCITS於二零二零年淨利潤不低於人民幣4.35億元。

注： 上述「淨利潤」是指歸屬於DCITS股東的淨利潤。

- (d) 在DCITS實現相關年度財務績效目標的前提下，DCITS薪酬與考核委員會對被授予人進行的年度考核結果需為80分以上或「A」級。

如果在相關可行使期間無法滿足上述任何行權條件，DCITS將註銷根據股票期權激勵計劃授予的股票期權。如果上述行權條件已經滿足，但根據股票期權激勵計劃授予的股票期權在相關行權期屆滿後仍未行使，該等股票期權將告失效。

自採納股票期權激勵計劃後，DCITS根據股票期權激勵計劃已授出22,470,000份股票期權。

下表載列在DCITS股票期權激勵計劃下股票期權於本年度內之變動，以及年初及年末尚未行使之股票期權：

承授人	股票期權數目					每股行使價 人民幣	授出日期	行使期
	於二零二零年 一月一日 尚未行使	本年度內 授出	本年度內 行使	本年度內 失效	於二零二零年 十二月三十一日 尚未行使			
DCITS董事	-	-	-	-	-	-	-	-
DCITS其他僱員	22,270,000	-	(5,687,554)	(950,000)	15,632,446	12.76	二零一九年 九月十七日	被授予人可參考 期權登記完成日 (即二零一九年 十月三十日)分 兩次行使(附註)

附註： 請看股票期權激勵計劃的主要條款(6)

DCITS限制性股票激勵計劃

DCITS的股東於二零一九年九月十六日批准採納限制性股票激勵計劃（「**限制性股票激勵計劃**」）。限制性股票激勵計劃之目的是為了進一步建立、健全DCITS長效激勵機制，吸引和留住優秀人才，充分調動DCITS及其附屬公司董事、高級管理人員和核心骨幹人員的積極性，有效地將股東利益、DCITS利益和核心團隊個人利益結合在一起，使各方共同關注DCITS的長遠發展。

限制性股票激勵計劃的激勵對象包括DCITS及其附屬公司董事、高級管理人員及核心骨幹人員，但不包括DCITS獨立董事、監事及單獨或合計持有DCITS 5%或以上股份的股東或實際控制人及其配偶、父母、子女。限制性股票激勵計劃的所有激勵對象必須在DCITS授予限制性股票時以及在限制性股票激勵計劃的有效期內與DCITS具有聘用、僱傭或勞務關係。

限制性股票激勵計劃的股票來源為DCITS向限制性股票激勵計劃激勵對象定向發行A股普通股。

若下列任一授予條件未達成的，不能向激勵對象授予限制性股票。

- (a) DCITS未發生以下任一情形：
 - (i) 最近一個會計年度DCITS財務會計報告被註冊會計師出具否定意見或者無法表示意見的審計報告；
 - (ii) 最近一個會計年度DCITS財務報告內部控制被註冊會計師出具否定意見或者無法表示意見的審計報告；
 - (iii) 上市後最近三十六個月內出現過未按法律法規、DCITS章程、公開承諾進行利潤分配的情形；
 - (iv) 法律法規規定不得實行股權激勵的情形；及
 - (v) 中國證監會認定的其他情形。
- (b) 限制性股票激勵計劃之激勵對象未發生以下任一情形：
 - (i) 最近十二個月內被深圳證券交易所認定為不適當人選；
 - (ii) 最近十二個月內被中國證監會及其派出機構認定為不適當人選；
 - (iii) 最近十二個月內因重大違法違規行為被中國證監會及其派出機構行政處罰或者採取市場禁入措施；
 - (iv) 具有〈中華人民共和國公司法〉規定的不得擔任DCITS董事、高級管理人員的情形；
 - (v) 法律法規規定不得參與上市公司股權激勵計劃的情形；及
 - (vi) 中國證監會認定的其他情形。

(c) DCITS實現以下財務績效目標:

行期權	業績考核目標
第一個行權期	DCITS於二零一九年淨利潤不低於人民幣3.6億元；
第二個行權期	DCITS於二零二零年淨利潤不低於人民幣4.35億元。

註：上述「淨利潤」是指歸屬於DCITS股東的淨利潤。

(d) 在DCITS實現相關年度財務績效目標的前提下，DCITS薪酬與考核委員會對被授予人進行的年度考核結果需為80分以上或「A」級。

根據DCITS限制性股票激勵計劃的規定，由於DCITS派息，限制性股票之授予價格由每股人民幣6.38元調整為每股人民幣6.345元。

以下載列在限制性股票激勵計劃下限制性股票於本年度之變動：

承授人	受限制股票數目				
	於二零二零年 一月一日 尚未行使	於本年度內 授予	本年度內 回購及注銷	本年度內歸屬	於二零二零年 十二月三十一日 尚未行使
DCITS董事	1,000,000	-	-	(500,000)	500,000
DCITS其他僱員	5,950,000	-	(300,000)	(2,825,000)	2,825,000

股票掛鈎協議

除於本報告標題為「購股權計劃」、「受限制股份獎勵計劃」、「DCITS股票期權激勵計劃」及「DCITS限制性股票激勵計劃」內所披露者外，並無於年度內訂立或於年末時存有任任何股票掛鈎協議。

董事獲取股份或債權證之權利

除於本報告標題為「購股權計劃」、「受限制股份獎勵計劃」、「DCITS股票期權激勵計劃」及「DCITS限制性股票激勵計劃」內所披露者外，本公司或其任何附屬公司於年度內概無參與任何安排，使各董事或行政總裁或任何其配偶及其十八歲以下之子女得以藉購入本公司或其他公司之股份或債權證而獲益。

董事及行政總裁於股份、相關股份及債權證中之權益及淡倉

於二零二零年十二月三十一日，本公司各董事及行政總裁及彼等之聯繫人於本公司及其任何相聯法團（定義見證券及期貨條例第XV部（「證券及期貨條例」）之本公司股份（「股份」）、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉（包括於證券及期貨條例之有關條文下本公司各董事及行政總裁擁有或被視作擁有之權益及淡倉），或須記入及已記入本公司根據證券及期貨條例第XV部第352條存置之登記冊內，或根據本公司採納之《上市發行人董事進行證券交易的標準守則》（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

董事名稱	身份	個人權益 持有之股份	公司權益	尚未行使之 購股權數目	總數 (附註1)	佔合共權益之概 約百分比(%) (附註6)
郭為	實益擁有人及受控法團之權益	95,328,707	86,767,857 (附註2)	94,116,974 (附註3&4)	276,213,538	16.52
林楊	實益擁有人	3,571,734	-	15,116,974 (附註3&4)	18,688,708	1.12
黃文宗	實益擁有人	100,000 (附註5)	-	2,000,000 (附註4)	2,100,000	0.13
倪虹	實益擁有人	100,000 (附註5)	-	2,000,000 (附註4)	2,100,000	0.13
劉允	實益擁有人	100,000 (附註5)	-	2,000,000 (附註4)	2,100,000	0.13
嚴曉燕	實益擁有人	-	-	2,000,000 (附註4)	2,000,000	0.12
金昌衛	實益擁有人	100,000 (附註5)	-	2,000,000 (附註4)	2,100,000	0.13

附註：

1. 本文所披露之全部權益，全為股份之好倉。
2. 該等86,767,857股股份由 Kosalaki Investments Limited（「KIL」）實益持有，而郭為先生為KIL的控股股東及董事，因此郭為先生被視作擁有該等由KIL所持有之股份權益。
3. 於二零一七年一月二十五日向郭為先生及林楊先生各自授出12,500,000份購股權，該等購股權於二零一七年九月十八日完成供股後，各自調整為13,116,974份購股權。該等購股權可於二零一七年一月二十五日至二零二五年一月二十四日期間按行使價每股股份港幣6.394元行使，以認購本公司普通股股份。
4. 於二零二零年七月十三日向郭為先生授出81,000,000份購股權，及分別向林楊先生、黃文宗先生、倪虹小姐、劉允博士、嚴曉燕女士及金昌衛先生各自授出2,000,000份購股權，該等購股權可於二零二零年七月十三日至二零二八年七月十二日期間按行使價每股股份港幣6.60元行使，以認購本公司普通股股份。
5. 於二零二零年六月二日，此等股份根據本公司之受限制股份獎勵計劃授予，並按計劃之條款及條件於二零二一年歸屬。
6. 權益之概約百分比乃根據股份／相關股份（組成所持權益）總面值佔本公司緊接有關事項完成後之同類全部已發行股本總面值之百分比計算，並已根據證券及期貨條例第352條規定記錄在名冊中。

除上文所披露者外，於二零二零年十二月三十一日，本公司之董事及行政總裁或彼等之聯繫人概無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、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例之有關係文下本公司董事及行政總裁擁有或被視作擁有之權益或淡倉），或擁有須記入本公司根據證券及期貨條例第XV部第352條存置之登記冊，或根據標準守則須知會本公司及聯交所之權益或淡倉。

主要股東於股份及相關股份之權益及淡倉

於二零二零年十二月三十一日，就董事所知，以下人士或法團（並非本公司董事或行政總裁）於股份及本公司相關股份中擁有以下須根據證券及期貨條例第XV部第2及第3分部披露予本公司，或須根據證券及期貨條例第XV部第336條下存置之登記冊所記錄之以下權益及淡倉：

名稱	身份	股份數目 (附註1)	佔合共權益之 概約百分比 (%) (附註6)
Kosalaki Investments Limited (附註2)	實益擁有人	86,767,857	5.17
Dragon City International Investment Limited	實益擁有人	187,578,500 (附註3)	11.23
葉志如 (附註3)	受控法團之權益/ 配偶權益	187,578,500/ 2,325	11.23
黃少康 (附註3)	實益擁有人/ 配偶權益	2,325/ 187,578,500	11.23
廣州市城市建設投資集團有限公司 (「廣州城市建設」)	受控法團之權益	394,433,928 (附註4(a))	23.58
廣州市城投投資有限公司 (「廣州投資」)	受控法團之權益	394,433,928 (附註4(b))	23.58
廣州城投佳朋產業投資基金管理有限公司 (「廣州佳朋」)	受控法團之權益	362,992,000 (附註4(c))	21.70
廣州城投甲子投資合夥企業(有限合夥) (「廣州甲子」)	實益擁有人	362,992,000 (附註4(d))	21.70
廣州無線電集團有限公司 (「廣州無線電集團」)	受控法團之權益	212,966,250 (附註5)	12.73
廣州廣電運通金融電子股份有限公司 (「廣州廣電運通金融電子」)	實益擁有人	212,966,250 (附註5)	12.73
BOCI-Prudential Trustee Limited as Trustee of Digital China Holdings Limited Restricted Share Award Scheme Trust	受託人	100,418,250	6.00
Allianz SE	受控法團之權益	83,679,750	5.00

附註：

1. 本文所披露之全部權益，全為股份之好倉。
2. KIL由郭為先生控制，而郭為先生亦為本公司及KIL之董事。
3. 權益包括(i) 133,361,633股股份由Dragon City International Investment Limited (「Dragon City」) 直接持有，其由葉志如女士所控制；(ii) 54,216,867股由Dragon City直接持有之非上市衍生工具之相關股份；及(iii) 2,325股股份由黃少康先生直接持有，彼為葉志如女士的配偶。
4. (a) 根據廣州城市建設於2020年12月21日存檔的表格 2 - 法團大股東通知，廣州城市建設持有合共394,433,928股股份的權益，當中362,992,000股股份由廣州甲子持有，31,441,928股股份由穗通(香港)有限公司(「穗通香港」)持有。廣州甲子由廣州投資擁有99.96%權益及由廣州佳朋擁有0.04%權益，而廣州佳朋則由廣州投資全資擁有。穗通香港亦由廣州投資全資擁有。廣州投資由廣州城市建設擁有80%權益及由廣州產業投資基金管理有限公司(「廣州產業基金」) 擁有20%權益，而廣州產業基金由廣州城市建設全資擁有。廣州城市建設被視為持有394,433,928股股份的權益。
(b) 根據廣州投資於2020年12月21日存檔的表格 2 - 法團大股東通知，廣州投資持有合共394,433,928股股份的權益，當中362,992,000股股份由廣州甲子持有，31,441,928股股份由穗通(香港)持有。
(c) 根據廣州佳朋於2020年12月21日存檔的表格 2 - 法團大股東通知，廣州佳朋持有362,992,000股股份的權益。
(d) 根據廣州甲子於2020年12月21日存檔的表格 2 - 法團大股東通知，廣州甲子持有362,992,000股股份的權益。
5. 該等212,966,250股股份由廣州廣電運通金融電子(於深圳證券交易所上市之公司) 實益持有，廣州無線電集團為持有該公司52.96%的控股股東。
6. 權益之概約百分比乃根據股份／相關股份(組成所持權益)總面值佔本公司緊接有關事項完成後之同類全部已發行股本總面值之百分比計算，並已根據證券及期貨條例第336條規定記錄在名冊中。

除上文所披露者外，截至二零二零年十二月三十一日，概無任何人士及法團曾知會本公司於本公司之股份或相關股份中，擁有須根據證券及期貨條例第XV部第2及第3分部披露及須根據證券及期貨條例第XV部第336條須予各備存的登記冊所載之權益或淡倉。

捐款

於截至二零二零年十二月三十一日止年度內，本集團之捐款為港幣1,954,000元(截至二零一九年十二月三十一日止年度：港幣2,208,000元)。

主要客戶及供應商

截至二零二零年十二月三十一日止年度來自本集團五大客戶合共之收入佔本集團總收入之百分比少於30% (截至二零一九年十二月三十一日止年度：少於30%)。

截至二零二零年十二月三十一日止年度來自本集團五大供應商合共之採購額佔本集團採購總額之百分比約為53% (截至二零一九年十二月三十一日止年度：約45%)，及來自本集團最大供應商之採購額所佔百分比約為20% (截至二零一九年十二月三十一日止年度：約14%)。

於截至二零二零年十二月三十一日止年度內，概無董事、任何彼等之緊密聯繫人或股東(據董事所知擁有本公司已發行股本超過5%者)在本集團五大客戶或五大供應商中擁有任何實益權益。

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於截至二零二零年十二月三十一日止年度內，概無購買、出售或贖回任何本公司之上市證券。

核數師

於二零一八年，安永會計師事務所辭任本公司核數師，而於二零一八年十二月二十一日，信永中和(香港)會計師事務所有限公司獲委任為本公司核數師以填補安永會計師事務所辭任後之臨時空缺。有關審計師變更的更多詳情，請參閱本公司於截至二零一八年十二月二十一日的公告。

本集團截至二零二零年十二月三十一日止年度之綜合財務報表已由信永中和(香港)會計師事務所有限公司審核，而信永中和(香港)會計師事務所有限公司將於本公司應屆股東週年大會上退任，惟符合資格並願意續聘。

足夠公眾持股量

根據本公司現有公開資料，以及在各董事的認知範圍內，本公司於截至二零二零年十二月三十一日止年度內及截至本報告日期止仍維持上市規則要求下的足夠公眾持股量。

報告期後事項

自報告期後至本報告日期，本集團並無發生任何重大事項。

董事會於二零二一年三月三十日批准

主席
郭為

獨立核數師報告



信永中和(香港)
會計師事務所有限公司
香港銅鑼灣
希慎道33號利園一期43樓

致神州數碼控股有限公司股東
(於百慕達註冊成立之有限公司)

意見

我們已審核第102頁至第243頁所載神州數碼控股有限公司(「貴公司」)及其附屬公司(下統稱「貴集團」)的綜合財務報表,其包括於二零二零年十二月三十一日的綜合財務狀況表,與截至該日止年度的綜合損益表、綜合其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

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」)真實而公允地反映 貴集團於二零二零年十二月三十一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之披露規定妥善編製。

意見基礎

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我們報告「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的專業會計師道德守則(「道德守則」),我們獨立於 貴集團,並已履行道德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意見提供基礎。

關鍵審計事項

關鍵審計事項是我們根據職業判斷,認為對本期綜合財務報表審計最為重要的事項。這些事項的應對以對綜合財務報表整體進行審計並形成審計意見為背景,我們不對這些事項單獨發表意見。

商譽減值評估

請參閱綜合財務報表的附註18及第116頁的會計政策。

關鍵審計事項

於二零二零年十二月三十一日, 貴集團的商譽賬面值約為港幣1,877,561,000元,截至二零二零年十二月三十一日止年度確認之商譽減值約為港幣141,324,000元。

管理層通過比較已分配商譽的現金產生單位(「現金產生單位」)的賬面值與通過評估使用價值而釐定的可收回金額評估商譽減值。編製貼現現金流量預測涉及行使重大管理層判斷,尤其是預測收入增長及經營溢利以及確定適當的貼現率。

我們確定商譽減值評估為關鍵審計事項,因為其對綜合財務報表的重要性及估值模型的選擇,採用關鍵假設及輸入數據可能受管理層偏見及該等假設的變動及輸入數據估值模型可能會產生重大的財務影響。

我們的審計如何處理有關事項

我們對商譽減值評估執行以下審計程序:

- 評估管理層減值評估的估值模型選擇、關鍵假設及輸入數據採用的合理性;
- 根據最新市場預期評估假設的適當性,包括收入增長率及毛利率;
- 通過審核其計算基礎並將其輸入數據與市場來源進行比較,評估計算使用價值時所採用貼現率的適當性;及
- 對減值評估的關鍵輸入數據進行敏感度分析,包括收入增長率、毛利率及所採用貼現率的變化。

應收賬款及應收票據及合約資產的預期信貸虧損（「預期信貸虧損」）估計

請參閱綜合財務報表的附註30及32以及第133頁至第134頁的會計政策。

關鍵審計事項

於二零二零年十二月三十一日，貴集團的應收賬款及應收票據賬面值約為港幣3,762,356,000元（扣除虧損撥備約港幣682,352,000元），以及合約資產為港幣2,405,241,000元（扣除虧損撥備約港幣292,700,000元）。

貴集團已採納預期信貸虧損模式以估計應收賬款及應收票據以及合約資產的虧損撥備。管理層基於撥備矩陣參考債務人過去的違約經驗及對債務人當前財務狀況的分析，並根據債務人特有的因素，債務人在其中運作從事行業的一般經濟狀況進行調整，並對報告日期的現狀和預測方向進行評估，定期評估減值撥備的充足程度。管理層亦考慮可能影響客戶償還未償還結餘的能力的前瞻性信息，以估計預期信貸虧損。

預期信貸虧損的計量要求應用重大判斷及增加複雜性，包括識別信用質量顯著惡化的風險，以及預期信貸虧損模型中使用的假設（單獨或集體評估的風險），例如違約概率及前瞻性信息。

由於應收賬款及應收票據及合約資產對綜合財務報表的重要性以及此類估計所固有的相應不確定性，我們確定應收賬款及應收票據及合約資產的預期信貸虧損估計為關鍵審計事項。

我們的審計如何處理有關事項

我們對應收賬款及應收票據及合約資產的虧損撥備執行以下審計程序：

- 評估主要內部控制的設計及實施，這些控制涉及信貸控制、債務追收及預期信貸虧損的估計；
- 通過比較報告中的各個項目及相關的銷售發票，以抽樣方式評估賬齡報告中的項目是否屬於適當的賬齡範圍；
- 根據香港財務報告準則第9號的要求評估預期信貸虧損模型的技術及方法；
- 審閱並評估貴集團計算預期信貸虧損政策的應用；及
- 通過檢查管理層用於形成有關判斷的信息評估管理層虧損撥備估計的合理性，包括測試歷史違約數據的準確性，評估歷史虧損率是否根據當前經濟狀況及前瞻性信息進行適當調整，審查本財政年度錄得的實際虧損，並在確認虧損撥備時評估是否存在管理偏差的跡象。

來自客戶合約收入確認

請參閱綜合財務報表的附註6及第119頁至第120頁的會計政策。

關鍵審計事項

貴集團銷售貨物的收入在貨物控制權轉移給客戶時確認，而來自系統集成及軟件開發及技術服務的收入乃經參考完全滿足履約義務的進度就其合約收入於會計處理時按照投入法隨著時間的推移予以確認。使用投入法涉及重大管理層判斷，投入法乃根據 貴集團的投入或輸入以履行履約義務，參考截至報告期末的實際成本佔每份合約估計總成本的百分比。

於本年度內， 貴集團隨著時間的推移而確認及於某個時間點確認的收入分別約為港幣7,790,204,000元及港幣11,648,044,000元。

我們將來自客戶合約收入確認為關鍵審計事項，因其對整體綜合財務報表具有數量上的重要性，加上確定從上述類別收入中確認收入的適當點涉及的判斷。

我們的審計如何處理有關事項

我們使用投入法對來自客戶合約收入確認執行以下審計程序：

- 評估收入確認之主要內部監控之設計、實施及運作效率；
- 根據香港財務報告準則第15號的規定，通過檢查與客戶的代表合約樣本，評估 貴集團收入確認政策的適當性；
- 選擇截至本年底的未完成合約樣本，並核對預算合約成本重大組成部分的計算以支持設備採購訂單及與分包商的合約等證明文件；
- 選擇了本年度內已完成合約的樣本，並檢查了預算合約成本的歷史可靠性；及
- 根據投入法以抽樣方式重新計算本年度內確認的收入。

以公允價值計量且其變動計入損益及以公允價值計量且其變動計入其他全面收益的金融資產估值

請參閱綜合財務報表的附註23及24及第130頁至第132頁的會計政策。

關鍵審計事項

於二零二零年十二月三十一日，貴集團的以公允價值計量且其變動計入損益的金融資產及以公允價值計量且其變動計入其他全面收益的金融資產的賬面值分別約為港幣1,122,414,000元及港幣714,300,000元。

於本年度內，貴集團就以公允價值計量且其變動計入損益的金融資產確認公允價值虧損約港幣10,071,000元，並就以公允價值計量且其變動計入其他全面收益的金融資產確認公允價值收益約港幣114,406,000元。

貴集團委聘外部估值專家對無法獲得市場報價的重大投資進行估值。

我們確定該等金融資產估值為關鍵審計事項，因該等金融資產的賬面值對綜合財務報表為重大，且估值方法的選擇及該等金融資產公允價值計量的輸入涉及重大管理層判斷。

投資物業估值

請參閱綜合財務報表的附註15及第128頁至第129頁的會計政策。

關鍵審計事項

於二零二零年十二月三十一日，貴集團的投資物業的公允價值約為港幣5,126,601,000元，截至二零二零年十二月三十一日止年度於綜合損益表確認的公允價值淨收益約為港幣701,000元。

貴集團已聘請獨立估值師作為管理層專家，於報告期末對該等投資物業進行估值。

我們確定投資物業估值為關鍵審計事項，因該等投資物業的賬面值對綜合財務報表為重大，且估值方法的選擇及該等投資物業公允價值計量的輸入涉及重大管理層判斷。

我們的審計如何處理有關事項

我們對並無市場報價的以公允價值計量且其變動計入損益及以公允價值計量且其變動計入其他全面收益的金融資產估值執行以下審計程序：

- 評估相關獨立評估師的勝任、能力及客觀性；
- 評估管理層執行的估值方法的適當性；
- 安排我們的估值專家鑒定及評估相關獨立估值師進行估值時使用的估值方法的適當性及使用的主要假設的合理性；及
- 根據最新一輪的股權融資及類似資產交易的出售價值，以抽樣方法測試相關獨立估值師所用輸入數據的準確性及相關性。

我們的審計如何處理有關事項

我們對投資物業估值執行以下審計程序：

- 評估獨立估值師的勝任、能力及客觀性；
- 了解獨立估值師採用的估值程序及技術，以評估其是否符合行業規範；
- 獲得估值報告，並安排我們估值專家以協助鑒定及評估重大不可觀察到的因素的合理性以及管理層及獨立估值師使用的源數據的準確性，方法是在抽樣基礎上將其與類似可比物業相關的現有租賃概況、公開信息進行比較；及
- 以抽樣方法測試計算的算術準確性。

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對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了解到的情況存在重大不一致或者似乎存在重大錯報。基於我們已執行的工作，如果我們認為其他資料存在重大錯報，我們需要報告該事實。我們沒有需要在這方面作報告。

貴公司董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事有責任遵照香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製真實而公允的綜合財務報表；及落實彼等認為必須的內部監控，以使綜合財務報表不存在由於舞弊欺詐或錯誤而導致的重大錯報。

在編製綜合財務報表時，貴公司董事負責評估貴集團的持續經營能力，披露與持續經營相關的事項(如適用)，並運用持續經營假設，除非貴公司董事計劃進行清算、貴集團、終止運營或別無其他現實的選擇。

審核委員會負責監督貴集團的財務報告過程。

核數師對綜合財務報表審計的責任

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，並依據百慕達《公司法》第九十條及我們協定的委聘條款僅為全體股東編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。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總能發現重大錯誤陳述。錯誤陳述可以由舞弊或錯誤引起，如果合理預期他們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計的一部分，在審計過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別及評估由於舞弊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，以及獲取充足及適當的審計憑證，作為我們意見的基礎。由於舞弊可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因舞弊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 貴公司董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當修訂意見。我們的結論是基於直至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、結構及內容，包括披露，以及綜合財務報表是否公允反映相關交易及事項。
- 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。我們負責集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

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。

我們亦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及其他事項，以及在適用的情況下，相關的防範措施。

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劉佳煌。

信永中和(香港)會計師事務所有限公司

執業會計師

劉佳煌

執業執照號碼：P06623

香港

二零二一年三月三十日

綜合損益表

截至二零二零年十二月三十一日止年度

	附註	二零二零年 港幣千元	二零一九年 港幣千元
收入	6	19,819,527	17,727,429
銷售及服務成本		(16,460,691)	(14,572,646)
毛利		3,358,836	3,154,783
其他收入及收益	6	235,050	178,101
視為出售多間聯營公司部分權益之(虧損)收益	21	(142,941)	143,311
出售多間聯營公司全部或部分權益之收益	21	982,080	233,358
出售多間合營企業權益之收益	20	106,961	-
銷售及分銷費用		(1,348,040)	(1,315,401)
行政費用		(573,842)	(527,781)
其他費用淨額		(1,056,187)	(810,709)
融資成本	8	(148,456)	(227,506)
商譽減值	18	(141,324)	(201,787)
應佔聯營公司之虧損		(113,866)	(55,895)
應佔合營企業之虧損		(11,401)	(23,774)
除稅前溢利	7	1,146,870	546,700
所得稅費用	11	(181,518)	(96,524)
本年度溢利		965,352	450,176
歸屬於：			
母公司股東權益		612,970	301,844
非控股權益		352,382	148,332
		965,352	450,176
母公司股東應佔每股盈利	13		
基本(港仙)		37.74	18.31
攤薄(港仙)		37.59	18.31

綜合其他全面收益表

截至二零二零年十二月三十一日止年度

	附註	二零二零年 港幣千元	二零一九年 港幣千元
本年度溢利		965,352	450,176
其他全面收益 (虧損)			
其後可能重新分類至損益之其他全面收益 (虧損)：			
海外業務財務報表換算之匯兌差額		715,512	(197,450)
應佔聯營公司之其他全面收益		2,361	11,269
其後可能重新分類至損益之其他全面收益 (虧損) 淨額		717,873	(186,181)
其後不可能重新分類至損益之其他全面收益 (虧損)：			
以公允價值計量且其變動計入其他全面收益的金融資產之 公允價值淨變動		114,406	(3,696)
物業估值收益	15	6,379	20,597
所得稅影響	26	(17,334)	(10,814)
其後不可能重新分類至損益之其他全面收益淨額		103,451	6,087
經扣除稅後的本年度其他全面收益 (虧損)		821,324	(180,094)
本年度全面收益總額		1,786,676	270,082
歸屬於：			
母公司股東權益		1,206,660	184,948
非控股權益		580,016	85,134
		1,786,676	270,082

綜合財務狀況表

於二零二零年十二月三十一日

	附註	二零二零年 港幣千元	二零一九年 港幣千元
非流動資產			
物業、廠房及設備	14	992,378	1,027,562
使用權資產	16	202,970	233,656
投資物業	15	5,126,601	4,598,840
商譽	18	1,877,561	1,887,695
其他無形資產	19	195,700	157,765
於合營企業之權益	20	73,725	185,890
於聯營公司之權益	21	2,430,714	3,150,086
以公允價值計量且其變動計入其他全面收益的金融資產	23	714,300	408,572
應收融資租賃款項	25	788	2,310
應收賬款	30	130,513	-
其他應收款項	31	883,936	908,780
遞延稅項資產	26	225,211	173,125
		12,854,397	12,734,281
流動資產			
存貨	27	2,614,291	1,848,844
在建物業	28	-	-
持作銷售用途的竣工物業	29	694,716	24,722
應收賬款及應收票據	30	3,631,843	5,362,493
預付款項、按金及其他應收款項	31	1,339,906	1,499,292
合約資產	32a	2,405,241	527,073
以公允價值計量且其變動計入損益的金融資產	24	1,122,414	929,091
應收融資租賃款項	25	53,154	54,528
受限制銀行結餘	33	228,286	115,488
現金及現金等價物	33	3,076,717	1,890,171
		15,166,568	12,251,702
分類為持作出售之資產	22	-	565,118
		15,166,568	12,816,820
流動負債			
應付賬款及應付票據	34	3,620,499	3,832,793
其他應付款項及預提費用	35	2,517,610	2,046,205
租賃負債	17	83,215	103,070
合約負債	32b	2,407,732	1,396,496
應繳稅項		120,216	66,455
付息銀行及其他貸款	36	2,077,309	3,468,959
		10,826,581	10,913,978
流動資產淨值		4,339,987	1,902,842
總資產減流動負債		17,194,384	14,637,123

綜合財務狀況表

於二零二零年十二月三十一日

	附註	二零二零年 港幣千元	二零一九年 港幣千元
非流動負債			
付息銀行及其他貸款	36	2,301,295	1,625,741
遞延稅項負債	26	465,878	350,261
遞延收入	47	25,888	37,033
租賃負債	17	50,547	60,616
其他金融負債	48	586,144	-
		3,429,752	2,073,651
資產淨值			
		13,764,632	12,563,472
權益及儲備			
股本	37	167,250	167,098
儲備	38	9,262,477	8,769,325
母公司股東應佔權益		9,429,727	8,936,423
非控股權益		4,334,905	3,627,049
權益總額			
		13,764,632	12,563,472

第102頁至第243頁的綜合財務報表已於二零二一年三月三十日獲得董事會批准及授權刊發，並由以下人士代表其簽署：

郭為
董事

林楊
董事

綜合權益變動表

截至二零二零年十二月三十一日止年度

	母公司股東應佔												非控股權益	權益總額
	已發行股本 港幣千元	股份溢價賬 港幣千元	資本儲備 港幣千元	僱員股票基金 港幣千元	以股份支付僱員之酬金儲備 港幣千元	資產估值儲備 港幣千元	投資估值儲備 港幣千元	儲備基金 港幣千元	匯兌波動儲備 港幣千元	保留溢利 港幣千元	總計 港幣千元	權益		
於二零二零年一月一日	167,098	4,643,858	1,893,085	(60,867)	67,028	496,428	42,506	476,557	(347,914)	1,558,644	8,936,423	3,627,049	12,563,472	
本年度溢利	-	-	-	-	-	-	-	-	-	612,970	612,970	352,382	965,352	
經扣除稅後的以公允價值計量且其變動計入其他全面收益的金融資產的公允價值變動	-	-	-	-	-	69,015	-	-	-	-	69,015	29,652	98,667	
海外業務財務報表換算之匯兌差額	-	-	-	-	-	-	-	-	509,566	-	509,566	205,946	715,512	
應佔聯營公司之其他全面收益	-	-	-	-	-	9,924	-	-	401	-	10,325	(7,964)	2,361	
出售以公允價值計量且其變動計入其他全面收益之金融資產	-	-	-	-	-	(6,466)	-	-	-	6,466	-	-	-	
經扣除稅後的物業估值收益	-	-	-	-	-	4,784	-	-	-	-	4,784	-	4,784	
本年度全面收益總額	-	-	-	-	-	4,784	72,473	-	509,967	619,436	1,206,660	580,016	1,786,676	
以股份支付之酬金	-	-	-	-	63,101	-	-	-	-	-	63,101	20,654	83,755	
附屬公司非控股股東之資本出資 (附註42(f))	-	-	(84,111)	-	-	-	-	-	-	-	(84,111)	251,991	167,880	
視為收購非全資附屬公司股東之額外權益 (附註42(g))	-	-	(42,015)	-	-	-	-	-	-	-	(42,015)	(122,547)	(164,562)	
僱員股票基金供款	-	-	-	(493,623)	-	-	-	-	-	-	(493,623)	-	(493,623)	
行使購股權	152	8,119	-	-	(1,640)	-	-	-	-	-	6,631	-	6,631	
收購非全資擁有附屬公司的額外權益 (附註42(c))	-	-	(510)	-	-	-	-	-	-	-	(510)	448	(62)	
部分出售附屬公司 (附註42(b))	-	-	-	-	-	-	-	-	-	-	-	(1,967)	(1,967)	
出售附屬公司 (附註42(c))	-	-	-	-	-	-	-	-	-	-	-	8,000	8,000	
給予非控股股東之股息支付	-	-	-	-	-	-	-	-	-	-	-	(28,739)	(28,739)	
轉撥至儲備基金	-	-	-	-	-	-	-	85,137	-	(85,137)	-	-	-	
股息支付 (附註12)	-	-	-	-	-	-	-	-	-	(162,829)	(162,829)	-	(162,829)	
於二零二零年十二月三十一日	167,250	4,651,977	1,766,449	(554,490)	128,489	501,212	114,979	561,694	162,053	1,930,114	9,429,727	4,334,905	13,764,632	

綜合權益變動表

截至二零二零年十二月三十一日止年度

母公司股東應佔

	已發行股本 港幣千元	股份 溢價賬 港幣千元	資本儲備 港幣千元	僱員 股票基金 港幣千元	以股份 支付僱員 之酬金 儲備 港幣千元	資產 估值儲備 港幣千元	投資 估值儲備 港幣千元	其他儲備 港幣千元	儲備基金 港幣千元	匯兌 波動儲備 港幣千元	保留溢利 港幣千元	總計 港幣千元	非控股 權益 港幣千元	權益總額 港幣千元
於二零一九年一月一日	167,726	4,665,095	1,893,117	(21,571)	54,917	480,980	43,078	(1,326)	426,875	(212,913)	1,354,365	8,850,343	3,546,353	12,396,696
本年度溢利	-	-	-	-	-	-	-	-	-	-	301,844	301,844	148,332	450,176
經扣除稅後的以公允價值計量且其變動計入 其他全面收益的金融資產的公允價值變動	-	-	-	-	-	-	(4,197)	-	-	-	-	(4,197)	(5,164)	(9,361)
海外業務財務報表換算之匯兌差額	-	-	-	-	-	-	-	-	-	(139,233)	-	(139,233)	(58,217)	(197,450)
應佔聯營公司之其他全面收益	-	-	-	-	-	-	6,854	-	-	4,232	-	11,086	183	11,269
出售以公允價值計量且其變動計入其他全面 收益之金融資產	-	-	-	-	-	-	(3,229)	-	-	-	3,229	-	-	-
經扣除稅後的物業估值收益	-	-	-	-	-	15,448	-	-	-	-	-	15,448	-	15,448
本年度全面收益(虧損)總額	-	-	-	-	-	15,448	(572)	-	-	(135,001)	305,073	184,948	85,134	270,082
以股份支付之酬金	-	-	-	-	12,111	-	-	-	-	-	-	12,111	6,258	18,369
附屬公司非控股股東之資本出資	-	-	-	-	-	-	-	-	-	-	-	-	20,959	20,959
附屬公司非控股股東之減資	-	-	-	-	-	-	-	-	-	-	-	-	(3,495)	(3,495)
僱員股票基金供款	-	-	-	(39,296)	-	-	-	-	-	-	-	(39,296)	-	(39,296)
股份贖回(附註37)	(628)	(21,237)	-	-	-	-	-	1,326	-	-	-	(20,539)	-	(20,539)
收購非全資擁有附屬公司的額外權益 (附註42(c))	-	-	(32)	-	-	-	-	-	-	-	-	(32)	(47)	(79)
出售附屬公司(附註42(e))	-	-	-	-	-	-	-	-	-	-	-	-	(5,224)	(5,224)
給予非控股股東之股息支付	-	-	-	-	-	-	-	-	-	-	-	-	(22,889)	(22,889)
轉撥至儲備基金	-	-	-	-	-	-	-	-	49,682	-	(49,682)	-	-	-
股息支付(附註12)	-	-	-	-	-	-	-	-	-	-	(51,112)	(51,112)	-	(51,112)
於二零一九年十二月三十一日	167,098	4,643,858	1,893,085	(60,867)	67,028	496,428	42,506	-	476,557	(347,914)	1,558,644	8,936,423	3,627,049	12,563,472

綜合現金流量表

截至二零二零年十二月三十一日止年度

	二零二零年 港幣千元	二零一九年 港幣千元
經營活動		
除稅前溢利：	1,146,870	546,700
經調整：		
融資成本	148,456	227,506
應佔聯營公司之虧損	113,866	55,895
應佔合營企業之虧損	11,401	23,774
銀行存款利息	(10,759)	(10,284)
理財產品收入	(23,544)	(32,209)
已確認遞延收入	(44,800)	(20,902)
以公允價值計量且其變動計入損益的金融資產之股息收入	-	(475)
以公允價值計量且其變動計入其他全面收益的金融資產之股息收入	(6,396)	(232)
商譽減值	141,324	201,787
應收賬款及應收票據、其他應收款項及合約資產減值	273,186	94,635
應收融資租賃款項減值撥回	(1,695)	(6,829)
在建物業減值	-	12,394
於聯營公司之權益減值	-	2,286
出售物業、廠房及設備之虧損	2,293	4,022
撇銷其他無形資產之虧損	1,777	4,882
投資物業之公允價值淨收益	(701)	(32,532)
以公允價值計量且其變動計入損益的金融資產之公允價值虧損	10,071	3,263
自持作銷售用途的竣工物業轉撥至投資物業之公允價值收益	(6,969)	-
部分出售一間附屬公司股權之收益	(12,346)	-
出售多間聯營公司全部或部分權益之收益	(982,080)	(233,358)
出售多間合營企業權益之收益	(106,961)	-
出售以公允價值計量且其變動計入損益的金融資產之收益	-	(4,371)
出售多間附屬公司股權之收益	(16,161)	(890)
視為出售多間聯營公司部分權益之虧損(收益)	142,941	(143,311)
物業、廠房及設備折舊	126,886	135,754
使用權資產折舊	121,200	108,278
其他無形資產攤銷	51,369	47,050
陳舊存貨撥備及撇銷	109,038	87,554
以股份支付之酬金	82,831	18,369
	1,271,097	1,088,756
存貨增加	(859,273)	(884,300)
持作銷售用途的竣工物業減少	7,771	-
應收賬款及應收票據減少(增加)	1,668,636	(569,711)
預付款項，按金及其他應收款項增加	(30,824)	(66,798)
應收融資租賃款項減少	4,591	118,792
應付賬款及應付票據(減少)增加	(173,542)	622,178
其他應付款項及預提費用及遞延收入增加	569,111	412,310
合約資產減少(增加)	(2,153,913)	624,396
合約負債增加(減少)	915,603	(229,339)
受限制銀行結餘增加	(112,798)	(45,871)
匯兌變動之影響淨額	119,520	(29,849)
經營所得之現金	1,225,979	1,040,564
已收利息	15,320	19,594
已繳付香港利得稅	-	(263)
已繳付中國大陸所得稅	(95,625)	(70,666)
經營活動所得現金淨額	1,145,674	989,229

綜合現金流量表

截至二零二零年十二月三十一日止年度

	二零二零年 港幣千元	二零一九年 港幣千元
投資活動		
購入物業、廠房及設備	(60,043)	(199,135)
出售物業、廠房及設備之所得款項	1,528	6,968
添置其他無形資產	(70,052)	(50,164)
收購附屬公司	(414,844)	(42,587)
出售附屬公司	7,914	(2,850)
出售投資物業之所得款項	117,386	-
出售多間合營企業投資之所得款項	113,093	-
出售多間聯營公司投資之所得款項	1,642,194	115,049
出售一間附屬公司部分權益之所得款項	5,575	-
出售以公允價值計量且其變動計入其他全面收益的金融資產之所得款項	40,196	7,886
出售以公允價值計量且其變動計入損益的金融資產之所得款項	1,160,782	1,190,212
以公允價值計量且其變動計入損益的金融資產之股息收入	-	475
以公允價值計量且其變動計入其他全面收益的金融資產之股息收入	6,396	232
收取多間合營企業之股息	93,294	-
收取多間聯營公司之股息	26,473	31,571
於合營企業之投資	-	(23,981)
於聯營公司之投資	(35,041)	(41,486)
購買以公允價值計量且其變動計入損益的金融資產	(1,125,061)	(799,646)
投資活動所得現金淨額	1,509,790	192,544
融資活動		
行使購股權	6,631	-
股份購回	-	(20,539)
新增銀行貸款	2,925,161	3,630,668
償還銀行貸款	(4,018,992)	(4,111,711)
租賃負債之付款	(118,803)	(106,240)
發行公司債券之所得款項	-	1,949
償還公司債券	(2,439)	(569,854)
已付利息	(142,123)	(227,506)
已付股息	(162,829)	(51,112)
給予非控股股東之已付股息	(28,739)	(22,889)
依受限制股份獎勵計劃購買股份	(493,623)	(39,296)
收購非全資擁有附屬公司的額外權益之付款	(62)	(79)
購回一間附屬公司之股份	(164,562)	-
附屬公司非控股股東之出資	664,124	20,959
附屬公司非控股股東之減資	-	(3,495)
融資活動所用現金淨額	(1,536,256)	(1,499,145)
現金及現金等價物增加(減少)淨額	1,119,208	(317,372)
於年度初之現金及現金等價物	1,890,171	2,204,872
匯兌變動之影響淨額	67,338	2,671
於年度末之現金及現金等價物	3,076,717	1,890,171
現金及現金等價物之組成分析		
銀行結餘及現金	3,051,467	1,885,691
無抵押定期存款	25,250	4,480
於綜合財務狀況表及綜合現金流量表所載之現金及現金等價物	3,076,717	1,890,171

財務報表附註

截至二零二零年十二月三十一日止年度

1. 一般資料

神州數碼控股有限公司（「本公司」）乃一間於百慕達註冊成立之有限公司及其股份於香港聯合交易所有限公司上市。本公司之註冊辦公室地址及主要營業地點已於本年報的「公司資料」一節披露。

於本年度內，本公司及其附屬公司（統稱「本集團」）從事以下主要業務：

- 提供資訊科技（「IT」）服務，包括系統集成、軟件開發及技術服務業務。
- 提供供應鏈服務，包括電商供應鏈服務和物流服務。
- 提供全方位的智慧城市運營服務（包括基於互聯網全方位IT平台建設及運營）及機構性金融服務（包括小貸、租賃、保理等）。

綜合財務報表以港幣元（「港幣元」）呈列。除本集團於中華人民共和國（「中國」）營運之附屬公司之功能貨幣為人民幣（「人民幣」）外，本公司及其他附屬公司之功能貨幣為港幣元。

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）

於本年度，本集團首次應用香港財務報告準則中對概念框架的提述的修訂及香港會計師公會（「香港會計師公會」）所頒佈於本集團二零二零年一月一日開始的財政年度生效的以下經修訂之香港財務報告準則：

香港會計準則第1號及香港會計準則8號之修訂本	重大性的定義
香港財務報告準則第3號之修訂本	業務的定義
香港財務報告準則第7號、香港財務報告準則第9號 及香港會計準則第39號之修訂本	利率基準的改革

另外，本集團已提早採納於二零二零年六月一日或之後開始的年度期間生效的香港財務報告準則第16號之修訂本2019冠狀病毒相關的租金優惠。

除下文所述者外，於本年度應用香港財務報告準則中對概念框架的提述的修訂以及此等香港財務報告準則之修訂並無對本期間及過往期間本集團之財務表現及狀況及／或該等綜合財務報表所載之披露資料造成重大影響。

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第1號及香港會計準則第8號之修訂本重大性的定義

有關修訂為重大提供新的定義，指「如遺漏、失實陳述或遮掩資料可合理認為很可能會對一般用途財務報表主要使用者按照該等財務報表作出的決定造成影響，而該等財務報表提供的是有關特定報告實體的財務資料，則有關資料屬重大」。有關修訂澄清，重大程度將視乎於財務報表內有關資料的性質或定量（不論是單獨或是結合其他信息）。失實陳述資料如可合理認為很可能會對主要使用者所作出的決定造成影響則屬重大。

於本年度應用該等修訂對綜合財務報表並無影響。

香港財務報告準則第3號之修訂本業務的定義

有關修訂澄清業務的定義及提供如何確定交易是否構成業務合併的進一步指引。另外，有關修訂引進可選的「集中度測試」，倘所收購總資產的絕大部份公允價值集中在單一的可識別資產或一組類似可識別的資產時，允許對一組收購的活動及資產判斷為資產而非業務提供簡化評估。

本集團已收購日期為二零二零年一月一日或之後的交易應用了預期的修訂。這些修訂對本年度的綜合財務報表沒有影響。

香港財務報告準則第7號、香港財務報告準則第9號及香港會計準則第39號及之修訂本利率基準的改革

香港財務報告準則第7號、香港財務報告準則第9號及香港會計準則第39號之修訂本旨在解決銀行同業拆息改革對財務申報之影響。該等修訂提供可在替換現有利率基準前的不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂規定公司須向投資者提供有關直接受到該等不確定因素影響之對沖關係之額外資料。由於本集團並無任何利率對沖關係，因此該等修訂不會對本集團的綜合財務報表造成任何影響。

提早應用香港財務報告準則第16號之修訂本2019冠狀病毒相關的租金優惠

香港財務報告準則第16號之修訂提供實用權宜之計，讓承租人選擇不就因2019冠狀病毒疫情直接產生的租金寬減應用租賃修訂會計處理方式。實用權宜之計僅適用於因2019冠狀病毒疫情直接產生的租金寬減，且僅在(i)租賃付款變動導致經修訂租賃代價與緊接變動前的租賃代價大致相同或低於該代價時；(ii)任何租賃付款減少僅影響原本於二零二一年六月三十日或之前到期支付的款項；及(iii)租賃的其他條款及條件並無重大變動。

採用實際權宜之計的租賃就租金優惠產生的租賃付款變化與採用香港財務報告準則第16號的變化的會計處理方法相同，就好像該變化不是租賃修訂一樣。租賃付款的寬免或放棄被視為可變租賃付款。調整相關租賃負債以反映所免予或免除的金額，並在事件發生期間的損益中確認相應的調整。

本集團已選擇提早採納有關修訂，並應用於本集團於年內獲取的所有合資格的2019冠狀病毒相關租金優惠。於本年度，2019冠狀病毒相關租金優惠於損益中確認的金額為港幣850,000元。這對於二零二零年一月一日的年初結餘並無影響。

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團尚未提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約及相關修訂 ⁴
香港財務報告準則第3號之修訂本	對概念框架的提述 ³
香港財務報告準則第10號及 香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間的資產出售或投入 ²
香港會計準則第1號之修訂本	負債分類為流動或非流動及香港詮釋第5號（二零二零年）之相關修訂，財務報表之呈列－借款人對含有可隨時按 要求償還條文的定期貸款的分類 ⁴
香港會計準則第16號之修訂本	物業、廠房及設備：達致擬定用途前的所得款項 ³
香港會計準則第37號之修訂本	繁重合約－履行合約的成本 ³
香港財務報告準則第9號、 香港會計準則第39號、 香港財務報告準則第7號、 香港財務報告準則第4號及 香港財務報告準則第16號之修訂本	利率基準的改革－第2階段 ¹
香港財務報告準則之修訂本	香港財務報告準則二零一八年至二零二零年週期之年度 改進 ³

¹ 自二零二一年一月一日或之後開始的年度期間生效

² 自待確定日期或之後開始的年度期間生效

³ 自二零二二年一月一日或之後開始的年度期間生效

⁴ 自二零二三年一月一日或之後開始的年度期間生效

除以下描述外，本公司董事預期，應用新訂及經修訂香港財務報告準則將不會對本集團的業績及財務狀況構成重大影響。

香港財務報告準則第3號之修訂本對概念框架的提述

該等修訂更新了香港財務報告準則第3號，以便其提述二零一八年概念框架而非一九八九年框架。該等修訂亦為香港財務報告準則第3號增加一項要求，即就香港會計準則第37號範圍內的責任而言，收購方應應用香港會計準則第37號以確定於收購日期是否存在因過去發生的事件而存在現時責任。對於將屬於香港（國際財務報告詮釋委員會）－詮釋第21號徵費範圍內的徵費，收購方應用香港（國際財務報告詮釋委員會）－詮釋第21號確定是否於收購日期前發生引致支付徵費責任的義務事件。最後，該等修訂增添明確的聲明，即收購方不確認於業務合併中收購的或然資產。

該等修訂對收購日期於二零二二年一月一日或之後開始之首個年度期間開始時或之後的業務合併有效。倘實體於同一時間或提前應用所有其他更新的提述（與經更新的概念框架一併公佈），則允許提前應用。

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第1號之修訂本—負債分類為流動或非流動及香港詮釋第5號（二零二零年）之相關修訂

香港會計準則第1號之修訂本僅影響負債於財務狀況表呈列為流動或非流動，而並不影響確認任何資產、負債、收入或開支的金額或時間或就該等項目披露之資料。

該修訂澄清負債應基於報告期末存在之權利分類為流動或非流動，明確規定分類不受有關實體是否會行使其延遲清償債務權利之預期，解釋倘於報告期末遵守契約，則存在該權利，並引入「結算」的定義，以明確表示結算乃指將現金、股權工具、其他資產或服務轉移至對手方。

香港詮釋第5號乃因香港會計準則第1號之修訂本負債分類為流動或非流動而經調整，以使相應的措詞保持一致且結論不變。

該等修訂對於二零二三年一月一日或之後開始的年度期間追溯應用，並允許提早應用。

根據本集團於二零二零年十二月三十一日之未償還負債，應用該等修訂不會導致本集團負債分類之變動。

香港會計準則第37號之修訂本—繁重合約—履行合約的成本

該等修訂指明「履行合約之成本」包括「與合約直接相關之成本」。與合約直接相關之成本包括履行該合約之增量成本（例如直接勞工及材料）及與履行合約直接相關之其他成本分配（例如用於履行合約之物業、廠房及設備項目之折舊支出分配）。

該等修訂適用於實體於其首次應用該等修訂之年度報告期間開始時尚未履行其所有義務的合約。比較數字並無經重列。作為取代，實體應於初次應用日期，將初始應用該等修訂的累計影響確認為對保留盈利或其他權益部分的期初結餘的調整。

該等修訂對於二零二二年一月一日或之後開始的年度期間生效，並允許提早應用。

2. 應用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第16號之修訂本—物業、廠房及設備—達致擬定用途前的所得款項

該等修訂禁止在資產可供使用前從物業、廠房及設備項目的成本中扣除出售項目而產生的任何收益，即在將資產帶入其能夠以管理層擬定方式經營業務所需地點及狀況的同時產生的所得款項。因此，實體於損益中確認有關銷售所得款項及相關成本。實體根據香港會計準則第2號存貨計量該等項目的成本。

該等修訂亦澄清「測試資產是否正常運轉」的涵義。香港會計準則第16號現將其指定為評估資產的技術及實際表現是否讓其能夠用於生產或供應商品或服務、出租予他人或用於行政用途。倘並無於綜合收益表中單獨呈列，則財務報表應披露計入損益中涉及並非該實體日常活動產出的所產生項目的所得款項及成本的金額，而全面收益表中的有關項目包括有關所得款項及成本。

該等修訂獲追溯應用，但僅適用於實體於首次應用該等修訂的財務報表所呈列的最早期間的期初或之後被帶入能夠以管理層擬定方式經營業務所需地點及狀況的物業、廠房及設備項目。

實體應於最早呈列的期間的期初，將初始應用該等修訂的累計影響確認為對保留盈利（或其他權益部分，如適用）的期初結餘的調整。

該等修訂對於二零二二年一月一日或之後開始的年度期間生效，並允許提早應用。

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例規定的適用披露。

綜合財務報表乃按歷史成本原則編製，惟投資物業及以公允價值計量的金融資產於各報告期末按公允價值計量。

歷史成本一般基於交換商品及服務時所考慮的代價的公允價值。

公允價值是指在當前市場條件下的計量日期，在主要（或最有利）市場中的市場參與者之間的有序交易中，出售資產所收取的價格或轉移負債的價格（即退出價格），不論該價格是否可以直接觀察或使用其他估值技術估算。有關公允價值計量的詳情，請參閱下文所載的會計政策。

主要會計政策載列如下。

3. 主要會計政策 (續)

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司控制的實體的財務報表。

本集團擁有以下條件實現控制：(i)對被投資方的權力；(ii)因參與被投資方而產生的可變回報的風險或權利；(iii)使用其對被投資方的權力影響本集團回報的能力。當本集團擁有少於被投資方的多數投票權時，可通過以下方式獲得對被投資方的權力：(i)相對剩餘投票持有人的持股數量及分散情況，本集團持有投票權的規模；(ii)其他合約安排產生的權利；(iii)本集團的投票權及潛在投票權；(iv)於需要作出決定(包括之前股東大會上之投票模式)時表明本集團當前擁有指導相關活動之能力之任何其他事實及情況；或(v)基於所有相關事實及情況的上述組合。

如果事實及情況表明上述一項或多項控制要素發生變化，本集團會重新評估其是否控制被投資方。

於本集團取得附屬公司控制權時開始合併附屬公司，並於本集團失去對附屬公司的控制權時終止合併。

附屬公司的收入及開支自本集團取得控制權當日起計入綜合損益表，直至本集團不再控制該附屬公司為止。

附屬公司的損益及其他全面收益的各個組成部分歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉導致非控制性權益出現虧絀結餘。

與本集團實體間交易有關的所有集團內資產及負債、權益、收入、費用及現金流量於合併時悉數抵銷。

本集團於現有附屬公司的所有權權益變動

本集團於現有附屬公司的所有權權益變動，且並未導致本集團失去對附屬公司的控制權，均以權益交易入賬。本集團權益及非控股權益的賬面值均予以調整，以反映彼等於附屬公司的相關權益的變動。非控股權益所調整金額與已付或已收代價的公允價值兩者之間的差額，均直接於權益確認並歸屬於本公司擁有人。

當本集團失去對附屬公司的控制權時，(i)終止確認該附屬公司的資產(包括任何商譽)及負債於其失去控制權當日的賬面值，(ii)終止確認於前附屬公司的任何非控制性權益於失去控制當日的賬面值(包括其應佔其他全面收益的任何組成部分)，及(iii)確認所收代價的公允價值與任何保留權益的公允價值的總和，任何由此產生的差額確認為歸屬於本集團的損益的收益或損失。當附屬公司的資產及負債以重估金額或公允價值計量且相關的累計收益或損失已在其他全面收益中確認並在權益中累計時，先前在其他全面收益中確認並在權益中累計的金額按猶如本集團已直接出售相關資產及負債入賬(即重新分類至損益或直接轉撥至適用香港財務報告準則所指明的保留盈利)。於失去控制權當日保留於前附屬公司的任何投資的公允價值根據香港財務報告準則第9號金融工具於後續入賬時被視為初始確認公允價值或(如適用)初始確認於聯營公司或合營企業投資的成本。

3. 主要會計政策 (續)

業務合併

自二零二零年四月一日起，本集團可選擇按個別交易基準應用選擇性的集中度測試，該測試允許簡單評估所收購的一組活動及資產是否屬於業務。若果被收購總資產的公允價值大部分集中在單個可識別資產或一組相似的可識別資產，則通過集中度測試。受評估的總資產不包括現金及現金等價物、遞延稅項資產及遞延稅項負債影響產生的商譽。倘通過集中度測試，則該組活動及資產不會被釐定為業務，並毋須進一步評估。

業務合併

通過應用收購法來入賬業務合併。業務合併中轉讓的代價以公允價值計量，其公允價值按本集團轉讓的資產於收購日期的公允價值、本集團對被收購方前所有者產生的負債及本集團為換取被收購方控制權而發行的股本權益的總和計算。業務合併產生的收購相關成本於產生時在損益中確認。

於收購日期，所收購的可識別資產及所承擔的負債按其公允價值確認，惟於業務合併時收購的資產及承擔的負債所產生的遞延稅項資產及負債乃根據香港會計準則第12號所得稅確認及計量除外。

商譽按被轉讓代價總額、被收購方任何非控制權益的金額以及本集團先前持有的被購買方股權 (如有) 的公允價值總和超出所收購可識別資產和所承擔的負債於收購日期金額淨額的金額計量。如果在重新評估後，所收購可識別資產和所承擔負債的收購日期金額的淨額超過所轉讓的代價、於被收購方的任何非控制性權益的金額以及收購方以前於被收購方持有權益 (如有) 的公允價值的總和，超出部分立即在損益中確認為議價購買收益。

除非另有準則要求，否則非控制性權益按收購日期公允價值計量，但代表所有者權益並賦予其持有人權利在清算時按比例分享該實體的淨資產的非控股權益除外，該等權益按公允價值或按現有所有權工具於按交易基準確認的被收購方可辨認淨資產金額的比例份額計量。

商譽

業務合併產生的商譽按成本減累計減值虧損 (如有) 列賬。

就減值測試而言，商譽會分配至預期可從合併的協同效應中受益的本集團各現金產生單位 (「現金產生單位」) (或現金產生單位組別)。

已獲分配商譽的現金產生單位 (或現金產生單位組別) 每年或在有跡象顯示該單位可能出現減值時更頻繁地進行減值測試。就報告期內收購產生的商譽而言，已獲分配商譽的現金產生單位 (或現金產生單位組別) 於該報告期末前進行減值測試。如果現金產生單位的可收回金額低於其賬面值，則首先分配減值虧損，以減少分配給該單位 (或現金產生單位組別) 的任何商譽的賬面值，然後根據該單位中每項資產的賬面值按比例減少該單位的其他資產。商譽的任何減值虧損直接於損益確認。商譽確認的減值虧損在以後期間不予轉回。

本集團有關聯營公司或合營公司的商譽 (包含於投資賬面值) 政策載於下文「於聯營公司及合營公司的權益」。

3. 主要會計政策 (續)

對聯營公司及合營企業的投資

聯營公司是指本集團具有重大影響力的實體。重大影響力是參與被投資方的財務和經營政策決策的權力，但不是對這些政策的控制或共同控制。

合營企業是一種合營安排，對該安排共同控制的各方有權享有該安排的淨資產。共同控制是指按照合約約定分享對安排的控制權，只有在相關活動的決定需要共享控制權的各方的一致同意時才存在。

本集團於聯營公司及合營企業的投資於綜合財務狀況表中按權益法入賬，惟分類為持作出售的投資除外，該類投資根據香港財務報告準則第5號持作出售之非流動資產及已終止業務入賬。

根據權益法，對聯營公司及合營企業的投資初始按成本確認。本集團於聯營公司及合營企業的損益及其他全面收益變動的份額於收購日期後分別於損益及其他全面收益確認。如本集團在聯營公司或合營企業的虧損份額等於或超過其在聯營公司或合營企業的權益（使用權益法連同任何實質上構成本集團於聯營公司或合營企業淨投資一部分的長期權益確定），本集團不再確認其應佔的進一步虧損。只有在本集團承擔法律或建設性義務或代表聯營公司或合營企業支付款項的情況下，才會計提額外損失，並確認負債。

倘一間聯營公司或合資企業就於類似情況下之類似交易及事件所採用之會計政策有別於本集團所採用者，則需於本集團應用權益法使用該等聯營公司或合資企業之財務表時，對該等聯營公司或合資企業之會計政策作出調整，使其與本集團之會計政策一致。

於聯營公司或合營企業的投資自被投資方成為聯營公司或合營企業之日起以權益法入賬。於收購投資時，收購成本超過本集團應佔聯營公司或合營企業可識別資產及負債公允價值淨額的份額，確認為商譽，並計入投資賬面值。

本集團應佔可識別資產及負債公允淨值超出收購成本的任何部分，經重新評估後於收購投資期間在損益內確認。

採用權益法（包括確認聯營公司或合營企業的虧損（如有））後，本集團會確定是否有客觀證據表明其於聯營公司或合營企業的淨投資出現減值。作為對聯營公司或合營企業投資賬面值一部分的商譽，不單獨確認。於釐定是否有必要確認本集團於一間聯營公司或合營企業之投資的任何減值虧損時，則應用香港會計準則第36號的規定。於必要時，投資的全部賬面值（包括商譽）通過比較其可收回金額（使用價值與公允價值減去處置費用後的較高者）與其賬面值，作為單項資產進行減值測試。已確認的任何減值虧損不分配至任何資產，包括構成於聯營公司或合營企業的淨投資賬面值的一部分的商譽。該減值虧損的任何撥回僅於投資的可收回金額隨後增加時確認。

3. 主要會計政策 (續)

對聯營公司及合營企業的投資 (續)

當投資於本集團喪失對聯營公司的重大影響力或合營企業的共同控制權時不再為聯營公司或合營企業，本集團不再採用權益法及任何保留權益按其於該日的公允價值(根據適用準則被視為其初始確認為金融資產時的公允價值)計量。任何保留權益的公允價值與處置於聯營公司或合營企業的部分權益的任何所得款項之間的任何差額以及不再使用權益法當日投資的賬面值於損益確認。先前於其他全面收益中確認的有關該投資的任何金額，按如被投資方直接處置相關資產或負債時所需的相同基準重新分類至損益或保留盈利。

當本集團於聯營公司或合營企業的所有權權益減少，但本集團繼續採用權益法時，先前已就其與所有權權益減少有關的其他全面收益確認的收益或虧損比例在倘處置相關資產或負債時需要將該收益或損失重新分類至損益的情況下，則重新分類至損益。

本集團與其聯營公司或合營企業之間交易產生的收益及虧損僅在和於聯營公司或合營企業的投資者權益不相關的情況下於綜合財務報表中確認。本集團於該等交易產生的聯營公司或合營企業的收益或虧損中的份額予以抵銷。

本集團將香港財務報告準則第9號(包括減值規定)應用於並不適用權益法且構成對被投資方淨投資一部分的聯營公司或合營企業的長期權益。在將香港財務報告準則第9號應用於長期權益時，本集團並無考慮香港會計準則第28號對其賬面值作出的調整(即分配被投資方的虧損或按照香港會計準則第28號進行減值評估而對長期權益的賬面價值作出的調整)。

持作出售之非流動資產

倘非流動資產及出售組別的賬面值將主要透過銷售交易而非持續使用收回，則有關非流動資產及出售組別分類為持作出售用途。該分類要求資產或出售組別在其當前狀態下可立即出售，且僅受出售該資產或出售組別的通常及習慣條款的約束，且其極有可能出售。管理層必須致力於出售，預計出售將在分類之日起一年內被確認為已完成出售。

當本集團致力於涉及出售於聯營公司或合營企業的投資或部分投資的銷售計畫時，當滿足上述標準時，將被出售的該項投資或部分投資均被分類為持作出售，且本集團自該投資(或部分投資)被分類為持作出售時起不再就被分類為持作出售的部分使用權益法。未被分類為持作出售的於聯營公司或合營企業的投資的任何保留部分繼續使用權益法入賬。當出售導致本集團喪失對聯營公司的重大影響力或對合營企業的共同控制時，本集團出售時不再使用權益法。

於出售發生後，本集團根據適用準則將於聯營公司或合營企業的任何保留權益入賬，除非保留權益繼續構成聯營公司或合營企業，本集團在該情況下使用權益法(請參閱上文有關於聯營公司或合營企業的投資的會計政策)。

3. 主要會計政策 (續)

持作出售之非流動資產 (續)

分類為持作出售之非流動資產及出售組別按其先前賬面值與公允價值減出售成本的較低者計量，惟香港財務報告準則第9號範圍內的金融資產除外，其繼續按相關會計政策計量。

收入確認

收入被確認為描述向客戶轉讓承諾的商品或服務的金額，該金額反映了該實體預期有權以換取這些商品或服務的代價。具體而言，本集團採用5步驟方法確認收入：

- 步驟1：與客戶確定合約
- 步驟2：確定合約中的履約義務
- 步驟3：確定交易價格
- 步驟4：將交易價格分配給合約中的履約義務
- 步驟5：在 (或作為) 實體滿足履約義務時確認收入。

本集團於履行履約責任 (或履約責任獲履行) 時確認收入，即當特定履約責任相關的貨品或服務的「控制權」轉移至客戶時。

履約義務代表特定的商品或服務 (或一攬子商品或服務) 或一系列基本相同的特定商品或服務。

控制權隨著時間的推移而轉移，如果滿足以下標準之一，則參考完全滿足相關履約義務的進度隨著時間的推移確認收入：

- 客戶同時收到並消耗本集團履約時所提供的利益；
- 在創建及增強資產時，本集團的履約創造並增強了客戶控制的資產；或
- 本集團的履約並未為本集團創造具有替代用途的資產，而本集團對於迄今已完成的履約款項具有強制執行權。

否則，收入在客戶獲得對特定商品或服務的控制權的時間點被確認。

收入根據與客戶簽訂的合約中規定的代價計量，不包括代表第三方收取的金額、折扣及銷售相關稅費。

3. 主要會計政策 (續)

收入確認 (續)

本集團確認來自以下主要來源的收入：

- 系統集成
- 軟件開發及技術服務業務
- 物流服務
- 電子商務供應鏈服務

系統集成的收入隨著時間的推移確認，惟包括銷售商品及提供服務的合約除外。該等合約中的履約義務單獨識別。銷售商品產生的收入於商品控制權轉移至客戶的時間點確認而提供服務產生的收入則隨著時間的推移確認。

軟件開發及技術服務業務的收入隨著時間的推移而確認。

本集團通過根據輸出或投入法衡量完全完成履約的進度隨著時間的推移確認收入。

根據迄今為止向客戶轉讓的商品或服務相對於合約項下承諾之剩餘商品或服務的價值直接計量應用輸出法確認收入，此舉最能反映本集團於轉讓商品或服務控制權方面的履約責任。

根據本集團完成履約義務的投入或輸入應用投入法確認收入，並參考截至報告期末的實際成本佔每份合約估計總成本的百分比。在某些情況下，如履約義務的結果無法合理計量，則本集團僅在產生的成本範圍內確認收入，直至能夠合理計量履約義務的結果為止。

物流服務的收入在向客戶提供服務時確認。

電子商務供應鏈服務的收入包括提供供應鏈服務及銷售貨物，收入在向客戶提供服務時或在商品控制權轉移給客戶時確認，通常於向客戶交付商品時。

合約資產及合約負債

合約資產代表本集團就交換本集團已轉讓予客戶的商品或服務而有權獲得的並未成為無條件的代價。其根據香港財務報告準則第9號進行減值評估。相反，應收款項代表本集團收取代價的無條件權利，即該代價付款到期應付前僅需要時間的推移。

合約負債指本集團向本集團已收到客戶代價的客戶轉讓貨品或服務的責任。倘本集團於本集團確認相關收入前擁有無條件收取代價之權利，則亦將確認合約負債。在這種情況下，也會確認相應的應收款項。

對於與客戶的單一合約，列報淨合約資產或淨合約負債。對於多份合約，無關合約的合約資產及合約負債不以淨額基準列報。

3. 主要會計政策 (續)

存在重大融資成分

於釐定交易價格時，倘向客戶就轉移貨品或服務（不論以明示或暗示方式）而協定之付款時間為客戶或本集團帶來重大融資利益，則本集團就貨幣時間值的影響而調整已承諾之代價金額。於該等情況下，合約含有重大融資成分。不論於合約中以明示呈列或合約訂約方協定的支付條款暗示融資承諾，均存在重大融資成分。

就相關貨品或服務的支付與轉移期間少於一年的合約而言，本集團就任何重大融資成分應用不調整交易價格的實際權宜方法。

就本集團於客戶付款前轉移本集團已就任何重大融資而調整已承諾的代價金額的相關貨品或服務的合約而言，本集團應用將於本集團與客戶之間於合約開始的獨立融資交易中反映的貼現率。於預付款期間的相關利息開支授權，且轉移相關貨品及服務按相同基準入賬列作其他借貸成本。本集團確認於客戶付款至轉移相關貨品或服務期間的利息收入，並調整有關應收款項。

3. 主要會計政策 (續)

租賃

租賃的定義

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

本集團作為承租人

本集團於初始建立合約時評估合約是否屬租賃或包含租賃。本集團就其作為承租人的所有租賃安排確認使用權資產及相應租賃負債，短期租賃（定義為租期為自開始日期起12個月或以下且不包含購買權的租賃）及低價值資產租賃除外。就該等租賃而言，本集團於租期內以直線法確認租賃付款為營運開支，惟倘有另一系統化基準更能體現耗用租賃資產所產生經濟利益的時間模式則除外。

租賃負債

於開始日期，本集團按當日尚未支付租賃付款的現值計量租賃負債。租賃付款乃採用租賃中的內含利率進行貼現。倘該利率不能較容易地釐定，則本集團採用其增量借貸利率。

計入租賃負債計量的租賃付款包括：

- 固定租賃付款（包括實質上的固定付款），減去任何應收租賃優惠；
- 可變租賃付款，取決於一項指數或利率，初步計量時使用開始日期的指數或利率；
- 承租人根據剩餘價值擔保預期應付金額；
- 購買權的行使價（倘承租人合理確定行使該等權利）；及
- 終止租賃的罰金付款（倘租期反映本集團行使權利終止租賃）。

租賃負債在綜合財務狀況表中單獨呈列。

租賃負債其後透過增加賬面值反映租賃負債的利息（採用實際利率法）及調減賬面值反映已支付的租賃付款進行計量。

3. 主要會計政策 (續)

租賃 (續)

使用權資產

使用權資產包括相應租賃負債的初步計量、於開始日期或之前作出的租賃付款及任何初始直接成本減已收取租賃優惠。當本集團產生拆除及移除租賃資產、恢復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態的成本責任時，將根據香港會計準則第37號「撥備、或然負債及或然資產」確認及計量撥備。成本計入相關使用權資產中，除非該等成本乃因生產存貨而產生。

除分類為投資物業並以公允價值模式計量的使用權資產外，使用權資產其後按成本減累計折舊及減值虧損計量，並就租賃負債的任何計量作出調整。該等資產於相關資產租期及可使用年限兩者中的較短期間內折舊。倘租賃轉讓相關資產的所有權或使用權成本反映本集團預期會行使購買選擇權，則相關使用權資產於有關資產的可使用年限內折舊。折舊於租賃開始日期開始。

本集團在綜合財務狀況表中將使用權資產單獨呈列。

本集團應用香港會計準則第36號釐定使用權資產是否已減值，並將任何已識別減值虧損入賬。

並非依據指數或利率而定之可變租金 (如有) 不包括在租賃負債及使用權資產之計量中。相關款項於觸發該等款項之事件或情況發生期間確認為開支。

當本集團於租期結束時取得相關租賃資產之擁有權，經行使購買權後，相關使用權資產成本以及相關累計折舊及減值虧損轉移至物業、廠房及設備。

將合約代價分配至各組成部分

對於包含一項租賃組成部分及一項或多項額外的租賃或非租賃組成部分的合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分。

作為可行權宜方法，香港財務報告準則第16號允許承租人不將非租賃組成部分分離，而可將任何租賃及相關非租賃組成部分入賬為單一安排。本集團已就所有租賃使用這一可行權宜方法。

租賃修訂

倘出現以下情況，本集團會將租賃修訂作為獨立租賃入賬：

- 該修訂透過增加一項或多項相關資產之使用權擴大租賃範圍；及
- 租賃代價之調升金額相當於範圍擴大之對應獨立價格，並就該獨立價格作出任何適當調整以反映特定合約情況。

對於並非作為獨立租賃入賬的租賃修訂而言，本集團根據經修訂租賃的租期透過使用於修訂生效日期的經修訂貼現率貼現經修訂租賃付款而重新計量租賃負債。

3. 主要會計政策 (續)

租賃 (續)

2019冠狀病毒相關的租金優惠

因2019冠狀病毒疫情的直接影響產生的租賃合約有關的租金優惠，本集團選擇應用實際權宜方法不評估有關租賃合約的2019冠狀病毒相關的租金優惠是否為租賃修訂。實際權宜方法僅適用於2019冠狀病毒的直接影響產生的租金優惠，惟須達成下列所有條件：

- 租賃付款變動導致租賃的經修訂代價與緊接變動前租賃代價大致相同或低於緊接變動前租賃代價；
- 租賃付款的任何減少僅影響原定於二零二一年六月三十日或之前到期的付款；及
- 租賃的其他條款及條件並無重大變動。

承租人應用可行權宜方法，將租金寬減導致的租賃付款變動列賬，以同一方式將應用香港財務報告準則第16號租賃的變動入賬（倘變動並非租賃修訂）。免除或豁免租賃付款可作為浮動租賃付款入賬。相關租賃負債進行了調整以反映該事件發生期內於損益中已確認相關調整的免除或豁免租賃金額。

本集團作為出租人

本集團作為出租人就其投資物業及若干設備訂立租賃安排。本集團作為出租人的租賃被分類為融資或經營租賃。當租賃條款實質上將相關資產所有權的絕大部分風險及回報轉移至承租人，則合約獲分類為融資租賃。所有其他租賃被分類為經營租賃。

當合約包括租賃及非租賃組成部分時，本集團應用香港財務報告準則第15號將合約代價分配至各組成部分。

經營租賃的租金收入於相關租期內按直線法確認。協商及安排經營租賃所產生之初步直接成本乃加至租賃資產之賬面值，並於租期內按直線法確認，惟公允價值模型下的投資物業除外。

融資租賃承租人應付金額按本集團租賃淨投資額確認為應收款項，採用各自租賃隱含的利率計量。融資租賃收入分配至會計期間，以反映本集團有關租賃的未償還淨投資的固定週期回報率。

租賃修訂

本集團自修訂生效之日起將經營租賃的變更作為新租賃入賬，並將與原始租賃有關的任何預付款或應計租賃付款作為新租賃的租賃付款的一部分。

3. 主要會計政策 (續)

外幣

在編製每個集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)進行的交易以相應的功能貨幣(即該實體經營所在的主要經濟環境的貨幣)按在交易日期的現行匯率入賬。於報告期末，以外幣計值的貨幣項目按該日的現行匯率重新換算。按公允價值列賬以外幣計值的非貨幣項目按於釐定公允價值當日的當前匯率重新換算。按歷史成本以外幣計量的非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目產生的匯兌差額於其產生期間在損益中確認。

按公允價值列賬的重新換算非貨幣項目產生的匯兌差額計入當期損益，惟收益及虧損直接於其他全面收益確認的重新換算非貨幣項目產生的匯兌差額除外，在該情況下，匯兌差額亦直接於其他全面收益確認。

就呈列綜合財務報表而言，本集團海外業務的資產及負債按各報告期末的現行匯率換算為本集團的呈列貨幣(即港幣元)。收入及費用項目按當年的平均匯率換算。所產生的匯兌差額(如有)於其他全面收益中確認，並於匯兌波動儲備項下的權益累計(酌情歸屬於非控股權益)。

出售海外業務時(即出售本集團於海外業務的全部權益或出售涉及失去包括海外業務的附屬公司的控制權，或出售涉及失去包括海外業務的合營安排的控制權，或出售涉及失去包括海外業務的聯營公司的重大影響力)，本公司擁有人就該業務應佔的所有於權益累計的匯兌差額乃重新分類至損益。此外，就部分出售一間附屬公司惟並未導致本集團失去對該附屬公司的控制權而言，按比例分佔的累計匯兌差額乃重新計入非控股權益，不於損益內確認。至於所有其他部分出售(即部分出售聯營公司或合營安排惟並未導致本集團失去重大影響力或共同控制權)，按比例分佔的累計匯兌差額乃重新分類至損益。

因收購海外業務而產生的商譽及所收購可識別資產及負債的公允價值調整被視為該海外業務的資產及負債，並按各報告期末的現行匯率重新換算。產生的匯兌差額於其他全面收益中確認。

3. 主要會計政策 (續)

借貸成本

直接歸屬於收購、建造或生產合格資產 (必須需要相當長的一段時間才能達到擬定用途或銷售狀況的資產) 的借貸成本加入到該等資產的成本, 直至該等資產基本上已準備好用於其擬定用途或銷售為止。

於相關資產已準備好作擬定用途或銷售後仍未償還的任何特定借貸於計算一般借貸的資本化率時成為實體一般借貸基金的一部分。

所有其他借貸成本於產生期間在損益中確認。

政府補貼

在合理保證本集團將遵守其附帶條件並將收到補貼之前, 不會確認政府補貼。

政府補貼於本集團確認補貼擬補償的相關成本作為開支的期間內系統地於損益確認。具體而言, 主要條件是本集團應購買、建造或以其他方式收購非流動資產的政府補貼, 在綜合財務狀況表中確認為遞延收益, 並在相關資產的使用年限內系統合理地轉入損益。

作為已發生的費用或虧損的補償而應收的政府補貼或為向本集團提供即時財務支持且無日後相關成本的政府補貼於其應收期間在損益中確認。

稅項

所得稅費用是當期應付稅款及遞延所得稅的總和。

當期應付的稅款是根據當年的應課稅溢利計算的。應課稅溢利與綜合損益表所報的除稅前溢利不同, 因為其他年度應課稅或可扣稅的收入或開支項目以及從不課稅或扣稅的項目。本集團的即期稅項負債乃使用於報告期末已頒佈或實質上已頒佈的稅率計算。

遞延稅項乃就綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基之間的暫時性差額確認。遞延稅項負債一般就所有應課稅暫時性差額確認。遞延稅項資產一般就所有可扣稅暫時性差額確認, 惟以可能有應課稅溢利可用以抵銷該等可抵扣暫時性差額為限。如果暫時性差額來自商譽或不影響應課稅溢利或會計溢利的交易中的其他資產及負債的初始確認 (業務合併除外), 則不確認該遞延稅項資產及負債。

遞延稅項負債就與附屬公司及聯營公司投資及合營企業權益相關的應課稅暫時性差額確認, 惟本集團能夠控制暫時性差額的撥回且暫時性差額將不會於可預見未來撥回則除外。與此類投資和權益相關的可抵扣暫時性差額產生的遞延所得稅資產, 僅在可能有足夠的應課稅溢利用以抵扣暫時性差額的利益時予以確認, 且其預計在可預見未來撥回。

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產的賬面值於各報告期末檢討，並減少至不再可能有足夠應課稅溢利以收回全部或部分資產。

遞延稅項資產及負債根據於報告期末已頒佈或實質頒佈的稅率 (和稅法)，按照預期在負債結算或資產變現期間適用的稅率計量。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算其資產及負債賬面值的方式所產生的稅務後果。

就計量使用公允價值模型計量的投資物業的遞延稅項負債或遞延稅項資產而言，該等物業的賬面值假設可全部透過銷售收回，除非該假設被推翻。當投資物業可折舊並且在一個目的是隨著時間的推移消耗投資物業所包含的絕大部分經濟利益而不是通過銷售的商業模式中持有，則該假設被推翻。倘該假設被推翻，該等投資物業的遞延稅項負債及遞延稅項資產乃根據上述一般原則計量。

遞延稅項資產及負債可在具法定強制執行權利將即期稅項資產抵銷即期稅項負債時，以及其關於同一稅務機關在預期清償或收回大額遞延稅項負債或資產之各個未來期間，就(i)同一應課稅實體；或(ii)不同應課稅實體 (該等實體有意按淨額基準結算即期稅項負債及資產或同時變現資產及清償負債) 徵收之所得稅時，方予以抵銷。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團將香港會計準則第12號所得稅的規定分別應用於使用權資產及租賃負債。由於應用初始確認豁免，有關使用權資產及租賃負債之暫時差額並未於初始確認時及於租期內確認。

當期及遞延稅項於損益確認，惟與其他全面收益或直接於權益確認的項目有關者除外，在此情況下，當期及遞延稅項亦分別於其他全面收益或直接於權益中確認。如果業務合併的初始會計處理產生當期稅項或遞延稅項，則稅務影響計入業務合併的會計處理中。

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備用作生產或供應貨品或服務或行政開支 (在建工程除外) 於綜合財務狀況表中按成本值減其後累計折舊及其後累計減值虧損 (如有) 列賬。

就包括租賃土地及樓宇要素的物業所有權益付款而言，當該付款不能可靠地在租賃土地及樓宇要素之間分配時，全部物業以樓宇呈列並計入本集團的物業、廠房及設備，惟該等根據公允價值模型按投資物業分類及入賬者除外。

折舊乃按直線法確認於估計可使用年期內分配物業、廠房及設備項目的成本 (在建工程除外) 減其估計可使用年期的剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期末審閱，受估計的任何變動產生的影響按預期基準入賬。所採用之主要折舊年率如下：

樓宇	按租約期間或2%至5% (以較短者為準)
裝修	按租約期間或20%至33% (以較短者為準)
裝置及辦公室設備	10%至33%
汽車	10%至20%

用於生產、供應或行政目的的建築過程中的物業按成本值減任何已確認減值虧損列賬。成本包括專業費用，以及在合資格資產根據本集團會計政策資本化的借貸成本。這些物業在完工後可分類為適當的物業、廠房及設備類別，並已準備於預期用途。該等資產 (在與其他財產資產相同的基礎上) 折舊在資產達到預定可使用狀態時開始計算。

物業、廠房及設備項目於出售時或預期不會因持續使用該資產而產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目產生的任何收益或虧損乃按出售所得款項與資產賬面值之間的差額釐定，並於損益中確認。

投資物業

投資物業，包括在建物業，是為賺取租金及／或資本增值而持有的物業。投資物業包括未來未確定使用的土地，被視為資本增值目的。

投資物業初始按成本值計量，包括任何直接應佔開支。初始確認後，投資物業按其公允價值計量。投資物業公允價值變動產生的收益或損失計入當期損益。

投資物業於出售時或當其永久退出使用及預期出售不會產生未來經濟利益時取消確認。取消確認物業產生的任何收益或虧損 (按出售所得款項淨額與資產賬面值之間的差額計算) 計入物業取消確認期間的損益。

3. 主要會計政策 (續)

投資物業 (續)

如物業、廠房及設備項目及使用權資產在使用發生變化時成為投資物業，該項目的賬面價值與公允價值之間的任何差異在其他全面收益中予以確認，並累積在物業重估儲備中。該項目的物業重估儲備將於終止確認時直接轉撥至保留溢利。

倘持作銷售用途的物業在用途出現變化時成為投資物業 (經可觀察證據支持)，則該物業於轉撥日期的賬面值與公允價值間的任何差額於損益確認。

無形資產

單獨購買的無形資產

獨立購買的具有有限可使用年期的無形資產按成本值減累計攤銷及任何累計減值虧損列賬。可使用年期有限的無形資產的攤銷按其估計可使用年限以直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，估計變動的影響按預期基準入賬。

無形資產於出售時或使用或出售不會產生未來經濟利益時取消確認。取消確認無形資產產生的任何收益或虧損按出售所得款項淨額與資產賬面值之間的差額計算，並於資產取消確認期間的損益內確認。

專利及許可證

購買專利及許可證按成本值減任何減值虧損列賬，並按其估計可使用年期五年以直線法攤銷。

研究及開發費用

所有研究成本均於產生時計入損益表。

開發新產品項目產生的支出僅在本集團能夠證明完成無形資產的技術可行性以使其可供使用或出售，其完成意圖及其使用或出售資產的能力時予以資本化及遞延資產如何產生未來的經濟效益，完成項目的資源的可用性以及在開發過程中可靠地衡量支出的能力。不符合該等條件的產品開發支出在產生時計入費用。

遞延開發成本按成本值減任何減值虧損列賬，並自產品投入商業生產之日起，以不超過五年的相關產品的商業年期以直線法攤銷。

系統軟件

購買系統軟件按成本值減累計攤銷及任何累計減值虧損列賬，並按其估計可使用年限五年以直線法攤銷。

於業務合併中收購的無形資產

於業務合併中收購的無形資產與商譽分開確認，並於收購日期按公允價值 (視為其成本) 初步確認。

3. 主要會計政策 (續)

無形資產 (續)

於業務合併中收購的無形資產 (續)

於初步確認後，具有有限可使用年期的無形資產按成本值減累計攤銷及任何累計減值虧損列賬。可使用年期有限的無形資產的攤銷按其估計可使用年限以直線法確認。或者，具有無限可使用年期的無形資產按成本減任何其後累計減值虧損 (參見下文有關有形及無形資產減值虧損的會計政策)。

存貨

存貨按成本值與可變現淨值兩者中的較低者列賬。存貨成本採用加權平均法計算。可變現淨值指存貨的估計售價減去所有估計完工成本及進行銷售所需的成本。

在建物業

在建物業擬於完成後作為持作出售項目。

在建物業按成本與可變現淨值之較低者列賬，包括土地成本、建設成本、借貸成本、專業費及於開發期間產生之有關物業直接應佔之其他成本。可變現淨值乃由本公司董事根據現行市價減適用的可變銷售費用及預估完成成本。

在建物業分類為流動資產，除非相關物業開發項目的建設期預期完工時間超過正常作業週期。於完工時，有關物業轉撥至持作銷售用途的竣工物業。

持作銷售用途的竣工物業

持作銷售用途的竣工物業按成本及可變現淨值的較低者列賬。成本按照未售物業在土地及樓宇的總成本中所佔比例釐定。可變現淨值乃由董事按個別物業根據現行市價估計。

現金及現金等價物

於綜合財務狀況表內的現金及短期存款包括銀行存款及現金，以及到期日為三個月或以下的短期存款。

就綜合現金流量表而言，現金及現金等價物包括上文所界定的現金及短期存款。

於附屬公司之投資

於附屬公司之投資於本公司財務狀況表中按成本值減累計減值虧損列賬。

金融工具

當集團實體成為工具合約條文的訂約方時，金融資產及金融負債於綜合財務狀況表確認。

金融資產及金融負債初始按公允價值計量 (根據香港財務報告準則第15號初始計量的客戶合約產生的應收貿易賬款除外)。直接歸屬於收購或發行金融資產及金融負債的交易費用 (金融資產或以公允價值計量且其變動計入損益的金融負債除外) 計入金融資產或金融負債的公允價值或從中扣除，酌情在初始確認時。直接歸屬於以公允價值計量且其變動計入損益的金融資產或金融負債的交易費用直接計入損益。

3. 主要會計政策 (續)

金融工具 (續)

金融資產

所有常規方式購買或出售金融資產均按交易日確認及終止確認。常規方式購買或銷售是指在市場規則或慣例規定的時間範圍內需要交付資產的金融資產的購買或出售。

所有已確認的金融資產隨後按攤銷成本或公允價值全部計量，具體取決於金融資產的分類。金融資產於初始確認時分類，其後按攤銷成本，以公允價值計量且其變動計入其他全面收益及以公允價值計量且其變動計入損益。

初始確認時的金融資產分類取決於金融資產的合約現金流量特徵以及本集團管理他們的業務模式。

按攤銷成本計算的金融資產 (債務工具)

如果滿足以下兩個條件，本集團隨後按攤銷成本計量金融資產：

- 金融資產以業務模式持有，其目的是持有金融資產以收取合同現金流量；及
- 金融資產的合約條款在指定日期產生現金流量，而現金流量僅為未償還本金的本金及利息。

按攤銷成本計算的金融資產其後採用實際利率法計量，並可能會出現減值。

(i) 攤銷成本及實際利率法

實際利率法是計算債務工具的攤銷成本和相關期間分配利息收入的方法。

實際利率是準確折現預計未來現金收入 (包括支付或收到的所有費用和支出的利率)。構成實際利率、交易成本及其他溢價或折扣的組成部分，不包括預期信貸虧損，通過債務工具的預期年期，或在適當的情況下縮短到債務工具的總賬面金額在初始認可。

金融資產的攤銷成本為金融資產在初始確認時減本金償還額的金額，加上使用實際利率法計算的初始金額與到期金額之間任何差額的累計攤銷，並就任何虧損撥備進行調整津貼。金融資產的賬面總額為金融資產的攤銷成本，然後調整任何虧損撥備。

利息收入採用實際債務工具的實際利率法按攤銷成本及以公允價值計量且其變動計入其他全面收益計量確認。利息收入的計算方法是將實際利率應用於金融資產的賬面總額，但隨後變為信用減值的金融資產除外 (見下文)。對於後來成為信用減值的金融資產，利息收入通過將實際利率應用於金融資產的攤銷成本確認。如在隨後的報告期內，信用減值金融工具的信用風險得到改善，使金融資產不再信用減值，則通過將實際利率應用於金融資產的總賬面金額確認利息收入。

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

利息收入在損益中確認，併計入「其他收入及收益」項目 (附註6)。

指定為以公允價值計量且其變動計入其他全面收益的權益工具

於初始確認時，本集團可作出不可撤回的選擇 (按工具除外) 以指定於以公允價值計量且其變動計入其他全面收益的權益工具投資。如股權投資是為交易而持有，或者如果是企業合併中的收購方確認的或有對價，則不允許在以公允價值計量且其變動計入其他全面收益指定。

以公允價值計量且其變動計入其他全面收益的權益工具投資初始按公允價值加交易成本計量。其後，按公允價值計量，其公允價值變動產生的利得或損失計入其他全面收益，並計入投資重估儲備。處置股權投資時，累計收益或虧損不會重新分類至損益，將轉撥至保留溢利。

當本集團收取股息的權利確立時，來自該等權益工具投資的股息於損益中確認，除非股息明確代表收回部分投資成本。股息包含在損益中的「其他收入及收益」項目中。

以公允價值計量且其變動計入損益的金融資產

不符合按攤銷成本或以公允價值計量且其變動計入其他全面收益計量的標準的金融資產按公允價值計量且其變動計入損益。特別指：

- 權益工具投資分類為按公允價值計量且其變動計入損益，除非本集團在初始確認時指定一項既非交易持有的股權投資，也不包括以公允價值計量且其變動計入其他全面收益業務合併產生的或有對價。
- 不符合攤銷成本標準或以公允價值計量且其變動計入其他全面收益標準的債務工具歸類為按公允價值計量且其變動計入損益。此外，符合攤銷成本標準或以公允價值計量且其變動計入其他全面收益標準的債務工具可在初始確認時指定為按公允價值計量且變動計入損益，如此類指定消除或顯著減少計量資產或負債或確認收益及在不同的基礎上損失。本集團於以公允價值計量且其變動計入損益並無指定任何債務工具。

以公允價值計量且其變動計入損益的金融資產在每個報告期末按公允價值計量，任何公允價值損益在其不屬於指定對沖關係的範圍內確認為損益。在損益中確認的淨收益或損失不包括金融資產所賺取的任何股息或利息，並包含在「其他收入及收益」及「其他費用」項目中。公允價值以附註51中所述的方式確定。

倘符合以下條件，金融資產分類為持作買賣用途：

- 收購該項資產之主要目的是於短期內出售；或
- 於初步確認時，該項資產構成本集團一併管理的已識別金融工具組合的一部分，並有證據顯示最近有實際的短期盈利情況；或
- 該項資產為衍生工具 (惟為一份財務擔保合約或一項指定及有效對沖工具者除外)。

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值

本集團確認債務工具投資的預期信貸虧損(「預期信貸虧損」)的虧損撥備,以攤銷成本計量。在每個報告日期更新預期信貸虧損金額,以反映自各自金融工具初始確認以來信用風險的變化。

本集團確認應收賬款及應收票據、合約資產及應收融資租賃款項的全期預期信貸虧損。該等金融資產的預期信貸虧損乃使用撥備矩陣或根據本集團歷史信貸虧損經驗單獨的估計,並根據債務人特定因素、一般經濟狀況及對當前及於報告日期的預測方向的評估(包括適當的貨幣時間價值)作出調整。

對於所有其他金融工具,本集團計量的虧損撥備等於12個月的預期信貸虧損,除非自初始確認後信用風險顯著增加,本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估是基於自初始確認以來發生違約的可能性或風險的顯著增加。

信用風險顯著增加

在評估自初始確認後金融工具的信用風險是否顯著增加時,本集團將於報告日期金融工具發生違約的風險與於初始確認的金融工具違約風險進行比較。在進行評估時,本集團會考慮合理且可支持的定量及定性信息,包括歷史經驗及前瞻性信息,無需過多的成本或努力即可獲得。所考慮的前瞻性信息包括本集團債務人經營所在行業的未來前景,從經濟專家報告,金融分析師,政府機構,相關智庫和其他類似組織獲得,以及考慮各種外部實際來源並預測與本集團業務有關的經濟信息。

尤其是,在評估自初始確認後信用風險是否顯著增加時,會考慮以下信息:

- 內部信用評級;
- 預計會導致債務人償還債務能力大幅下降的業務,財務或經濟狀況的現有或預測的不利變化;
- 債務人經營業績的實際或預期顯著惡化;
- 同一債務人的其他金融工具的信貨風險大幅增加;
- 債務人的監管、經濟或技術環境中實際或預期的重大不利變化導致債務人履行債務能力大幅下降。

無論上述評估的結果如何,本集團均假設金融資產的信貨風險自合約付款逾期超過30天後初始確認後大幅增加,除非本集團有合理及可支持的資料證明其他情況。

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

信用風險顯著增加 (續)

儘管如此，本集團假設金融工具的信用風險自初始確認後並未顯著增加，如該金融工具在報告日期確定具有低信用風險。如i) 金融工具違約風險較低，ii) 借款人在短期內具有很強的履行合同現金流量義務的能力，以及iii) 經濟的不利變化，則確定金融工具具有較低的信用風險。長期業務條件可能會但不一定會降低借款人履行合同現金流量義務的能力。當資產根據全球理解的定義具有「投資等級」的外部信用評級或者如沒有外部評級時，本集團認為金融資產具有較低的信用風險，則該資產的內部評級為「執行」。執行意味著交易對手具有強大的財務狀況且沒有逾期金額。

本集團定期監察用以識別信貸風險是否顯著增加的準則的有效性，並酌情對其進行修訂，以確保該準則能夠在金額到期前確定信貸風險的顯著增加。

違約的定義

本集團認為以下內容構成內部信貸風險管理的違約事件，因為歷史經驗表明符合以下任何一項標準的應收款項一般不可收回：

- 債務人違反財務契約時；或
- 內部開發或從外部來源獲得的信息表明債務人不可能全額支付其債權人，包括本集團（不考慮本集團持有的任何抵押品）。

本集團認為，除非本集團有合理且可支持的信息證明更為滯後的違約標準更為合適，否則金融資產超過90天後即已發生違約。

信用減值金融資產

當一項或多項事件對該金融資產的估計未來現金流量產生不利影響時，金融資產即為信用減值。金融資產存在信用減值的證據包括有關以下事件的可觀察數據：

- 發行人或借款人的重大財務困難；
- 違約，例如違約或逾期事件；
- 借款人的貸款人，出於經濟或合同原因，與借款人的財務困難有關，已向借款人授予貸款人不會另行考慮的特許權；
- 借款人很可能會進入破產或其他財務重組；或
- 由於財務困難，該金融資產的活躍市場消失。

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

撇銷政策

當有資料表明債務人處於嚴重的財務困境並且沒有現實的復蘇前景時，本集團會撇銷一項金融資產。當交易對手已被清盤或已進入破產程序時，或就應收賬款及應收票據而言，當金額逾期超過30個月時，以較早者為準。撇銷的金融資產可能仍然受到本集團恢復程序下的執法活動的影響，並在適當的情況下考慮法律建議。所作出的任何回收均在損益中確認。

預期信貸虧損計量及確認

預期信貸虧損的計量是違約概率，違約損失 (如果存在違約的損失幅度) 及違約風險的函數。違約概率及違約損失的評估基於如上述前瞻性信息調整的歷史數據。對於違約風險敞口，就金融資產而言，指為於報告日期由資產的總賬面金額；就財務擔保合約而言，風險承擔包括於報告日期提取的金額，以及根據歷史趨勢確定的未來預期將於未來提取的任何額外金額，本集團對未來特定融資需求了解債務人及其他相關的前瞻性信息。

就金融資產而言，預期信貸虧損估計為本集團根據合約應付的所有合約現金流量與本集團預期收取的所有現金流量之間的差額，按原實際利率貼現。就應收租賃款項而言，用以釐定預期信貸虧損的現金流量與根據香港財務報告準則第16號租賃計量應收租賃款項所用現金流量一致。

如本集團已在上年報告期內計算金額相當於全期預期信貸虧損的金額工具的虧損撥備，但在當年報告日期確定不再符合全期預期信貸虧損的條件，則本集團計量在當前報告日期的虧損撥備等於12個月預期信貸虧損的金額，但使用簡化方法的資產除外。

本集團確認所有金融工具的減值收益或虧損，並通過虧損撥備賬戶對其賬面金額進行相應調整，但按以公允價值計量且其變動計入其他全面收益計量的債務工具投資除外，其虧損撥備在其他全面收益並在投資重估儲備中累計，並不會減少於綜合財務狀況表中金融資產的賬面價值。

終止確認金融資產

本集團僅在資產現金流量的合同權利到期或將資產所有權的絕大部分風險及報酬轉移給另一方時終止確認金融資產。如本集團既不轉讓也不保留所有權的絕大部分風險和報酬，並繼續控制轉讓的資產，則本集團確認其對該資產的保留權益及其可能需要支付的金額的相關負債。倘本集團保留已轉讓金融資產擁有權的絕大部分風險及回報，則本集團繼續確認該金融資產，並就所收款項確認抵押借款。

於終止確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價之和之間的差額於損益中確認。相反，在終止確認本集團初始確認按以公允價值計量且其變動計入其他全面收益計量的權益工具投資時，以前在投資重估儲備中累計的累計收益或虧損不會重新分類至損益，但轉撥至保留溢利。

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具

分類為債務或權益

本集團實體發行的債務及權益工具根據合約安排的實質內容以及金融負債及權益工具的定義分類為金融負債或權益。

權益工具

權益工具是指在扣除所有負債後證明實體資產剩餘權益的任何合同。本集團實體發行的權益工具按已收所得款項確認，扣除直接發行成本。

購回本公司自有權益工具直接在權益中確認和扣除。購買、出售、發行或註銷本公司自有權益工具的損益不確認收益或損失。

金融負債

本集團的金融負債其後採用實際利率法按攤銷成本計量。

金融資產轉移不符合終止確認條件或適用持續參與法時產生的金融負債，以及本集團發佈的財務擔保合同，均按照下列具體會計政策計量。

金融負債其後按攤銷成本計量

金融負債不是1) 企業合併中的收購方的或有對價，2) 持有買賣，或3) 以公允價值計量且其變動計入當期損益的金融負債，其後採用實際利率法按攤銷成本計量。

實際利率法是計算金融負債的攤銷成本和在相關期間分配利息費用的方法。實際利率是通過金融負債的預期年限準確折現估計未來現金支付 (包括支付或收取的所有費用及支出，構成實際利率，交易成本及其他保費或折扣的組成部分) 的費率或 (在適當的情況下) 較短的期間，金融負債的攤銷成本。

終止確認金融負債

當且僅當本集團的責任被解除，取消或到期時，本集團終止確認金融負債。已終止確認的金融負債的賬面值與已付及應付代價 (包括已轉讓的非現金資產或承擔的負債) 之間的差額於損益中確認。

贖回負債

本集團按第三方酌情決定購買集團實體權益工具的責任 (書面認沽期權) 在成為無條件時被分類為金融負債 (即贖回負債)。

贖回負債初步按贖回價的現值確認，隨後使用實際利率法按攤銷成本計量。

倘合約 (書面認沽期權) 到期而無交付，贖回負債的賬面值被重新分類為權益。

3. 主要會計政策 (續)

以權益結算以股份為基礎之付款交易

向僱員授出的購股權及股份獎勵

所獲服務之公允價值乃參考權益工具於授出當日之公允價值釐定，並於歸屬期間以直線法攤銷，而權益 (以股份支付僱員之酬金儲備) 亦作相應增加。

釐定權益工具的授出日期公允價值並不計及服務及非市場表現條件，惟能達成該等條件的可能性則被評定為將最終將歸屬為本集團權益工具數目的最佳估計的一部分。市場表現條件反映於授出日期公允價值內。附帶於權益工具中但並無相關服務要求的任何其他條件視為非歸屬條件。除非有另外的服務及／或表現條件，否則非歸屬條件將反映於權益工具的公允價值內並將即時予以支銷。

於報告期末，本集團根據對相關非市場歸屬條件的評估修訂對預期最終可歸屬權益工具數目的估計，並將於歸屬期間原始估計修訂之影響 (如有) 於損益確認，致使累計開支反映經修訂估計，以股份支付僱員之酬金儲備亦作相應之調整。

購股權獲行使時，過往於以股份支付僱員之酬金儲備中確認之金額將轉撥至股份溢價。當購股權於歸屬期後被沒收或於屆滿日仍未獲行使，過往於以股份支付僱員之酬金儲備中確認之金額將繼續作為以股份支付僱員之酬金儲備。

就受限制股份獎勵計劃 (如附註39(b)所詮釋) 而言，本公司購入本公司股份所支付的代價 (包括所有相關交易費用)，於權益項下僱員股票基金內扣除。僱員股票基金託管人於公開市場購買本公司股份作為日後獎勵僱員的股份。於獎勵股份歸屬時，僱員股票基金的相應金額將轉撥至以股份支付僱員之酬金儲備。

退休金計劃

根據強制性公積金計劃條例，本集團為合資格參與定額供款強制性公積金退休福利計劃 (「強積金計劃」) 之僱員營辦該計劃。供款乃按僱員基本薪金百分比計算，並於根據強積金計劃規定應付時於損益表中扣除。強積金計劃之資產以獨立管理基金形式持有，與本集團其他資金分開管理。本集團之僱主供款於向強積金計劃供款時，即全數撥歸僱員。

本集團於中國大陸經營業務之附屬公司之僱員須參與由中國當地地方政府營辦之中央退休金計劃。供款乃根據參與僱員之薪金百分比計算，並於根據中央退休金計劃規定應付時自損益表中扣除。

3. 主要會計政策 (續)

物業、廠房及設備、使用權資產及無形資產的減值虧損 (上述商譽會計政策中規定的商譽減值除外)

於報告期末，本集團檢討其有限使用年期的物業、廠房及設備、使用權資產及無形資產的賬面值，以釐定是否有跡象顯示該等資產已出現減值虧損。如果存在任何此類跡象，則估計資產的可收回金額，以確定減值虧損的程度 (如有)。倘無法估計個別資產的可收回金額，則本集團會估計該資產所屬的現金產生單位的可收回金額。當可以確定合理一致的分配基礎時，公司資產也會分配給個別現金產出單位，或者分配給最小的現金產出單位組合，可以確定合理一致的分配基礎。

可收回金額是公允價值減去處置費用和使用價值兩者中的較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映當前市場對貨幣時間價值的評估以及對未來現金流量估計的資產特定風險沒有調整。

倘估計資產 (或現金產生單位) 的可收回金額低於其賬面值，則資產 (或現金產生單位) 的賬面值會減至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值 (包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值) 與該組現金產生單位的可收回款項作比較。在分配減值虧損時，首先分配減值虧損以減低任何商譽 (如適用) 的賬面值，然後按該單位或該現金產生單位組別內各項資產的賬面值所佔比例分配至其他資產。資產賬面值不可被減至低於其公允價值扣除出售成本 (如可計量)、其使用價值 (如可釐定) 或零 (以最高者為準)。已另行分配至資產的減值虧損的金額按所佔比例分配至該單位或該現金產生單位組別內的其他資產。減值虧損即時於損益確認，除非相關資產按其他準則以重估價值列賬，在此情況下，減值虧損按該準則列為評估減值。

倘減值虧損隨後轉回，則資產 (或現金產生單位) 的賬面值會增加至其可收回金額的修訂估計，但增加的賬面值不會超過本應確定的賬面值。於過往年度並無就資產 (或現金產生單位) 確認減值虧損。減值虧損撥回即時於損益確認，除非相關資產按另一標準按重估價值列賬，在此情況下，減值虧損撥回會被視為該標準下的重估增值。

短期及其他長期僱員福利

於提供有關服務期間就工資及薪金、年假及病假向僱員產生福利時按預期就交換該服務支付福利的未貼現金額確認負債。

就短期僱員福利確認的負債乃按預期為交換有關服務所支付福利的未貼現金額計量。

就其他長期僱員福利確認的負債按本集團就僱員直至報告日期所提供服務預期將作出的估計未來現金流出的現值計量。

3. 主要會計政策 (續)

公允價值計量

在計量公允價值時，除本集團的股份支付交易、租賃交易、在開發／已完成的待售物業的存貨／物業的可變現淨值以及商譽的使用價值以進行減值評估外，本集團考慮到如果市場參與者在計量日對資產或負債進行定價時將這些特徵考慮在內，則資產或負債的特徵。

非金融資產的公允價值計量需考慮市場參與者透過以最大限度使用該資產達致最佳用途、或透過將資產售予將以最大限使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

本集團採用適用於當時情況的估值技術，並有足夠數據可用於計量公允價值，最大限度地使用相關可觀察輸入數據，並盡量減少使用不可觀察輸入數據。具體而言，本集團根據投入的特徵將公允價值計量分為三個等級，具體如下：

- 等級一 — 相同資產或負債在活躍市場的報價 (未經調整)。
- 等級二 — 可獲得可直接或間接觀察得到的公允價值計量相關最低級別輸入數據的估值方法。
- 等級三 — 無法觀察得到公允價值計量相關最低級別輸入數據的估值方法。

於報告期末，本集團確定轉讓是否發生在資產和負債的公允價值層級之間，並通過審閱其各自的公允價值計量以經常性公允價值計量。

撥備

當因過往事件導致現有法律或推定責任，而日後可能須動用資源履行有關責任，且有關責任所涉數額能可靠估計，則須確認撥備。

當折現的影響重大時，就撥備確認的金額乃指預計在日後履行責任時所需開支於報告期末的現值。由於時間過去導致折現值的金額有所增加，會包括於損益表的融資成本內。

本集團對若干產品提供產品保修而作出的撥備，乃按銷量及過去的維修及退貨情況確認，並在適當的情況下折現至其現值。

股息

末期股息於股東大會上獲得股東批准後即會確認為負債。

3. 主要會計政策 (續)

關連人士

如屬以下情況，任何一方即被視為本集團之關連人士：

- (a) 倘屬以下人士，即該人士或該人士之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之關鍵管理人員；或
- (b) 倘符合下列條件，即該實體與本集團有關連：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一實體為另一實體 (或其他實體之母公司、附屬公司或同系附屬公司) 之聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方之合營企業；
 - (iv) 一實體為第三方實體之合營企業，而其他實體為第三方實體之聯營公司；
 - (v) 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃；
 - (vi) 該實體受(a)所識別人士控制或受共同控制；
 - (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體 (或該實體之母公司) 之關鍵管理人員；及
 - (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供關鍵管理人員服務。

4. 關鍵會計判斷及估計不確定性的主要來源

在應用附註3所述的本集團會計政策時，本公司董事須就綜合財務報表所呈報的資產、負債、收入及費用及披露資料作出判斷、估計及假設。估計及相關假設基於歷史經驗及被認為相關的其他因素。實際結果可能與這些估計不同。

估計及相關假設會持續檢討。如修訂僅影響該期間，或在修訂期間及未來期間 (如修訂影響本期間及未來期間)，則會計估計的修訂在修訂估計的期間確認。

應用會計政策的關鍵判斷

以下是除了涉及估計 (見下文) 的重要判斷外，本公司董事在應用本集團會計政策的過程中對於已確認金額具有最重大影響及於綜合財務報表作披露的作出的重大判斷。

4. 關鍵會計判斷及估計不確定性的主要來源 (續)

應用會計政策的關鍵判斷 (續)

分派股息所產生之預扣稅

本集團就決定是否依照司法管轄區制定之有關稅務規則計算若干附屬公司分派股息所產生之預扣稅時，須對分派股息之計劃作出判斷。於二零二零年十二月三十一日，概無計提未分配收益的遞延稅項負債（二零一九年：無）。

投資物業的遞延稅項

就計量使用公允價值模式計量的投資物業所產生的遞延稅項負債而言，本集團管理層已審閱本集團的投資物業，並認為本集團在一種商業模式下持有投資物業（該等根據香港財務報告準則第5號分類為持作出售者除外），該商業模式的目的乃為隨時間推移消耗絕大部分包含在投資物業內的全部經濟利益。因此，在釐定本集團投資物業的遞延稅項時，董事已決定推翻透過銷售收回使用公允價值模式計量之投資物業之假設。

因此，本集團根據管理層的最佳估計確認該等投資物業公允價值變動之遞延稅項，假設未來稅務結果乃透過將該等物業用作租賃用途而非出售引致。倘投資物業隨後由本集團出售而非以租賃方式隨時間推移消耗絕大部分包含在投資物業內的經濟利益，則最終的稅務結果將有別於綜合財務報表中確認的遞延稅項負債。若投資物業被出售，鑒於企業所得稅（「企業所得稅」）及土地增值稅（「土地增值稅」）之影響，本集團在出售時可能要承擔較高稅項。

合併本集團持有投票權少於大多數的實體

本集團認為，儘管本集團擁有神州數碼信息服務股份有限公司（「神州信息」）投票權少於50%，本集團仍對其擁有控制權，理由是本集團是神州信息的單一最大股東，持有40.28%（二零一九年：40.14%）股權。雖然本集團並不是擁有神州信息之大多數股權，考慮到本集團參與於神州信息之營運及財務活動之權力、關鍵股東及彼等之實益股東的分布及過去的投票模式，以及關鍵股東及／或彼等之受益股東之間存在任何合約安排（如有），本公司董事認為，神州信息的持股狀況是分散的及彼等控制權組織通過本集團於神州信息股東會議之決議的實際風險較少，因而本集團的投票權足以賦予其實際能力以單方面指示神州信息的相關活動。因此，本公司董事認為本公司對神州信息擁有實質性的控制權。

對聯營公司的重大影響

鼎捷軟件股份有限公司（「鼎捷軟件」）

誠如附註21所披露，於二零一九年及截至二零二零年出售鼎捷軟件日期，本集團認為，即使其擁有鼎捷軟件19.26%（二零一九年：19.26%）（15.44%（二零一九年：15.44%）乃透過神州信息持有而3.82%（二零一九年：3.82%）乃透過其全資附屬公司持有）的擁有權及投票權，但因考慮到以下原因：1)本集團為鼎捷軟件的單一最大股東，而由於股權的廣泛分散，本集團的所有人權益相對於其他股東而言屬重大；及2)向鼎捷軟件董事會委派董事，本集團亦能對鼎捷軟件行使重大影響力。於二零二零年及二零一九年，其董事會之代表及組成概無變動。

4. 關鍵會計判斷及估計不確定性的主要來源(續)

應用會計政策的關鍵判斷(續)

對聯營公司的重大影響(續)

慧聰集團有限公司(「慧聰集團」)

本集團認為，即使其擁有19.37% (二零一九年：22.64%) 的擁有權及投票權，但因考慮到以下原因：1)本集團為單一最大股東，而由於股權的廣泛分散，本集團的所有人權益相對於其他股東而言屬重大；2)向董事會委派董事；3)參與決策過程的權利，包括股息及其他分派；4)本集團的代表是慧聰集團重要委員會的成員，本集團亦能對慧聰集團行使重大影響力。於二零二零年及二零一九年，其董事會之代表及組成概無變動。

內蒙古呼和浩特金谷農村商業銀行有限公司(「金谷」)

本集團認為，即使其擁有9.78% (二零一九年：9.71%) 的擁有權及投票權，但因考慮到以下原因：1)本集團為最大股東之一，而由於股權的廣泛分散，本集團的所有人權益相對於其他股東而言屬重大；2)向董事會委派董事；3)參與決策過程的權利，包括股息及其他分派；4)本集團的代表是金谷重要委員會的成員，本集團亦能對金谷行使重大影響力。於二零二零年及二零一九年，其董事會之代表及組成概無變動。

估計不確定性的主要來源

以下是有關未來的主要假設，以及報告期末估計不確定性的其他主要來源，具有導致下一財政年度資產及負債賬面金額重大調整的重大風險。

確認就以股份支付報酬開支

本集團有以股份做為獎勵的激勵計劃(詳情載於附註39)，其目的在於激勵及獎勵僱員。該等以權益工具之公允價值乃由獨立估值師透過使用二項式模式進行估值。該等估值要求本公司對若干主要輸入數據作出估計，包括股息收益率、預期波幅、無風險利率及購股權預期年期，因此彼等具有不確定性。

此外，授出有關權益工具須待特定歸屬條件達成，方可落實。有關條件包括服務期限及與財務表現計量掛鈎的表現條件。在考慮歸屬條件及調整以股份為基礎的補償開支計量時所計入之權益工具數目時，本集團須作出判斷。

於各報告期末直至歸屬日期就以股份為基礎的獎勵計劃確認之累計開支反映了歸屬期的屆滿程度以及本集團就最終將歸屬的權益工具數目作出的最佳估計。一定期間內於綜合損益表作出的支出或計入代表於該期間期初及期末確認之累計開支變動。概無就未最終歸屬的獎勵確認開支。

4. 關鍵會計判斷及估計不確定性的主要來源 (續)

估計不確定性的主要來源 (續)

商譽減值評估

確定商譽是否減值需要估計已分配商譽的現金產生單位的使用價值。使用價值計算要求本集團估計預期自現金產生單位產生的未來現金流量及合適的貼現率以計算現值。未來現金流量乃根據市場發展的過往表現及預期(包括但不限於2019冠狀病毒疫情的影響)估計。由於當前環境不確定,估計現金流量及貼現率受到較高程度的估計不確定性的影響。倘實際未來現金流量低於預期,則可能產生重大減值虧損。於二零二零年十二月三十一日,商譽的賬面值為港幣1,877,561,000元(二零一九年:港幣1,887,695,000元)。減值虧損約港幣141,324,000元已於截至二零二零年十二月三十一日止年度內確認(二零一九年:港幣201,787,000元)。累計減值及可收回金額計算詳情於附註18披露。

以公允價值計量且其變動計入損益及以公允價值計量且其變動計入其他全面收益的金融資產的公允價值

如附註51所述,本公司董事使用其判斷為未在活躍市場中報價的金融工具選擇適當的估值技術。應用市場從業者常用的估值技術。其他金融工具使用貼現現金流量分析進行估值,該分析基於可能的,通過可觀察的市場價格或利率支持的假設。非上市權益工具的公允價值估計包括一些不受可觀察市場價格或利率支持的假設。於二零二零年十二月三十一日,分類為以公允價值計量且其變動計入其他全面收益的非上市權益工具的賬面值約為港幣714,300,000元(二零一九年:港幣408,572,000元)。於二零二零年十二月三十一日,分類為以公允價值計量且其變動計入損益的金融資產的非上市投資的賬面值約為港幣922,911,000元(二零一九年:港幣925,766,000元)。本公司董事認為所選擇的估值方法及假設適用於釐定金融工具的公允價值。

物業、廠房及設備及無形資產的估計可使用年限

於各報告期末,本公司董事審閱使用壽命有限的物業、廠房及設備及無形資產的估計可使用年限。於二零二零年十二月三十一日,使用壽命有限的物業、廠房及設備及無形資產的賬面值分別為港幣992,378,000元(二零一九年:港幣1,027,562,000元)及港幣195,700,000元(二零一九年:港幣157,765,000元)。

投資物業之公允價值

於二零二零年十二月三十一日,本集團的投資物業為港幣5,126,601,000元(二零一九年:港幣4,598,840,000元)。彼等以董事根據獨立外部評估釐定的估計公允價值列賬。本集團物業投資組合的估值本質上屬主觀,乃由於多項因素所致,包括各項物業的個別性質、位置、未來租金的預期以及該等現金流量適用的貼現收益。有見及由於2019冠狀病毒疫情導致的市場不確定性,這一點尤為相關。因此,物業組合的估值存在一定程度的不確定性,並且乃基於可能不被證實屬準確的假設作出,尤其是在市場動盪多年或交易流量低的情況下。

4. 關鍵會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

應收賬款及應收票據、其他應收款項及合約資產的預期信貸虧損

應收賬款及應收票據及其他應收款項以及合約資產的減值撥備乃基於有關預期信貸虧損的假設。本集團根據未償還個別應收款項的天數以及本集團於報告期末的歷史經驗及前瞻性資料，根據判斷作出該等假設及選擇減值計算的輸入數據。該等假設及估計的變動可能對評估結果造成重大影響，並可能有必要於綜合損益表作出額外減值費用。

截至二零二零年十二月三十一日止年度，於本年度綜合損益表中，應收賬款及應收票據減值虧損約港幣86,734,000元已撥回(二零一九年：港幣90,722,000元已確認)。應收賬款及應收票據的賬面值約為港幣3,762,356,000元(二零一九年：港幣5,362,493,000元)，已扣除虧損撥備約港幣682,352,000元(二零一九年：港幣750,029,000元)。

截至二零二零年十二月三十一日止年度，其他應收款項減值虧損約港幣84,175,000元(二零一九年：港幣3,645,000元)已於本年度綜合損益表確認。按金及其他應收款項的賬面值約為港幣1,835,656,000元(二零一九年：港幣2,006,082,000元)，已扣除虧損撥備約港幣225,607,000元(二零一九年：港幣133,045,000元)。

截至二零二零年十二月三十一日止年度，合約資產減值虧損約港幣275,745,000元(二零一九年：港幣268,000元)已於本年度綜合損益表確認。合約資產的賬面值約為港幣2,405,241,000元(二零一九年：港幣527,073,000元)，已扣除虧損撥備約港幣292,700,000元(二零一九年：港幣2,054,000元)。

物業、廠房及設備、使用權資產及無形資產的估計減值

物業、廠房及設備、使用權資產及無形資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團須作出判斷及估計，尤其評估：(1)是否有事件已發生或有任何指標可能影響資產淨值；(2)資產賬面值是否能夠以可收回金額(如為使用價值)支持，即按照持續使用資產估計的未來現金流量的淨現值；及(3)將應用於估計可收回金額的適當關鍵假設(包括現金流量預測及適當的貼現率)。倘不可估計個別資產的可收回金額，則本集團估計該資產所屬的現金產生單位的可收回金額。

未來現金流量乃根據市場發展的過往表現及預期(包括但不限於2019冠狀病毒疫情的影響)估計。由於當前環境不確定，估計現金流量及貼現率受到較高程度的估計不確定性的影響。假設及估計(包括現金流量預測中的貼現率或增長率)之變更可能對可收回金額造成重大影響。

於二零二零年十二月三十一日，使用權資產、物業、廠房及設備以及無形資產的賬面值分別為港幣202,970,000元、港幣992,378,000元及港幣195,700,000元(二零一九年：港幣233,656,000元、港幣1,027,562,000元及港幣157,765,000元)。使用權資產、物業、廠房及設備及無形資產的減值詳情分別於附註16、14及19披露。進一步詳情乃於相關附註提供。

4. 關鍵會計判斷及估計不確定性的主要來源 (續)

估計不確定性的主要來源 (續)

收入確認

當本集團於某一時段內根據履行履約責任所產生的實際直接成本 (相當於為履行個別合約履約責任而產生的預期總成本) 使用投入法確認技術服務及應用軟件開發合約的收入。總預期成本及其相應的合約收入需要管理層根據對合約履行情況的理解以及供應商及分包商的報價以及本集團的歷史經驗進行估計。由於服務合約中所進行的活動的性質，活動的簽訂日期及活動完成的日期通常屬於不同的會計期間。因此，隨著合約的進展，本集團會檢討及修訂為每份合約編製的預算中合約收入及合約成本的估計。如實際合約收入低於預期或實際合約成本高於預期，則可能產生繁重合約的撥備。

就系統集成及軟件開發以及技術服務業務而言，本集團會創建及強化一項客戶控制的資產或使其客戶同時取得並耗用由本集團履約所提供的利益。因此，本公司董事信納履約責任已使用投入法隨時間的推移履行。

陳舊存貨撥備

管理層會審閱本集團存貨之賬齡分析，並就確定不再適合作出售之陳舊及滯銷存貨項目計提撥備。管理層主要依據最近期之發票價格及現行市況，估計該等存貨之可變現淨值。在評估該等存貨能否最終變現之過程中須作大量判斷。倘市況會改變，導致其陳舊項目計提撥備改變，則將記錄該期間辨認之差額。截至二零二零年十二月三十一日止年度，陳舊存貨撥備及撇銷約港幣109,038,000元 (二零一九年：港幣87,554,000元) 已在綜合損益表確認。於二零二零年十二月三十一日，存貨的賬面值為約港幣2,614,291,000元 (二零一九年：港幣1,848,844,000元)。

於聯營公司及合營企業權益的減值評估

於報告期末，本公司董事審閱其於聯營公司及合營企業權益的賬面值分別約為港幣2,430,714,000元 (二零一九年：港幣3,150,086,000元) 及港幣73,725,000元 (二零一九年：港幣185,890,000元)，並識別是否有任何跡象顯示該等資產可能出現減值虧損。倘存在減值的客觀證據，估計資產之可收回金額以釐定減值虧損的程度。估計該等資產的可收回金額須採用現金流預測及折現率等假設。根據估計可收回金額，聯營公司及合營企業並無減值虧損 (二零一九年：聯營公司的減值虧損約港幣2,286,000元及合營企業並無減值虧損) 於綜合損益中確認。

4. 關鍵會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

遞延稅項

遞延稅項以報告期末已頒佈或實質上已頒佈之稅率(及稅務法例)釐定。該等稅率(及稅務法例)預期適用於有關遞延稅項資產變現或遞延稅項負債清還之期間。本集團若干公司於中國大陸獲確認為「高新技術企業」及享有該三年期15%的企業所得稅優惠稅率。就計量遞延稅項資產及負債而言，須作出判斷以釐定該等公司是否繼續達到「高新技術企業」標準及估計預期將採用的稅率。

遞延稅項資產僅限於可能有應課稅溢利以對銷暫時差額時才予確認。管理層須根據可能出現未來應課稅溢利的時間及數額連同未來稅務計劃策略作出重大判斷。於二零二零年十二月三十一日，遞延稅項資產及遞延稅項負債之賬面值分別約為港幣225,211,000元(二零一九年：港幣173,125,000元)及港幣465,878,000元(二零一九年：港幣350,261,000元)。於二零二零年十二月三十一日，未確認稅項虧損及若干可扣減暫時性差額總金額約為港幣1,565,069,000元(二零一九年：港幣1,446,350,000元)。進一步詳情載於附註26。

企業所得稅

本集團在多個區域需繳納企業所得稅。由於有關企業所得稅的若干事項未被當地稅務局確認，因此須根據現時已頒佈稅務法例、法規及其他相關政策作出客觀估計和判斷，以確定需為企業所得稅計提之撥備。如果該等事項的最終稅務結果不同於原來所記錄的金額，差額將影響差額實現期間的企業所得稅及稅項撥備。

土地增值稅

本集團須繳納中國土地增值稅。土地增值稅的撥備是管理層根據對有關中國稅務法例及法規所載的要求的理解，作出的最佳估計。實際土地增值稅負債於物業開發項目竣工後由稅務機關釐定。本集團尚未與稅務局就若干物業開發項目敲定其土地增值稅的計算方法及款項。最終結果可能有別於初次記錄的款額，任何差異將在所實現的期間影響土地增值稅開支及相關撥備。

5. 分部資料

就資源分配及分部表現評估而言，向董事會（即首席營運決策者（「首席營運決策者」））集中呈報所交付或提供的貨品或服務類別的資料。

首席營運決策者確定的經營分部在得出本集團可報告的業務時未進行匯總。

鑒於本集團進行新業務投資的規模有所增加及業務重要性有所提高，為幫助投資者更好地了解本集團的業務結構及財務表現，自二零二零年下半年起，在呈交首席營運決策者的內部報告及本集團綜合財務報表中，名為「投資業務」的新分部已從「其他業務」分部中分離出來。新的「投資業務」分部主要包括：(a)對信息技術相關業務的股權投資，及(b)參與對在開發新產品或服務、技術改進及有關但不限於大數據、金融科技、自動化及智能製造領域創新的科研進步方面經營的公司進行投資及共同投資的股權基金。去年的分部資料已經重述以符合本年度的新列報方式。董事會認為，上述分部資料的變動能更好地反映本集團當前的市場趨勢以及資源分配及未來業務發展。

本集團有五個呈報經營分部概述如下：

- (a) 「神州信息」分部：主要為從事系統集成、軟件開發及技術服務業務，為銀行等行業用戶提供以銀行核心系統及企業服務總線為代表的系統開發和維護、行業雲服務和基礎設施建設等金融科技服務；及為運營商、政企、農業等國民經濟重點行業提供技術服務、應用軟件開發以及雲建設與運營等產品和服務。
- (b) 「智慧產業鏈業務」分部：主要為致力於通過進行「倉+大數據+人工智能」的模式，為客戶提供端到端的一站式供應鏈服務，並產生大數據洞察力來協同上下游的供應鏈流程，賦能產業供應鏈整體效能提升，打造全新智慧型供應鏈管理模式。本集團主要從本分部的物流業務及電子商務供應鏈服務產生收入。
- (c) 「智慧城市業務」分部：主要為參與「智慧城市」的業務，提供大數據的軟件及解決方案，為城市建構起多個全市級的大數據平台，但不限於解決醫療、交通、能源供給和社會保障等問題。本集團主要為通過大數據有關的系統集成、軟件開發和技術服務業務等產生收入。
- (d) 「投資業務」分部：主要致力於改善集團的核心產品，服務和供應鏈提供功能，並通過持續創新和投資孵化來建立集團的可持續發展，構建更為廣泛的大數據生態，通過併購重組、股權投資、投資孵化等專業化資本運營。

5. 分部資料 (續)

- (e) 「其他業務」分部：包括物業投資、物業銷售及「智慧金融業務」即憑藉自身的各類金融牌照，並整合銀行、保險、證券、信託等金融機構資源，面向內外部客戶提供小額信貸貸款、租賃、保理等金融服務。

經營分部的會計政策與附註3所述的本集團會計政策相同。分部業績乃根據呈報分部溢利評估，其為經調整後的除稅前溢利的計量。分部業績與本集團之除稅前溢利一致計量，惟若干利息收入、若干融資成本、未分類公司收入及收益及未分類公司開支外不計入該等計量。這是向首席營運決策者呈報其達致資源分配及績效評估的計量。

分部間之銷售及轉撥乃參考以現行市場價格銷售予第三方之銷售價格而進行。

為監控分部表現及在分部之間分配資源：

- 所有資產均分配至經營分部，不包括於集團層面進行管理的若干遞延稅項資產、現金及現金等價物及其他未分類公司資產。
- 所有負債均分配至經營分部，不包括於集團層面進行管理的若干應繳稅項、若干附息銀行及其他貸款、若干遞延稅項負債及其他未分類公司負債。

5. 分部資料 (續)

下表呈列截至二零二零年及二零一九年十二月三十一日止年度本集團的經營及呈報分部之收入、業績及資產、負債及若干其他資料。

	神州信息		智慧產業鏈業務		智慧城市業務		投資業務		其他業務		抵銷		總計	
	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元
分部收入：														
對外	11,455,143	11,503,811	7,359,282	5,373,826	337,571	242,917	-	-	667,531	606,875	-	-	19,819,527	17,727,429
分部間	1,486	1,768	51,986	8,485	139,525	83,776	-	-	35,464	27,609	(228,461)	(121,638)	-	-
	11,456,629	11,505,579	7,411,268	5,382,311	477,096	326,693	-	-	702,995	634,484	(228,461)	(121,638)	19,819,527	17,727,429
分部毛利	2,059,221	2,101,791	875,016	689,845	129,509	74,689	-	-	295,090	288,458			3,358,836	3,154,783
分部業績	614,803	301,344	199,546	105,635	28,656	11,492	396,520	220,665	152,188	170,704			1,391,713	809,840
未分類														
利息收入													5,095	2,994
收入及收益													2,039	4,956
未分類開支													(161,684)	(143,191)
經營活動溢利													1,237,163	674,599
融資成本													(90,293)	(127,899)
除稅前溢利													1,146,870	546,700
資產及負債														
分部資產	14,049,497	12,046,747	1,288,823	1,848,396	584,832	478,885	2,947,514	3,433,023	7,924,138	7,059,402	26,794,804	24,866,453		
未分類資產													1,226,161	684,648
總資產													28,020,965	25,551,101
分部負債	6,996,144	5,985,510	1,515,173	1,762,663	335,261	171,375	3	161	599,021	543,936	9,445,602	8,463,645		
未分類負債													4,810,731	4,523,984
總負債													14,256,333	12,987,629

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5. 分部資料(續)

	神州信息		智慧產業鏈業務		智慧城市業務		投資業務		其他業務		未分類		總計	
	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元
其他分部資料：														
物業、廠房及設備折舊	64,461	67,346	35,840	41,989	1,896	3,402	-	-	17,581	18,798	7,108	4,219	126,886	135,754
使用權資產折舊	8,222	4,248	97,198	91,246	507	578	-	-	15,273	12,206	-	-	121,200	108,278
其他無形資產攤銷	46,301	47,050	3,307	-	1,761	-	-	-	-	-	-	-	51,369	47,050
資本開支*	83,944	57,738	93,333	92,530	21,453	13,915	-	-	234,838	5,174	7,137	163,067	440,705	332,424
應收賬款及應收票據及合約資產														
以及其他應收賬項減值(減值撥回)	150,968	93,587	(6,911)	6,774	49,714	23,643	-	-	79,415	(29,369)	-	-	273,186	94,635
應收融資租賃取項(減值撥回)減值	-	-	-	-	-	-	-	-	(1,695)	(6,829)	-	-	(1,695)	(6,829)
陳舊存貨撥備及撇銷(撥備撥回)	106,284	86,072	2,106	1,640	-	-	-	-	648	(158)	-	-	109,038	87,554
應佔聯營公司之(虧損)溢利	15,542	18,791	-	-	(3,080)	(1,822)	(126,328)	(72,864)	-	-	-	-	(113,866)	(55,895)
應佔合營企業之(虧損)溢利	512	3,199	-	-	973	(227)	(10,293)	(26,911)	(2,593)	165	-	-	(11,401)	(23,774)
政府補貼	65,330	62,120	9,117	11,948	29,140	8,648	-	-	2,629	1,916	1,319	1,580	107,535	86,212
視為出售多間聯營公司部分權益之(虧損)收益	3,118	-	-	-	-	-	(146,059)	143,311	-	-	-	-	(142,941)	143,311
投資物業之公允價值(虧損)收益	(4,733)	729	-	-	-	-	-	-	5,434	31,803	-	-	701	32,532
出售多間合營企業權益之收益	4,234	-	-	-	266	-	-	-	102,461	-	-	-	106,961	-
出售以公允價值計量且其變動計入損益的金融資產之收益	-	4,371	-	-	-	-	-	-	-	-	-	-	-	4,371
出售/部分出售多間附屬公司														
- 股權之收益	28,507	-	-	-	-	890	-	-	-	-	-	-	28,507	890
- 出售多間聯營公司全部或部分權益之收益	269,169	46,526	-	-	-	9,183	712,911	177,649	-	-	-	-	982,080	233,358
商譽減值	141,324	201,787	-	-	-	-	-	-	-	-	-	-	141,324	201,787
於聯營公司之權益	192,863	528,076	-	-	103,110	101,897	2,134,741	2,520,113	-	-	-	-	2,430,714	3,150,086
於合營企業之權益	-	8,695	-	-	28,262	26,795	45,463	53,621	-	96,779	-	-	73,725	185,890
銀行存款利息收入	5,664	7,290	-	-	-	-	-	-	-	-	5,095	2,994	10,759	10,284
融資成本	49,792	91,755	6,144	6,545	21	45	-	-	2,206	1,262	90,293	127,899	148,456	227,506
所得稅開支*	52,389	65,951	-	-	-	-	-	-	-	-	129,129	30,573	181,518	96,524

* 資本開支包括物業、廠房及設備、使用權資產、投資物業及其他無形資產之添置(包括來自收購附屬公司之資產約港幣213,812,000元(二零一九年：港幣144,000元))。

* 所得稅費用定期提供予首席營運決策者但並無計入分部損益計量。

地區資料

由於本集團來自對外客戶之收入超過90%於中國大陸(根據客戶所在地區)產生且本集團超過90%非流動資產(除於聯營公司之權益外)位於中國大陸(根據資產所在地區)，故並無呈列地區資料。

主要客戶資料

於截至二零二零年及二零一九年十二月三十一日止年度，本集團概無任何源自與個別對外客戶交易之收入貢獻本集團各年度收入10%以上。

6. 收入、其他收入及收益

本年度之收入指出售貨品(扣除退貨與貿易折扣)；提供服務(扣除增值稅及政府徵費)；從投資物業已收取及應收取之租金收入。

本集團之收入分析如下：

	二零二零年 港幣千元	二零一九年 港幣千元
來自客戶的合約收入	19,438,248	17,334,793
其他來源的收入	381,279	392,636
總收入	19,819,527	17,727,429

(i) 來自客戶的合約收入

截止二零二零年十二月三十一日止年度，本集團將繼續由四個主要收入來源產生來自客戶的合約收入：

(i)系統集成業務(ii)軟件開發及技術服務業務(iii)物流業務及(iv)電商供應鏈服務業務。為了更好地幫助投資者了解本集團的業務結構和財務狀況，並更好地反映當前的市場趨勢，董事會進一步將本集團來自客戶的合約收入進行分類如下：

- 大數據收入主要指與數據匯聚、數據採集、數據共享、數據分析、數據安全、數據治理等相關的軟件開發、數據產品銷售及數據產品定制服務收入。
- 服務收入主要指提供技術服務及提供物流服務等產生的收入。
- 解決方案收入主要指系統集成業務收入及軟件開發收入。
- 生態收入為實現核心收入增長及穩固，在產業鏈上下游進行生態佈局，例如通過電商業務產生的商流、資金流、信息流可作為大數據收入及物流服務收入的來源及增長基礎。

財務報表附註

截至二零二零年十二月三十一日止年度

6. 收入、其他收入及收益 (續)

(i) 來自客戶的合約收入 (續)

按主要產品及服務線作分列：

	大數據 港幣千元	服務 港幣千元	解決方案 港幣千元	生態 港幣千元	總計 港幣千元
二零二零年					
系統集成業務	-	-	6,231,637	-	6,231,637
軟件開發及技術服務業務	58,424	3,878,511	1,617,473	-	5,554,408
物流業務	101,401	2,134,395	-	-	2,235,796
電商供應鏈服務業務	71,462	10,992	-	4,805,082	4,887,536
	231,287	6,023,898	7,849,110	4,805,082	18,909,377
其他					528,871
來自客戶的合約總收入					19,438,248
二零一九年					
系統集成業務	-	-	5,442,136	-	5,442,136
軟件開發及技術服務業務	23,882	4,094,131	2,185,029	-	6,303,042
物流業務	24,842	1,943,324	-	-	1,968,166
電商供應鏈服務業務	54,283	6,389	-	2,835,272	2,895,944
	103,007	6,043,844	7,627,165	2,835,272	16,609,288
其他					725,505
來自客戶的合約總收入					17,334,793

6. 收入、其他收入及收益 (續)

(i) 來自客戶的合約收入 (續)

分列按時點確認的收入

	二零二零年 港幣千元	二零一九年 港幣千元
收入確認的時點		
在某個時點	11,648,044	9,053,238
隨著時間的推移	7,790,204	8,281,555
來自客戶的合約總收入	19,438,248	17,334,793

(ii) 其他來源的收入

	二零二零年 港幣千元	二零一九年 港幣千元
經營租賃下的投資物業的租金收入	357,849	348,736
金融服務業務	23,430	43,900
其他來源的總收入	381,279	392,636

分配至餘下履約客戶合約義務的交易價格

於二零二零年十二月三十一日，分配至未履行(或部分未履行)履約義務的交易價格總額約為港幣7,776,000,000元(二零一九年：港幣5,157,000,000元)。有關金額為預期將於系統集成業務以及軟件開發及技術服務業務確認收入。

本集團將於完成服務時確認該項收入，而有關服務預期將三年內(二零一九年：三年內)完成。

財務報表附註

截至二零二零年十二月三十一日止年度

6. 收入、其他收入及收益 (續)

(iii) 其他收入及收益

	附註	二零二零年 港幣千元	二零一九年 港幣千元
其他收入			
政府補貼	47	107,535	86,212
銀行存款利息		10,759	10,284
理財產品收入		23,544	32,209
以公允價值計量且其變動計入其他全面收益的 金融資產之股息收入		6,396	232
以公允價值計量且其變動計入損益的金融資產之 股息收入		-	475
其他		48,809	10,462
		197,043	139,874
收益			
外匯淨收益		1,830	-
投資物業之公允價值收益	15	701	32,532
持作銷售用途的竣工物業轉撥至投資物業 公允價值收益	15	6,969	-
出售一間附屬公司的部分權益之收益	42(b)	12,346	-
出售多間附屬公司權益之收益	42(e)	16,161	890
出售以公允價值計量且其變動計入損益的 金融資產之收益	24	-	4,371
其他		-	434
		38,007	38,227
其他收入及收益總計		235,050	178,101

7. 除稅前溢利

本集團之除稅前溢利已經扣除(計入)：

	二零二零年 港幣千元	二零一九年 港幣千元
僱員福利開支(包括董事及行政總裁酬金(附註9))：		
薪金及津貼	2,288,735	2,015,157
以股份支付之酬金	82,831	18,369
退休金計劃供款 ¹	74,947	285,769
其他福利	345,981	255,535
	2,792,494	2,574,830
售出存貨之成本	10,499,493	8,194,050
核數師酬金	2,900	2,700
物業、廠房及設備之折舊	126,886	135,754
使用權資產之折舊	121,200	108,278
研究及開發成本 ²	592,457	538,048
其他無形資產攤銷 ²	51,369	47,050
陳舊存貨撥備及撇銷 ²	109,038	87,554
應收賬款及應收票據、其他應收款項及合約資產減值 ²	273,186	94,635
應收融資租賃款項減值撥回 ²	(1,695)	(6,829)
於聯營公司之權益減值 ²	-	2,286
在建物業減值 ²	-	12,394
出售物業、廠房及設備之虧損	2,293	4,022
撇銷無形資產之虧損	1,777	4,882
以公允價值計量且其變動計入損益的金融資產之公允價值虧損 ²	10,071	3,263
外匯淨(收益)虧損 ²	(1,830)	11,926
2019冠狀病毒相關租金優惠 ³	(850)	-
為賺取租金的投資物業的直接營運費用(包括維修和保養) ⁴	24,313	31,949

¹ 於二零二零年及二零一九年十二月三十一日，本集團並無重大可供扣減未來年度之退休金計劃供款之被沒收供款。

² 此等收入或開支淨額已計入綜合損益表中之「其他費用淨額」內。

³ 由於遭受2019冠狀病毒疫情，本集團已自出租人獲取多種形式的租金優惠，包括租金寬免及延期支付租金。本集團已提早採納香港財務報告準則第16號之修訂本，並採用實際權宜之計不評估因2019冠狀病毒疫情直接產生的租金優惠是否為租賃修訂。

⁴ 截至二零二零年十二月三十一日止年度，本集團確認租金收入約為港幣357,849,000元(二零一九年：港幣348,736,000元)。

財務報表附註

截至二零二零年十二月三十一日止年度

8. 融資成本

融資成本的分析如下：

	二零二零年 港幣千元	二零一九年 港幣千元
銀行及其他貸款利息	114,645	177,663
公司債券利息	-	19,068
已貼現票據利息	18,428	20,541
租賃負債利息	9,050	10,234
其他金融負債利息	6,333	-
	148,456	227,506

9. 董事及行政總裁酬金

於本年度內之董事及行政總裁酬金，乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司（披露董事利益資料）規例第2部，披露如下：

	本集團	
	二零二零年 港幣千元	二零一九年 港幣千元
袍金	1,200	1,200
其他酬金：		
薪金及津貼	7,792	3,590
退休金計劃供款	870	510
以股份支付之酬金	37,306	-
	45,968	4,100
	47,168	5,300

9. 董事及行政總裁酬金 (續)

(a) 獨立非執行董事

於本年度內已支付予獨立非執行董事之袍金如下：

	袍金 港幣千元	二零二零年 以股份支付 之酬金 港幣千元	總計 港幣千元	二零一九年 總計 港幣千元
黃文宗先生	300	1,209	1,509	300
倪虹小姐	300	1,209	1,509	300
劉允博士	300	1,209	1,509	300
嚴曉燕女士	-	764	764	-
金昌衛先生	300	1,209	1,509	300
	1,200	5,600	6,800	1,200

於本年度內，向各獨立非執行董事 (除嚴曉燕女士外) 授予100,000份受限制股份及向各獨立非執行董事授予2,000,000份每股行使價為港幣6.60元之購股權 (二零一九年：無)。

(b) 執行董事、非執行董事及行政總裁

	袍金 港幣千元	薪金及津貼 港幣千元	表現相關 之花紅 港幣千元	以股份支付 之酬金 港幣千元 (附註39)	退休金 計劃供款 港幣千元	酬金總額 港幣千元
二零二零年						
執行董事：						
郭為先生	-	4,222	-	30,942	422	35,586
林楊先生	-	3,570	-	764	448	4,782
	-	7,792	-	31,706	870	40,368
非執行董事：						
彭晶先生	-	-	-	-	-	-
曾水根先生 ¹	-	-	-	-	-	-
余梓平先生 ²	-	-	-	-	-	-
	-	-	-	-	-	-
	-	7,792	-	31,706	870	40,368

¹ 於二零二零年六月三十日獲委任

² 於二零二零年六月三十日退任

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截至二零二零年十二月三十一日止年度

9. 董事及行政總裁酬金 (續)

(b) 執行董事、非執行董事及行政總裁 (續)

	袍金 港幣千元	薪金及津貼 港幣千元	表現相關 之花紅 港幣千元	以股份支付 之酬金 港幣千元 (附註39)	退休金 計劃供款 港幣千元	酬金總額 港幣千元
二零一九年						
執行董事：						
郭為先生	-	-	-	-	-	-
林楊先生	-	3,590	-	-	510	4,100
	-	3,590	-	-	510	4,100
非執行董事：						
彭晶先生	-	-	-	-	-	-
余梓平先生	-	-	-	-	-	-
	-	-	-	-	-	-
	-	3,590	-	-	510	4,100

郭為先生於二零一八年六月獲續聘為本公司行政總裁 (續聘前為林楊先生)，而上文所披露的彼等酬金包括彼等作為行政總裁所提供服務的酬金。

10. 僱員薪酬

於本集團五名最高薪酬僱員中，一名(二零一九年：一名)為本公司董事及行政總裁，其酬金已包括在上文附註9的披露內。其餘四名(二零一九年：四名)人士的薪酬如下：

	二零二零年 港幣千元	二零一九年 港幣千元
薪金及津貼	5,746	8,224
表現相關之花紅	4,148	4,289
以股份支付之酬金	3,178	1,654
退休金計劃供款	375	331
	13,447	14,498

彼等的薪酬在以下範圍內：

	僱員人數	
	二零二零年	二零一九年
港幣2,000,001元至港幣2,500,000元	-	2
港幣2,500,001元至港幣3,000,000元	1	-
港幣3,000,001元至港幣3,500,000元	1	-
港幣3,500,001元至港幣4,000,000元	1	-
港幣4,000,001元至港幣4,500,000元	1	1
港幣5,000,001元至港幣5,500,000元	-	1
	4	4

財務報表附註

截至二零二零年十二月三十一日止年度

11. 所得稅費用

	二零二零年 港幣千元	二零一九年 港幣千元
本期－中國大陸		
企業所得稅		
本年度支出	156,735	96,845
以前年度多提	(8,205)	(6,393)
土地增值稅	29	187
	148,559	90,639
本期－香港		
本年度支出	177	-
以前年度少提	95	17
	272	17
遞延稅(附註26)	32,687	5,868
本年度稅項支出總計	181,518	96,524

- (a) 中國企業所得稅指於中國大陸產生之估計應課稅溢利所徵收之稅項。除若干附屬公司享有稅務優惠外，本集團在中國大陸營運的附屬公司一般須繳納中國企業所得稅之稅率為25%。
- (b) 中國土地增值稅就土地增值按累進稅率介乎30%至60%徵收，即物業銷售所得款項減可扣除開支(包括土地使用權攤銷、借貸成本及全部物業開發開支)。
- (c) 香港利得稅乃根據兩級利得稅稅率制度徵收，合資格企業的首個港幣2百萬元的利潤徵稅為8.25%，而超過港幣2百萬元的利潤則徵稅為16.5%。截至二零二零年及二零一九年十二月三十一日止年度本集團合資格企業的香港利得稅乃根據兩級利得稅稅率制度計算。在香港不符合兩級利得稅稅率制度的其他集團實體的利潤將繼續按16.5%統一稅率徵稅。
- (d) 應佔合營企業之稅項抵免為約港幣2,311,000元(二零一九年：稅項支出港幣665,000元)及應佔聯營公司之稅項抵免為約港幣10,173,000元(二零一九年：稅項支出港幣39,050,000元)，已分別計入於綜合損益表中之「應佔合營企業之虧損」及「應佔聯營公司之虧損」內。

11. 所得稅費用 (續)

本年度的稅項支出可與以下綜合損益表的除稅前溢利對賬，如下：

	二零二零年 港幣千元	二零一九年 港幣千元
除稅前溢利	1,146,870	546,700
按適用稅率計算之稅項	286,718	136,675
按優惠稅率計算之所得稅	(138,850)	(59,383)
有關以前期間即期稅項之調整	(8,110)	(6,376)
合營企業及聯營公司之應佔溢利及虧損	31,317	19,917
未確認之未動用稅項虧損之稅務影響	93,242	71,894
未確認之可抵扣暫時性差異的稅務影響	64,261	14,893
超額扣除研發費用	(65,887)	(61,535)
免稅之收入	(24,486)	(514)
不可扣稅之開支	81,796	61,792
利用過往期間之稅項虧損	(138,512)	(81,026)
土地增值稅	29	187
按本集團實際稅率計算之稅項支出	181,518	96,524

12. 股息

	二零二零年 港幣千元	二零一九年 港幣千元
已付股息		
二零一八年末期股息 (每股普通股3.1港仙)	-	51,112
二零一九年末期股息 (每股普通股6.4港仙)	104,283	-
二零二零年中期股息 (每股普通股3.6港仙)	58,546	-
	162,829	51,112

於報告期末後，本公司董事建議向本公司股東派發截至二零二零年十二月三十一日止年度之末期股息每股普通股10港仙 (二零一九年：每股普通股6.4港仙)，總金額為約港幣155,930,000元 (二零一九年：港幣104,283,000元)，惟須於即將舉行的股東週年大會上獲股東批准。應屆股東週年大會日期、暫停辦理股份過戶登記日期及股息派付日期將會適時公佈。

於報告期後擬派末期股息並未於綜合財務報表確認為負債。

財務報表附註

截至二零二零年十二月三十一日止年度

13. 每股盈利

每股基本盈利乃按本年度之母公司股東應佔溢利，以及於本年度內已發行減在受限制股份獎勵計劃下所持股份之普通股加權平均數1,624,064,132股（二零一九年：1,648,397,272股）計算。

每股攤薄盈利乃按本年度之母公司股東應佔溢利計算並對一間附屬公司的可攤薄潛在普通股的影響作出調整。用於該計算的普通股加權平均數為於本年度內之已發行普通股減在受限制股份獎勵計劃下所持股份（亦是用於計算每股基本盈利），並加假設有關於本集團之股權激勵計劃之所有可潛在攤薄的普通股被視為獲行使時已無償發行普通股之加權平均數。

每股基本及攤薄盈利乃根據以下數據計算：

	二零二零年 港幣千元	二零一九年 港幣千元	
盈利			
用於計算每股基本盈利之本年度之母公司股東應佔溢利	612,970	301,844	
一間附屬公司潛在攤薄普通股的影響	(1,125)	-	
用於計算每股攤薄盈利之盈利	611,845	301,844	
		股份數目	
		二零二零年	二零一九年
股份			
用於計算每股基本盈利之本年度內已發行股份減在受限制股份獎勵計劃下所持股份之加權平均數	1,624,064,132	1,648,397,272	
潛在攤薄普通股的影響：			
股權激勵計劃	3,501,087	-	
用於計算每股攤薄盈利之本年度股份之加權平均數	1,627,565,219	1,648,397,272	

截至二零一九年十二月三十一日止年度的每股攤薄盈利與每股基本盈利相同。由於尚未行使購股權的行使價高於股份市場平均價，每股攤薄盈利之計算未計入該等購股權。

14. 物業、廠房及設備

	樓宇 港幣千元	裝修 港幣千元	裝置及 辦公室設備 港幣千元	汽車 港幣千元	在建工程 港幣千元	總計 港幣千元
於二零一九年十二月三十一日及 於二零二零年一月一日：						
成本值	855,042	189,407	565,833	11,734	848	1,622,864
累計折舊	(91,295)	(145,090)	(348,947)	(9,970)	-	(595,302)
賬面淨值	763,747	44,317	216,886	1,764	848	1,027,562
於二零二零年一月一日，扣除累計折舊	763,747	44,317	216,886	1,764	848	1,027,562
添置	-	10,613	43,571	276	5,583	60,043
出售	-	(590)	(3,209)	(22)	-	(3,821)
收購附屬公司 (附註42(a))	-	-	347	736	-	1,083
出售附屬公司 (附註42(b)及(e))	-	-	(1,039)	(8)	-	(1,047)
於轉撥至投資物業時產生之重估盈餘	6,379	-	-	-	-	6,379
轉撥	-	1,694	826	-	(2,520)	-
轉撥至投資物業 (附註15)	(14,588)	-	-	-	-	(14,588)
本年度折舊	(19,065)	(25,861)	(81,205)	(755)	-	(126,886)
匯兌調整	33,066	1,595	8,702	103	187	43,653
於二零二零年十二月三十一日， 扣除累計折舊	769,539	31,768	184,879	2,094	4,098	992,378
於二零二零年十二月三十一日：						
成本值	884,792	204,392	619,811	13,808	4,098	1,726,901
累計折舊	(115,253)	(172,624)	(434,932)	(11,714)	-	(734,523)
賬面淨值	769,539	31,768	184,879	2,094	4,098	992,378

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14. 物業、廠房及設備 (續)

	樓宇 港幣千元	裝修 港幣千元	裝置及 辦公室設備 港幣千元	汽車 港幣千元	在建工程 港幣千元	總計 港幣千元
於二零一八年十二月三十一日及 於二零一九年一月一日：						
成本值	731,707	187,195	625,782	13,739	4,543	1,562,966
累計折舊	(79,576)	(122,339)	(332,688)	(11,007)	-	(545,610)
賬面淨值	652,131	64,856	293,094	2,732	4,543	1,017,356
於二零一九年一月一日，扣除累計折舊	652,131	64,856	293,094	2,732	4,543	1,017,356
添置	161,485	11,714	23,387	943	1,606	199,135
出售	-	(2,284)	(7,789)	(552)	(365)	(10,990)
收購附屬公司 (附註42(a)(iii))	-	-	93	51	-	144
出售附屬公司 (附註42(e))	-	(5)	(57)	-	-	(62)
於轉撥至投資物業時產生之重估盈餘	20,597	-	-	-	-	20,597
轉撥	123	-	-	-	(123)	-
轉撥至投資物業 (附註15)	(41,099)	-	-	-	-	(41,099)
轉撥至在建物業 (附註28)	-	-	-	-	(253)	(253)
轉撥至持作出售之資產 (附註22)	-	-	-	-	(4,477)	(4,477)
本年度折舊	(17,291)	(29,102)	(87,933)	(1,428)	-	(135,754)
匯兌調整	(12,199)	(862)	(3,909)	18	(83)	(17,035)
於二零一九年十二月三十一日， 扣除累計折舊	763,747	44,317	216,886	1,764	848	1,027,562
於二零一九年十二月三十一日：						
成本值	855,042	189,407	565,833	11,734	848	1,622,864
累計折舊	(91,295)	(145,090)	(348,947)	(9,970)	-	(595,302)
賬面淨值	763,747	44,317	216,886	1,764	848	1,027,562

於二零二零年十二月三十一日，本集團賬面淨值為約港幣299,619,000元（二零一九年：港幣136,226,000元）之物業、廠房及設備已予以抵押，作為本集團獲得若干銀行貸款之擔保（附註36）。

15. 投資物業

本集團投資物業的變動及經常性等級三公允價值計量的對賬如下：

	二零二零年		二零一九年		
	已完成 投資物業 港幣千元	總計 港幣千元	已完成 投資物業 港幣千元	在建 投資物業 港幣千元	總計 港幣千元
公允價值					
於一月一日	4,598,840	4,598,840	4,600,892	112,040	4,712,932
收購附屬公司 (附註42(a)(iii))	201,797	201,797	-	-	-
轉撥自自有物業及使用權資產 (附註14及16)	16,865	16,865	42,795	-	42,795
轉撥自持作銷售用途的竣工物業 (附註29)	31,165	31,165	-	-	-
轉撥至分類為持作出售之資產 (附註22)	-	-	-	(108,170)	(108,170)
於損益確認之公允價值之淨收益	701	701	34,716	(2,184)	32,532
匯兌調整	277,233	277,233	(79,563)	(1,686)	(81,249)
於十二月三十一日	5,126,601	5,126,601	4,598,840	-	4,598,840

本集團之投資物業均位於中國大陸，並以中期租約持有以賺取租金或資本升值。

本公司董事根據各物業之性質、特點及風險斷定投資物業包括一類資產，即商業物業。本集團之投資物業於二零二零年及二零一九年十二月三十一日及轉撥日基於由與本集團並無關聯的獨立專業合資格估值師第一太平戴維斯估值及專業服務有限公司、亞太資產評估及顧問有限公司及上海朴谷企業管理諮詢有限公司之估值約港幣5,126,601,000元(二零一九年：港幣4,598,840,000元)按公開市場及現行用途基準履行重估。每年本集團之管理層決定委任外部估值師來負責本集團物業之外部估值。選擇標準包括市場知識、聲譽、獨立性以及專業水準是否得以維持。於每年一次就年度財務報告進行估值時，本集團之管理層與估值師就估值假設及估值結果進行討論。

在估算物業的公允價值時，物業的最高及最佳用途是其目前的用途。

若干投資物業按經營租賃租予第三方，其進一步概要詳情載於附註44。

於二零一九年十二月三十一日，本集團尚未自相關政府機構就本集團賬面淨值約港幣138,130,000元之投資物業取得房地產所有權證。相關房地產之所有權已於截至二零二零年十二月三十一日止年度取得。

財務報表附註

截至二零二零年十二月三十一日止年度

15. 投資物業(續)

於二零二零年十二月三十一日，本集團賬面值為港幣3,937,103,000元(二零一九年：港幣3,576,944,000元)之投資物業已予以抵押，作為本集團獲得若干銀行貸款之擔保(附註36)。

於截至二零二零年十二月三十一日止年度，公允價值合計為港幣16,865,000元(二零一九年：港幣42,795,000元)的若干自有物業港幣14,588,000元(二零一九年：港幣41,099,000元)及相關使用權資產港幣2,277,000元(二零一九年：港幣1,696,000元)根據經營租賃出租予租戶，因此轉撥至投資物業。於轉撥日期之公允價值計量基準已於上文載述。於轉撥時產生之評估增值港幣6,379,000元(二零一九年：港幣20,597,000元)於其他全面收益確認並於資產重估儲備中累計。

於截至二零二零年十二月三十一日止年度，公允價值為港幣31,165,000元的若干持作銷售用途的竣工物業根據經營租賃出租予租戶，因此轉撥至投資物業。於轉撥日期之公允價值計量基準已於上文載述。於轉撥時產生之評估增值港幣6,969,000元於損益確認。

本集團於初始確認後按公允價值計量的投資物業根據公允價值計量輸入的可觀察程度分為公允價值等級一至等級三的分析如下：

	(等級一) 港幣千元	(等級二) 港幣千元	(等級三) 港幣千元	公允價值 二零二零年 總計 港幣千元
循環公允價值計量於：				
商業物業	-	-	5,126,601	5,126,601

	(等級一) 港幣千元	(等級二) 港幣千元	(等級三) 港幣千元	公允價值 二零一九年 總計 港幣千元
循環公允價值計量於：				
商業物業	-	-	4,598,840	4,598,840

於截至二零二零年及二零一九年十二月三十一日止年度，概無公允價值層級之間之轉移。

15. 投資物業 (續)

下表提供了有關如何確定二零二零年及二零一九年十二月三十一日投資物業公允價值的資料 (尤其是使用的評估方法及因素)：

	評估方法及主要因素	重大不可觀察到的因素	介乎或加權平均	
			二零二零年	二零一九年
已完成投資物業 — 商業物業	貼現現金流量法 — 考慮到目前租金及租約的復歸潛力	預估租金價值 (每平方米及每月) (港幣元)	由24至395	由19至330
		長期空置率	由5%至18%	由5%至15%
		貼現率	由6%至8%	由6%至8%
	市場比較法 — 參考可比較物業的近期售價及經調整後反映物業的時間、大小及位置	物業時間、大小及位置之貼現	由4%至9%	由4%至9%

本集團已釐定，商業物業於計量日期的最高及最佳用途為將該等物業轉換為住宅用途。基於戰略原因，該等物業不會以這種方式使用。上年度使用的評估方法並無發生其他變更。

預估租金價值及市場租金年增長率單獨大幅增加 (減少) 將導致投資物業的公允價值大幅增加 (減少)。長期空置率及貼現率單獨大幅增加 (減少) 將導致投資物業之公允價值大幅減少 (增加)。一般而言，就預估租賃價值作出的假設的變動會導致租金年增長及貼現率出現類似方向變動及導致長期空置率出現反向變動。

財務報表附註

截至二零二零年十二月三十一日止年度

16. 使用權資產

本集團使用權資產變動如下：

	土地 港幣千元	樓宇 港幣千元	總計 港幣千元
於二零一九年一月一日	69,230	201,276	270,506
添置	-	82,981	82,981
轉撥至投資物業	(1,696)	-	(1,696)
轉撥至持作出售之資產(附註22)	(5,866)	-	(5,866)
折舊	(1,675)	(106,603)	(108,278)
匯兌調整	(1,168)	(2,823)	(3,991)
於二零一九年十二月三十一日及二零二零年一月一日	58,825	174,831	233,656
添置	-	96,798	96,798
轉撥至投資物業	(2,277)	-	(2,277)
撤銷	-	(14,593)	(14,593)
折舊	(1,529)	(119,671)	(121,200)
匯兌調整	3,063	7,523	10,586
於二零二零年十二月三十一日	58,082	144,888	202,970

於二零二零年及二零一九年十二月三十一日，港幣58,082,000元(二零一九年：港幣58,825,000元)之使用權資產指位於中國之土地使用權。

於二零二零年十二月三十一日，本集團賬面值約港幣20,291,000元(二零一九年：港幣19,785,000元)之土地使用權已予以抵押，作為本集團若干銀行貸款之擔保(附註36)。

本集團對樓宇(辦公物業及倉庫)有租賃安排。租期一般介乎兩至五年。

17. 租賃

(i) 租賃負債

	二零二零年 港幣千元	二零一九年 港幣千元
非流動	50,547	60,616
流動	83,215	103,070
	133,762	163,686
租賃負債項下應付款項	二零二零年 港幣千元	二零一九年 港幣千元
一年內	83,215	103,070
一年後但兩年內	38,749	40,842
兩年後但五年內	11,798	19,774
	133,762	163,686
減：須於12個月內結付之款項 (於流動負債項下列示)	(83,215)	(103,070)
須於12個月後結付之款項	50,547	60,616

於截至二零二零年十二月三十一日止年度，本集團就樓宇訂立多項新租賃協議並確認租賃負債港幣96,798,000元 (二零一九年：港幣82,981,000元)。

租金優惠

年內，本集團於採取嚴格的社交距離及出行限制措施以抑制2019冠狀病毒蔓延的期間內獲得固定付款折現形式的租金優惠。

本集團已提早採納香港財務報告準則第16號之修訂本且租金優惠乃因2019冠狀病毒疫情直接產生。

該等租金優惠乃因2019冠狀病毒疫情直接產生，符合香港財務報告準則第16號46B的所有條件，且本集團採用實際權宜之計不就該等變動是否構成租賃修訂作出評估。因此，於本年度，租金優惠合計港幣850,000元已入賬列作負可變租賃付款且於損益確認，並對租賃負債作出相應調整。

財務報表附註

截至二零二零年十二月三十一日止年度

17. 租賃(續)

(ii) 於損益確認之款項

	二零二零年 港幣千元	二零一九年 港幣千元
與短期租賃有關之開支	21,552	100,549
使用權資產折舊	121,200	108,278
2019冠狀病毒相關的租金優惠(附註)	850	-
租賃負債之利息	9,050	10,234

附註：誠如附註3及附註17(i)所披露，本集團已提早採納香港財務報告準則第16號之修訂本2019冠狀病毒相關的租金優惠，並將該修訂本所引入的實際權宜之計應用於本集團於本年度內獲取的所有合資格的租金優惠。

(iii) 其他

於二零二零年及二零一九年十二月三十一日，本集團並無尚未開始的承諾租賃協議。

於截至二零二零年十二月三十一日止年度，租賃之現金流出總額為港幣149,405,000元(二零一九年：港幣217,023,000元)。

於二零二零年十二月三十一日，已確認租賃負債港幣133,762,000元及相關使用權資產港幣144,888,000元(二零一九年：租賃負債港幣163,686,000元及相關使用權資產港幣174,831,000元)。除出租人持有的租賃資產中的擔保權益外，租賃協議不施加任何契諾。租賃資產不得用作借貸的擔保。

18. 商譽

因收購多間附屬公司產生之商譽金額如下：

	二零二零年 港幣千元	二零一九年 港幣千元
於一月一日：		
成本值	2,306,392	2,278,632
累計減值	(418,697)	(220,695)
賬面淨值	1,887,695	2,057,937
於一月一日之成本值，扣除累計減值	1,887,695	2,057,937
收購附屬公司 (附註42(a))	23,536	66,834
本年度確認之減值虧損	(141,324)	(201,787)
匯兌調整	107,654	(35,289)
於十二月三十一日之成本值，扣除累計減值	1,877,561	1,887,695
於十二月三十一日：		
成本值	2,461,213	2,306,392
累計減值	(583,652)	(418,697)
賬面淨值	1,877,561	1,887,695

就減值評估而言，產生現金流量的物業、廠房及設備、無形資產以及使用權資產包括 (分配公司資產) 連同相關商譽亦被計入相關現金產生單位。

分配至各現金產生單位之商譽之賬面值載列如下：

	二零二零年 港幣千元	二零一九年 港幣千元
農村信息服務	623,044	723,531
移動網絡優化及通信大數據服務	1,032,203	977,059
數據集成及管理軟件銷售	83,863	79,382
農業物聯網服務	23,456	22,203
技術服務	19,740	18,686
農業互聯網服務	70,605	66,834
雲服務	24,650	-
總計	1,877,561	1,887,695

18. 商譽(續)

商譽減值測試

農村信息服務現金產生單位

截至二零二零年十二月三十一日止年度，由於農村信息服務需求放緩，本集團就收購北京中農信達信息技術有限公司所產生的商譽確認港幣141,324,000元(二零一九年：港幣201,787,000元)的減值虧損。

農村信息服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算之現金流量預測計算。現金流量預測所使用之貼現率為13.15% (二零一九年：13.83%) 及採用超過五年期2.3% (二零一九年：2.5%) 增長率推斷現金流量。

移動網絡優化及通信大數據服務現金產生單位

移動網絡優化及通信大數據服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算之現金流量預測計算。現金流量預測所使用之貼現率為12.39% (二零一九年：13.07%) 及採用超過五年期2.5% (二零一九年：2.5%) 增長率推斷現金流量。

數據集成及管理軟件銷售現金產生單位

數據集成及管理軟件銷售現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算之現金流量預測計算。現金流量預測所使用之貼現率為16% (二零一九年：16%) 及採用超過五年期3% (二零一九年：3%) 增長率推斷現金流量。

農業物聯網服務現金產生單位

農業物聯網服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算之現金流量預測計算。現金流量預測所使用之貼現率為12.56% (二零一九年：12.85%) 及採用超過五年期2.5% (二零一九年：2.5%) 增長率推斷現金流量。

技術服務現金產生單位

本集團有兩個與技術服務有關之現金產生單位。技術服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算之現金流量預測計算。現金流量預測所使用之貼現率介乎13.38%及16.5% (二零一九年：14.04%及16.5%) 及採用超過五年期介乎2.5%及3% (二零一九年：2.5%及3%) 的增長率推斷現金流量。

農業互聯網服務現金產生單位

農業互聯網服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算之現金流量預測計算。現金流量預測所使用之貼現率為15.16% (二零一九年：14.70%)，而超過五年期的現金流量則以2.5% (二零一九年：0%) 增長率推斷。

18. 商譽 (續)

商譽減值測試 (續)

雲服務現金產生單位

雲服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算之現金流量預測計算。現金流量預測所使用之貼現率為13.55%及採用超過五年期2.5%增長率推斷現金流量。

計算使用價值時曾使用重要假設，下文載述管理層就進行商譽減值測試之現金流量預測所依據之各項主要假設：

預算毛利率—預算毛利率價值之釐定基準為緊接預算年度前一個年度所達致之平均毛利率、預計有效性改善之增加及預計市場發展。預算毛利率增加將增加現金產生單位之使用價值，反之亦然。

貼現率—所採用之貼現率反映與現金產生單位有關之特定風險。貼現率增加將減少現金產生單位之使用價值，反之亦然。

與市場發展和貼現率相關的主要假設之數值與外部資料來源一致。

管理層認為，任何該等假設可能出現的任何合理可能變動不會導致現金產生單位的總賬面值超過現金產生單位之可收回總值。

財務報表附註

截至二零二零年十二月三十一日止年度

19. 其他無形資產

	專利權及 許可證權 港幣千元	遞延開發成本 港幣千元	系統軟件 港幣千元	總計 港幣千元
二零二零年十二月三十一日				
於二零二零年一月一日：				
成本值	23,112	69,247	202,732	295,091
累計攤銷及減值	(18,599)	-	(118,727)	(137,326)
賬面淨值	4,513	69,247	84,005	157,765
於二零二零年一月一日之成本值，				
扣減累計攤銷及減值	4,513	69,247	84,005	157,765
添置	720	59,067	10,265	70,052
收購附屬公司 (附註42(a))	-	2,976	7,956	10,932
撤銷	-	(1,777)	-	(1,777)
本年度攤銷	(114)	-	(51,255)	(51,369)
轉撥	-	(74,791)	74,791	-
匯兌調整	297	5,182	4,618	10,097
於二零二零年十二月三十一日	5,416	59,904	130,380	195,700
於二零二零年十二月三十一日：				
成本值	24,129	59,904	302,744	386,777
累計攤銷及減值	(18,713)	-	(172,364)	(191,077)
賬面淨值	5,416	59,904	130,380	195,700

19. 其他無形資產 (續)

	專利權及 許可證權 港幣千元	遞延開發成本 港幣千元	系統軟件 港幣千元	總計 港幣千元
二零一九年十二月三十一日				
於二零一九年一月一日：				
成本值	24,484	20,208	220,811	265,503
累計攤銷及減值	(16,180)	-	(87,803)	(103,983)
賬面淨值	8,304	20,208	133,008	161,520
於二零一九年一月一日之成本值，				
扣減累計攤銷及減值	8,304	20,208	133,008	161,520
添置	-	49,385	779	50,164
撇銷	(429)	-	(4,453)	(4,882)
本年度攤銷	(3,222)	-	(43,828)	(47,050)
匯兌調整	(140)	(346)	(1,501)	(1,987)
於二零一九年十二月三十一日	4,513	69,247	84,005	157,765
於二零一九年十二月三十一日：				
成本值	23,112	69,247	202,732	295,091
累計攤銷及減值	(18,599)	-	(118,727)	(137,326)
賬面淨值	4,513	69,247	84,005	157,765

財務報表附註

截至二零二零年十二月三十一日止年度

20. 於合營企業之權益

	二零二零年 港幣千元	二零一九年 港幣千元
應佔資產淨值	50,790	150,050
因收購產生之商譽	22,935	35,840
	73,725	185,890

本集團向合營企業提供之貸款的詳情包括在附註31所披露本集團之預付款項、按金及其他應收款項內。本公司董事認為，該等貸款不會被視為本集團於該等合營企業淨投資的一部分。

本集團應收多間合營企業之應收賬款結餘的詳情披露於附註30。

所有合營企業均已按權益法於該等綜合財務報表列賬。

於截至二零一九年十二月三十一日止年度，本集團於若干合營企業投資港幣23,981,000元。於二零二零年並無作出投資。

於二零二零年及二零一九年十二月三十一日，本集團擁有以下主要合資企業的權益：

名稱	實體形式	所持股本類別	註冊國家/ 業務地點	賬面值		本集團應佔所有權 權益百分比		持有投票權的比例		主要業務	
				二零二零年	二零一九年	間接持有	二零二零年	二零一九年	二零二零年		二零一九年
				港幣千元	港幣千元						
神州數碼科技產業投資 有限責任公司	已註冊成立	已付股本	中國/中國大陸	-	96,780	-	49%	-	60%	科技產業項目投資	

於二零一九年十二月三十一日，本集團透過全資擁有附屬公司持有神州數碼科技產業投資有限責任公司60%的投票權，而有關其經營及融資活動的所有決定均需獲得本集團與其他合營夥伴的一致同意。於截至二零二零年十二月三十一日止年度，本集團出售於神州數碼科技產業投資有限責任公司及若干不重大合營企業之全部權益。

於截至二零二零年十二月三十一日止年度，本集團出售其於若干合營企業的全部權益，賬面值總計約為港幣6,132,000元，總現金代價約為港幣113,093,000元，且出售於合營企業之權益之收益約港幣106,961,000元已於損益確認。

本公司董事認為，本集團的所有合營企業其個體並不重大。上表列出本集團最主要合營企業。本公司董事認為，提供其他合營企業的詳情將導致詳情過長。

20. 於合營企業之權益 (續)

下表說明本集團於並非個別重大且以權益法入賬的合營企業的權益的財務資料及賬面值總計：

	二零二零年 港幣千元	二零一九年 港幣千元
本集團於合營企業之權益的賬面值總計	73,725	185,890
應佔合營企業之本年度虧損	(11,401)	(23,774)
應佔合營企業之本年度全面虧損總額	(11,401)	(23,774)
收取合營企業之本年度股息	93,294	-

21. 於聯營公司之權益

	二零二零年 港幣千元	二零一九年 港幣千元
應佔資產淨值	1,918,276	2,485,080
因收購產生之商譽	512,438	665,006
	2,430,714	3,150,086
分析如下：		
非上市股份	1,350,703	1,338,598
於香港上市之股份	1,080,011	1,323,287
於中國大陸上市之股份	-	488,201
	2,430,714	3,150,086

本集團於所有聯營公司的權益乃透過本公司附屬公司持有。

所有聯營公司已使用權益法於綜合財務報表入賬。

本集團與多間聯營公司之貿易結餘詳情分別披露於附註30及34。

財務報表附註

截至二零二零年十二月三十一日止年度

21. 於聯營公司之權益 (續)

於二零二零年及二零一九年十二月三十一日，本集團主要聯營公司之詳情如下：

名稱	註冊成立/ 登記及業務地點	已發行股本/ 註冊資本詳情	本集團應佔 所有權權益百分比		主要業務
			二零二零年	二零一九年	
鼎捷軟件*	中國/中國大陸	人民幣266,254,353元	附註(ii)	10.02%	提供ERP軟件及有關服務
慧聰集團**	開曼群島/中國大陸	港幣130,993,112元	19.37%	22.64%	經營網上交易平台

上表列出本集團的聯營公司，而本公司董事認為該聯營公司主要影響本年度業績或構成本集團資產淨值的主要部分。本公司董事認為，提供其他聯營公司的詳情將導致詳情過長。

* 於深圳證券交易所創業板上市。於二零一九年十二月三十一日，本集團權益之市值總額約為港幣855,997,000元。計入賬面值約港幣488,201,000元與鼎捷軟件有關的商譽約為港幣183,253,000元。

** 於香港聯合交易所有限公司主板上市。於二零二零年十二月三十一日，本集團權益之市值總額約為港幣281,576,000元（二零一九年：港幣588,519,000元）。由於其市值低於慧聰集團權益之賬面值，本集團管理層經參考聯營公司的使用價值後對其於該聯營公司權益之可收回金額進行檢討，並認為無須作出減值。計入賬面值約港幣1,080,011,000元（二零一九年：港幣1,323,287,000元）與慧聰集團有關的商譽約為港幣348,951,000元（二零一九年：港幣427,622,000元）。

附註：本公司董事認為，本集團對本集團擁有少於20%投票權的聯營公司擁有重大影響力。判斷依據於附註4披露。

於截至二零二零年十二月三十一日止年度，本集團於對本集團並非個別重大的若干聯營公司投資港幣35,041,000元（二零一九年：港幣41,486,000元）。

於聯營公司之權益之重大變動

i. 神州數碼醫療科技股份有限公司（「神州數碼醫療」）

於截至二零一九年十二月三十一日止年度，本集團部分出售其於神州數碼醫療的權益，賬面值為港幣50,957,000元，現金代價約為港幣228,171,000元於二零一九年十二月三十一日被納入其他應收款項，並於二零二零年悉數收取。出售產生部分出售收益港幣177,214,000元。

於二零二零年一月十四日，本集團與獨立第三方（「受讓方1」）訂立買賣協議，據此，本集團同意出售本公司間接非全資附屬公司北京勵致維欣科技有限公司的全部股權，該公司進而持有神州數碼醫療的32,720,636股股份，佔神州數碼醫療全部已發行股本的約14.05%。根據該協議，受讓方1應就出售事項支付的總代價為相等於人民幣500,000,000元（相當於約港幣548,089,000元）的美元。有關詳情載於本公司日期為二零二零年一月十五日的公告。神州數碼醫療的14.05%股權已於截至二零一九年十二月三十一日止年度重新分類為持作出售之資產（附註22）。

21. 於聯營公司之權益 (續)**於聯營公司之權益之重大變動 (續)***i. 神州數碼醫療科技股份有限公司 (「神州數碼醫療」) (續)*

於二零二零年出售事項完成後，本集團於神州數碼醫療的股權由20.04%減至5.99%，且神州數碼醫療不再為本公司的聯營公司。公允價值港幣191,935,000元的保留權益已入賬列作以公允價值計量且其變動計入其他全面收益的金融資產，以作中長期戰略用途。公允價值計量的詳情載於附註51。出售神州數碼醫療權益所產生的收益約港幣441,456,000元已於損益確認，並按如下方式計算：

	二零二零年 港幣千元
出售之所得款項	548,089
加：保留投資之公允價值(5.99%)	191,935
減：失去重大影響力當日之20.04%投資賬面值 (包括分類為持作出售之 資產投資14.05%) (附註22)	(298,568)
已確認收益	441,456

ii. 鼎捷軟件

於二零一九年及直至二零二零年出售鼎捷軟件之日，本集團擁有鼎捷軟件19.26% (二零一九年：19.26%) 的擁有權，當中15.44% (二零一九年：15.44%) 乃透過非全資附屬公司神州信息持有，而3.82% (二零一九年：3.82%) 乃透過其全資附屬公司持有。

於截至二零一九年十二月三十一日止年度，本集團出售其於鼎捷軟件的部分權益，賬面值為港幣51,021,000元，現金代價約為港幣96,785,000元。連同解除以前年度確認之其他全面收益，出售產生部分出售收益港幣46,525,000元。

截至二零二零年十二月三十一日止年度，本集團出售鼎捷軟件的總共16.94%股權，總代價為人民幣688,880,000元 (相當於約港幣809,685,000元)。

於一系列出售完成後，本集團於鼎捷軟件的總股權由19.26%減至2.32%，且鼎捷軟件不再為本公司的聯營公司。公允價值港幣199,431,000元的保留權益已入賬列作以公允價值計量且其變動計入損益的金融資產，以作買賣用途。公允價值計量的詳情載於附註51。出售鼎捷軟件權益所產生的收益約港幣474,748,000元已於損益確認，並按如下方式計算：

	二零二零年 港幣千元
出售之所得款項	809,685
加：保留投資之公允價值(2.32%)	199,431
減：失去重大影響力當日之19.26%投資賬面值	(534,368)
已確認收益	474,748

財務報表附註

截至二零二零年十二月三十一日止年度

21. 於聯營公司之權益 (續)

於聯營公司之權益之重大變動 (續)

iii. 視為出售多間聯營公司部分權益

截至二零二零年十二月三十一日止年度，本集團於若干聯營公司的權益因各自聯營公司其他權益持有人的注資而被攤薄。於注資後，本集團繼續對該等聯營公司行使重大影響力，因此該等聯營公司繼續作為本集團的聯營公司入賬。本集團於損益錄得視為部分出售虧損約港幣142,941,000元(二零一九年：視為部分出售之收益約港幣143,311,000元)。

iv. 出售聯營公司

截至二零二零年十二月三十一日止年度，本集團出售其於若干聯營公司的全部權益，賬面值總計約港幣17,148,000元(二零一九年：港幣8,645,000元)，總現金代價約為港幣83,024,000元(二零一九年：港幣18,264,000元)，且出售聯營公司權益的收益約港幣65,876,000元(二零一九年：港幣9,619,000元)已於損益確認。

v. 聯營公司的財務資料

下表列示鼎捷軟件及慧聰集團(對本集團而言屬重大並按權益法入賬)之財務資料概要：

	鼎捷軟件 ¹		慧聰集團	
	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元
流動資產	不適用	1,362,283	3,418,794	3,539,753
非流動資產	不適用	1,179,882	4,071,687	5,246,701
流動負債	不適用	(953,506)	(2,649,853)	(2,964,443)
非流動負債	不適用	(8,434)	(439,453)	(972,840)
資產淨值	不適用	1,580,225	4,401,175	4,849,171
減：非控股權益	不適用	10,069	599,836	791,323
聯營公司股東應佔之資產淨值	不適用	1,570,156	3,801,339	4,057,848
收入	不適用	1,642,259	16,367,418	16,722,471
本年度虧損	不適用	117,962	(839,739)	(415,657)
本年度其他全面(虧損)收益	不適用	(32,401)	2,479	(24,493)
本年度全面收益(虧損)總額	不適用	85,561	(837,260)	(440,150)
收取聯營公司本年度之股息	不適用	5,857	-	-

¹ 由於鼎捷軟件自出售後不再為本集團聯營公司，故並無呈列其於二零二零年的財務資料概要。

21. 於聯營公司之權益 (續)

v. 聯營公司的財務資料 (續)

下表列示本集團聯營公司 (非個別重大) 之財務資料總計：

	二零二零年 港幣千元	二零一九年 港幣千元
本集團於並非個別重大聯營公司之投資的賬面值總計	1,350,703	1,338,598
應佔聯營公司之本年度溢利	53,879	15,490
應佔聯營公司之本年度全面收益總額	53,879	15,490
收取聯營公司本年度之股息	26,473	25,714
本年度確認之減值虧損	-	2,286

22. 分類為持作出售之資產

分類為持作出售之資產的主要類別如下：

	二零一九年 十二月 三十一日 港幣千元
於聯營公司的權益 (附註(i))	214,565
物業、廠房及設備 (附註(ii))	4,477
在建物業 (附註(ii))	232,040
投資物業 (附註(ii))	108,170
使用權資產 (附註(ii))	5,866
分類為持作出售之資產總計	565,118

附註：

- 於截至二零一九年十二月三十一日止年度，本集團定制計劃出售於聯營公司神州數碼醫療中之32,720,636股股份 (約佔神州數碼醫療全部已發行股本約14.05%)。出售已於截至二零二零年十二月三十一日止年度完成 (附註21(i))。
- 於截至二零一九年十二月三十一日止年度，本集團與南京市麒麟科技創新園開發建設委員會訂立協議，以出售一組資產 (包括物業、廠房及設備、在建物業、投資物業及使用權資產)，總代價約為港幣350,553,000元，其中約港幣145,600,000元已收取並計入其他應付款項。就在建物業 (附註28) 確認之減值虧損指該組資產總賬面值與協議所載代價之差額。此項出售已於二零二零年完成，而所有餘下代價已於二零二零年收取。

分類為持作出售之投資物業之公允價值乃根據與本集團並無關聯之獨立專業合資格估值師第一太平戴維斯估值及專業顧問有限公司作出的估值，按公允價值等級三以收入法釐定。

財務報表附註

截至二零二零年十二月三十一日止年度

23. 以公允價值計量且其變動計入其他全面收益的金融資產

以公允價值計量且其變動計入其他全面收益的金融資產包括：

	二零二零年 港幣千元	二零一九年 港幣千元
指定以公允價值計量且其變動計入其他全面收益的股本工具		
非上市股權投資	714,300	408,572

上述非上市股權投資為指在中國成立的私營企業發行的非上市股本證券投資。該等股本工具投資不作持有買賣而是被持有作為中期至長期戰略目的。因此，本公司董事已選擇將該等股本工具投資指定為按以公允價值計量且其變動計入其他全面收益列賬，因彼等認為確認該等投資之公允價值於損益的短期波動與本集團為長遠目的持有該等投資及實現其長遠表現潛力的戰略不一致。

這些投資的公允價值的詳情披露於附註51。

於截至二零二零年十二月三十一日止年度，公允價值約港幣191,935,000元之若干非上市股權投資由「於聯營公司之權益」重新分類至「以公允價值計量且其變動計入其他全面收益之金融資產」列賬。詳情載於附註21(i)。

24. 以公允價值計量且其變動計入損益的金融資產

以公允價值計量且其變動計入損益的金融資產包括：

	二零二零年 港幣千元	二零一九年 港幣千元
以公允價值計量且其變動計入損益計量的金融資產		
上市股本證券	199,503	3,325
非上市理財產品 (附註)	922,911	925,766
	1,122,414	929,091

於截至二零二零年止年度並無出售上市股本證券。截至二零一九年十二月三十一日止年度，本集團出售若干上市股本證券，賬面值約為港幣26,420,000元，現金代價約為港幣30,791,000元，而產生的出售收益約港幣4,371,000元已於損益確認並計入其他收入及收益。

這些投資的公允價值的詳情披露於附註51。

於截至二零二零年十二月三十一日止年度，公允價值約港幣199,431,000元之若干上市股權投資由「於聯營公司之權益」重新分類至「以公允價值計量且其變動計入損益之金融資產」列賬。詳情載於附註21(ii)。於截至二零二零年及二零一九年十二月三十一日止年度，本集團並無收購上市股本證券。

附註：

於二零二零年及二零一九年十二月三十一日的理財產品均為向中國信譽良好的銀行或金融機構購買。該等金融產品屬短期，期限介乎三個月至六個月，因此分類為流動資產。

25. 應收融資租賃款項

	二零二零年 港幣千元	二零一九年 港幣千元
應收融資租賃款項	83,216	86,242
減：虧損撥備	(29,274)	(29,404)
	53,942	56,838
分析如下：		
流動部分	53,154	54,528
非流動部分	788	2,310
	53,942	56,838

本集團於中國大陸就若干設備提供融資租賃服務。該等租賃已分類為融資租賃，且尚餘介乎一至三年之租期。本集團的融資租賃安排並不包括可變付款。

	最低租賃付款		最低租賃付款現值	
	二零二零年 港幣千元	二零一九年 港幣千元	二零二零年 港幣千元	二零一九年 港幣千元
應收融資租賃款項淨值：				
一年以內到期	59,037	60,769	53,154	54,528
一至二年到期	788	1,564	788	1,564
二至三年到期	-	746	-	746
	59,825	63,079	53,942	56,838
減：未實現融資收入	(5,883)	(6,241)		
應收最低租賃付款額現值	53,942	56,838		

財務報表附註

截至二零二零年十二月三十一日止年度

25. 應收融資租賃款項 (續)

應收融資租賃款項之虧損撥備之變動如下：

	二零二零年 港幣千元	二零一九年 港幣千元
於本年度初	29,404	36,936
減值虧損撥回	(1,695)	(6,829)
匯兌調整	1,565	(703)
於本年度末	29,274	29,404

本公司董事於報告期末個別估計應收融資租賃款項的虧損撥備，金額相等於簡化法下的全面預期信貸虧損。於報告期末，應收融資租賃款項均未到期，考慮到承租人經營所在行業的歷史違約經驗及未來前景，以及就該等應收融資租賃款項所持已抵押設備的價值，本公司董事就應收融資租賃款項減值計提撥備約港幣29,274,000元(二零一九年：港幣29,404,000元)。

於評估應收融資租賃款項虧損撥備時，於本報告期內估計技術或作出的重大假設並無變動。

於二零二零年及二零一九年十二月三十一日，應收融資租賃款項以租賃設備作為抵押。在承租人未違約的情況下，本集團不得出售或重新質押抵押品。

26. 遞延稅項

以下為遞延稅項資產及負債就財務報告目的，在將若干遞延稅項資產與同一應課稅實體的遞延稅項負債抵銷後的分析：

	二零二零年 港幣千元	二零一九年 港幣千元
遞延稅項資產	225,211	173,125
遞延稅項負債	(465,878)	(350,261)
	(240,667)	(177,136)

26. 遞延稅項 (續)

遞延稅項資產及負債於本年度內之變動如下：

二零二零年遞延稅項資產變動

遞延稅項資產

	資產撥備 港幣千元	其他 港幣千元	總計 港幣千元
於二零二零年一月一日	117,585	85,983	203,568
在損益中計入 (扣除) 之遞延稅項	49,490	(20,577)	28,913
直接在權益中計入之遞延稅項	-	924	924
匯兌調整	8,348	2,659	11,007
於二零二零年十二月三十一日之遞延稅項資產總額	175,423	68,989	244,412

遞延稅項負債

	物業重估 港幣千元	資產重估 港幣千元	其他 港幣千元	總計 港幣千元
於二零二零年一月一日	296,768	23,790	60,146	380,704
收購附屬公司 (附註42(a)(i))	-	-	380	380
在損益中扣除之遞延稅項	1,917	34,918	24,765	61,600
在其他全面收益中扣除之遞延稅項	1,595	15,739	-	17,334
匯兌調整	17,105	5,571	2,385	25,061
於二零二零年十二月三十一日之 遞延稅項負債總額	317,385	80,018	87,676	485,079
本年度內在損益表中扣除之遞延稅項 淨額 (附註11)				(32,687)
於二零二零年十二月三十一日之 遞延稅項負債淨額				(240,667)

財務報表附註

截至二零二零年十二月三十一日止年度

26. 遞延稅項(續)

二零一九年遞延稅項資產變動

遞延稅項資產

	資產撥備 港幣千元	其他 港幣千元	總計 港幣千元
於二零一九年一月一日	121,786	61,847	183,633
在損益中(扣除)計入之遞延稅項	(1,656)	24,628	22,972
匯兌調整	(2,545)	(492)	(3,037)
於二零一九年十二月三十一日之遞延稅項資產總額	117,585	85,983	203,568

遞延稅項負債

	物業重估 港幣千元	資產重估 港幣千元	其他 港幣千元	總計 港幣千元
於二零一九年一月一日	288,535	18,568	39,824	346,927
在損益中扣除之遞延稅項	8,133	265	20,442	28,840
在其他全面收益中扣除之遞延稅項	5,149	5,665	-	10,814
匯兌調整	(5,049)	(708)	(120)	(5,877)
於二零一九年十二月三十一日之 遞延稅項負債總額	296,768	23,790	60,146	380,704
本年度內在損益表中扣除之遞延稅項 淨額(附註11)				(5,868)
於二零一九年十二月三十一日之 遞延稅項負債淨額				(177,136)

本集團來自中國大陸之稅項虧損為港幣818,485,000元(二零一九年：港幣1,028,591,000元)，可用於抵銷產生虧損之附屬公司之未來應課稅溢利，惟將於五年內屆滿，並未確認為遞延稅項資產。由於港幣746,584,000元(二零一九年：港幣417,759,000元)之若干可扣減暫時性差額及上述稅項虧損乃來自於一段時間內錄得虧損之附屬公司，故彼等並未確認為遞延稅項資產，且並不認為將來可能有應課稅溢利以抵銷可動用稅項虧損。

於報告期末，尚未確認的附屬公司未分配盈利的遞延稅項負債為港幣57,145,000元(二零一九年十二月三十一日：港幣44,477,000元)。由於本集團能夠控制暫時性差額撥回的時間，且該等差額很可能在可見將來不會撥回，故並無就與附屬公司未分配盈利相關的暫時性差額確認負債。

27. 存貨

	二零二零年 港幣千元	二零一九年 港幣千元
貿易存貨	2,614,291	1,848,844

28. 在建物業

	二零二零年 港幣千元	二零一九年 港幣千元
於一月一日	-	250,501
轉撥自物業、廠房及設備 (附註14)	-	253
減值虧損	-	(12,394)
轉撥至持作出售之資產 (附註22)	-	(232,040)
轉撥至持作銷售用途的竣工物業	-	(2,025)
匯兌調整	-	(4,295)
於十二月三十一日	-	-

本集團之在建物業均位於中國大陸，並以成本值或可變現淨值之較低者列賬。

29. 持作銷售用途的竣工物業

本集團之持作銷售用途的竣工物業均位於中國大陸，並以成本值或可變現淨值之較低者列賬。

於截至二零二零年十二月三十一日止年度，港幣24,196,000元按公允價值港幣31,165,000元計值之若干持作銷售用途的竣工物業乃根據經營租賃租賃予租戶，故此轉撥至投資物業。於轉撥當日之公允價值計量基準於下文詳述。轉撥至重估盈餘港幣6,969,000元於損益確認。

財務報表附註

截至二零二零年十二月三十一日止年度

30. 應收賬款及應收票據

	二零二零年 港幣千元	二零一九年 港幣千元
按攤銷成本列賬的應收款項包括		
應收賬款及應收票據	4,444,708	6,112,522
減：虧損撥備	(682,352)	(750,029)
總計	3,762,356	5,362,493
分析如下：		
流動部分	3,631,843	5,362,493
非流動部分	130,513	-
	3,762,356	5,362,493

於二零二零年十二月三十一日，客戶合約產生的應收貿易賬款總額約為港幣4,444,708,000元（二零一九年：港幣6,112,522,000元）。

本集團主要以信貸方式與其客戶訂定貿易條款，惟一般會要求新客戶預付款項。信貸期一般為15至720天。本集團對其未收回應收款項實施嚴謹之監控，並設有信貸監控部門，務求將信貸風險減至最低。管理層會定期檢閱逾期結餘。鑑於上文所述者以及本集團之應收賬款及應收票據與大量不同客戶有關之事實，故信貸風險並無明顯集中。截至報告期末，不存在佔應收賬款及應收票據總額結餘超過5%的客戶。本集團並未就其應收賬款及應收票據結餘持有任何抵押品或其他信貸增級措施。應收賬款及應收票據並無附息。

應收賬款及應收票據金額包括應收一名客戶之款項港幣130,513,000元（二零一九年：無），（扣除虧損撥備港幣2,664,000元（二零一九年：無）），其將按照協定的還款計劃於報告期末起計12個月後結算。

以下為於報告期末，應收賬款及應收票據扣除應收賬款及應收票據減值撥備後根據發票日期（相當於各自的收入確認日期）呈列的賬齡分析。

	二零二零年 港幣千元	二零一九年 港幣千元
30天內	1,369,718	3,249,133
31至60天	610,916	318,493
61至90天	115,855	89,379
91至180天	524,292	441,465
超過181天	1,141,575	1,264,023
	3,762,356	5,362,493

30. 應收賬款及應收票據 (續)

本集團按簡化法以等於全面預期信貸虧損的金額計量應收賬款及應收票據的虧損撥備。應收賬款及應收票據的預期信貸虧損使用撥備矩陣並參考債務人過去的違約經驗及對債務人當前財務狀況的分析進行估算，並根據債務人特有的因素，債務人經營所在行業的整體經濟狀況以及對報告日期狀況的目前和預測方向的評估進行調整。由於2019冠狀病毒引起的金融不確定因素，本集團已根據其對2019冠狀病毒對若干個別債權人的影響的判斷提高應收貿易賬款的預期虧損率。於本報告期間作出的估計技術或重大假設並無變動。

本集團根據個別重要客戶或集體而非個別重要客戶的賬齡確認應收賬款及應收票據的全面預期信貸虧損，具體如下：

於二零二零年十二月三十一日

	加權平均 預期虧損率 %	賬面總額 港幣千元	虧損撥備 港幣千元	淨額 港幣千元
個別	100%	114,687	114,687	-
集體				
本期 (未逾期)	1%	2,631,443	29,783	2,601,660
逾期90天以內	7%	330,569	22,029	308,540
逾期91至180天	8%	289,488	23,521	265,967
逾期181至360天	20%	401,868	80,561	321,307
逾期361至720天	39%	431,491	166,609	264,882
逾期721天以上	100%	245,162	245,162	-
		4,444,708	682,352	3,762,356

財務報表附註

截至二零二零年十二月三十一日止年度

30. 應收賬款及應收票據 (續)

於二零一九年十二月三十一日

	加權平均 預期虧損率 %	賬面總額 港幣千元	虧損撥備 港幣千元	淨額 港幣千元
個別	100%	155,400	155,400	-
集體				
本期 (未逾期)	2%	3,450,115	63,164	3,386,951
逾期90天以內	4%	993,025	35,343	957,682
逾期91至180天	9%	279,482	23,862	255,620
逾期181至360天	17%	379,655	64,790	314,865
逾期361至720天	27%	614,940	167,565	447,375
逾期721天以上	100%	239,905	239,905	-
		6,112,522	750,029	5,362,493

應收賬款及應收票據虧損撥備變動如下：

	二零二零年 港幣千元	二零一九年 港幣千元
於本年度初	750,029	677,948
確認之減值虧損 (撥回)	(86,734)	90,722
撇銷為不可收回	(17,910)	(1,548)
匯兌調整	36,967	(17,093)
於本年度末	682,352	750,029

包括在本集團應收賬款及應收票據中的應收合營企業、聯營公司及關連公司的款項 (附註46(b)) 分別約為港幣64,829,000元 (二零一九年：港幣65,725,000元)、港幣3,019,000元 (二零一九年：港幣1,638,000元) 及港幣51,290,000元 (二零一九年：港幣19,815,000元)，其須按類似於向本集團主要客戶提供的信貸條款償還。

31. 預付款項、按金及其他應收款項

	附註	二零二零年 港幣千元	二零一九年 港幣千元
按金及其他應收款項	(i)	2,061,263	2,139,127
減：虧損撥備		(225,607)	(133,045)
		1,835,656	2,006,082
預付款項		210,924	191,694
向合營企業提供之貸款	(ii)	177,262	210,296
		2,223,842	2,408,072
分析如下：			
流動部分		1,339,906	1,499,292
非流動部分		883,936	908,780
		2,223,842	2,408,072

附註：

- (i) 於二零二零年十二月三十一日，包括在本集團預付款項、按金及其他應收款項的應收貸款款項，其賬面值約為港幣1,074,237,000元（二零一九年：港幣1,088,914,000元），並由借款人物業作擔保。應收貸款款項中約港幣883,936,000元（二零一九年：港幣908,780,000元）預期於報告期末起計12個月內不會變現，因該等抵押品的變現預計將於二零二三年完成。因此，該等結餘被分類為非流動資產。就剩餘結餘約港幣190,301,000元（二零一九年：港幣180,134,000元）而言，他們被分類為流動資產，因抵押品預計將於二零二一年底前變現。
- (ii) 於二零二零年十二月三十一日，包括在本集團預付款項、按金及其他應收款項的約港幣177,262,000元（二零一九年：港幣210,296,000元）為向本集團一間合營企業提供的貸款，有關貸款並無擔保，每年4.35%（二零一九年：4.35%至18%）之利率計息，並須於自報告期末起計一年內償還。

計入上述結餘的金融資產與並無近期違約記錄的應收款項有關。

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截至二零二零年十二月三十一日止年度

31. 預付款項、按金及其他應收款項(續)

其他應收款項虧損撥備變動如下：

	二零二零年 港幣千元	二零一九年 港幣千元
於本年度初	133,045	131,571
確認之減值虧損	84,175	3,645
匯兌調整	8,387	(2,171)
於本年度末	225,607	133,045

本公司董事按個別基準估計按金及其他應收款項於報告期末的虧損撥備。根據賬齡及結算方案，該等應收款項被分類為本集團的信貨風險評級框架項下的呆賬，故此，虧損撥備乃按相等於全期預期信貸虧損的金額計量。因此，於二零二零年十二月三十一日，按金及其他應收款項的虧損撥備約為港幣225,607,000元(二零一九年：港幣133,045,000元)。就向合營企業提供之貸款所作之減值評估而言，本公司董事認為，該等貸款的信貨風險較低。因此，虧損撥備乃按相等於12個月的預期信貸虧損的金額計量，經計及合營企業的歷史還款記錄及財務實力，該虧損撥備並不重大。

32. 合約資產及合約負債

(a) 合約資產

	二零二零年 港幣千元	二零一九年 港幣千元
合約資產	2,697,941	529,127
減：虧損撥備	(292,700)	(2,054)
	2,405,241	527,073

因收取代價是以成功完成所提供服務為條件的，故合約資產乃就有關服務之所得收入初步確認。於完成服務並由客戶接受後，當權利成為無條件時，合約資產轉撥至應收賬款及應收票據。

本集團按簡化法以等於全面預期信貸虧損的金額計量合約資產的虧損撥備。合約資產虧損撥備變動如下：

	二零二零年 港幣千元	二零一九年 港幣千元
於本年度初	2,054	1,747
確認之減值虧損	275,745	268
匯兌調整	14,901	39
於本年度末	292,700	2,054

32. 合約資產及合約負債(續)

(b) 合約負債

	二零二零年 港幣千元	二零一九年 港幣千元
預收款項	2,160,544	1,059,683
應付合約客戶之款項	247,188	336,813
總合約負債	2,407,732	1,396,496

合約負債包括提供服務已收的預收款項及對合約客戶未履行之履約義務。

於截至二零二零年十二月三十一日止年度，包括於本年度初的合約負債中約港幣1,396,496,000元(二零一九年：港幣1,612,372,000元)已確認為收入。本年度確認的收入並無與前一年度履行之履約義務相關。

33. 現金及現金等價物及受限制銀行結餘

	二零二零年 港幣千元	二零一九年 港幣千元
現金及銀行結餘	3,279,753	2,001,179
定期存款	25,250	4,480
	3,305,003	2,005,659
減：受限制銀行結餘	228,286	115,488
現金及現金等價物	3,076,717	1,890,171

於報告期末，本集團以人民幣(「人民幣」)定值之現金及銀行等價物為港幣2,988,760,000元(二零一九年：港幣1,719,661,000元)。人民幣不得自由兌換為其他貨幣，然而，根據中國大陸之外匯管理條例及結匯、付匯及售匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金乃按每日銀行存款利率以浮動利率計息。短期定期存款的存款期在一天至三個月期間不等，依本集團的實時現金需求而定，並按照相應的短期定期存款利率計息。銀行結餘存於近期並無違約記錄而信譽昭著之銀行。

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34. 應付賬款及應付票據

以下為根據報告期末發票日期呈列的應付賬款及應付票據的賬齡分析。

	二零二零年 港幣千元	二零一九年 港幣千元
30天內	1,507,471	1,974,814
31至60天	808,988	442,991
61至90天	137,255	120,659
超過90天	1,166,785	1,294,329
	3,620,499	3,832,793

購買商品的平均信用期為30天至180天。本集團已制定財務風險管理政策，以確保所有應付款項於信貸期限內結清。

於二零二零年十二月三十一日，本集團應付賬款及應付票據金額包括應付本集團之多間合營企業及多間聯營公司及多間關連公司之款項分別約為港幣1,475,000元（二零一九年：港幣735,000元）、港幣42,384,000元（二零一九年：港幣5,823,000元）及港幣91,780,000元（二零一九年：港幣91,909,000元），此結餘乃根據本集團主要供應商所給予之類似信貸條款償還。

35. 其他應付款項及預提費用

	二零二零年 港幣千元	二零一九年 港幣千元
其他應付款項	1,092,849	996,471
預提費用	993,616	752,953
應付工資	418,358	292,379
遞延收入 (附註47)	12,787	4,402
	2,517,610	2,046,205

本集團的其他應付款項分別包括應付多間聯營公司及關連公司之款項（附註46(b)(iv)）約港幣432,000元（二零一九年：港幣27,821,000元）及港幣1,700,000元（二零一九年：港幣5,223,000元）。

於二零二零年及二零一九年十二月三十一日，其他應付款項為無抵押及不付息，平均期限為三個月。

36. 附息銀行及其他貸款

	二零二零年 港幣千元	二零一九年 港幣千元
銀行貸款，無抵押	948,397	1,385,891
銀行貸款，有抵押	3,378,737	3,650,350
其他貸款	51,470	51,520
公司債券 (附註d)	-	6,939
	4,378,604	5,094,700
呈報目的之分析如下：		
流動	2,077,309	3,468,959
非流動	2,301,295	1,625,741
	4,378,604	5,094,700
	二零二零年 港幣千元	二零一九年 港幣千元
應償還銀行貸款 (根據貸款協議日期中列出預定還款日期)：		
一年內	2,025,839	3,417,439
第二年	466,123	147,840
第三年至第五年 (包括首尾兩年)	792,679	554,174
第五年以外	1,042,493	916,788
	4,327,134	5,036,241
應償還其他貸款及公司債券：		
一年內	51,470	51,520
第三年至第五年 (包括首尾兩年)	-	6,939
	51,470	58,459

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36. 附息銀行及其他貸款 (續)

	二零二零年			二零一九年		
	實際利率 (%)	到期日	港幣千元	實際利率 (%)	到期日	港幣千元
流動						
銀行貸款，無抵押	2.50-4.79	2021	948,397	2.80-5.22	2020	1,335,491
銀行貸款，有抵押	1.45-6.70	2021	875,121	3.53-7.25	2020	1,439,406
長期銀行貸款之流動部分，						
— 無抵押	不適用	不適用	-	4.75	2020	50,400
— 有抵押	1.82-7.00	2021	202,321	4.94-9.80	2020	592,142
其他貸款	15	2021	51,470	15	2020	51,520
			2,077,309			3,468,959
非流動						
銀行貸款，有抵押	1.82-7.00	2022-2034	2,301,295	4.00-6.62	2021-2034	1,618,802
公司債券 (附註c及d)	不適用	不適用	-	-	2021	6,939
			2,301,295			1,625,741
			4,378,604			5,094,700

本集團銀行貸款的實際利率範圍如下：

	二零二零年	二零一九年
實際利率：		
固定利率貸款	2.50%-7%	2.8% - 9.8%
變動利率貸款	1.45%-6.62%	3.53% - 6.62%

於二零二零年十二月三十一日，本集團按浮動利率及固定利率計息的貸款分別約為港幣1,823,386,000元 (二零一九年：港幣2,869,405,000元) 及港幣2,555,218,000元 (二零一九年：港幣2,225,295,000元)。

36. 附息銀行及其他貸款(續)

附註：

- (a) 本集團若干銀行及其他貸款有以下作抵押：
- (i) 於報告期末有賬面值總額港幣299,619,000元(二零一九年：港幣136,226,000元)之樓宇作抵押(附註14)；
 - (ii) 於報告期末有賬面值總額港幣3,937,103,000元(二零一九年：港幣3,576,944,000元)之投資物業作抵押(附註15)；
 - (iii) 於報告期末有賬面值總額港幣20,291,000元(二零一九年：港幣19,785,000元)之土地使用權作抵押(附註16)；
 - (iv) 由若干金融機構提供予本集團之貸款約港幣994,486,000元(二零一九年：港幣1,375,906,000元)，乃以神州信息於二零二零年十二月三十一日之130,960,000股(二零一九年：247,869,570股)已發行普通股(總公允價值為港幣2,401,770,000元(二零一九年：港幣4,111,449,000元))作抵押；
- (b) 於二零二零年十二月三十一日，除分別為港幣157,666,000元(二零一九年：港幣260,332,000元)及港幣零元(二零一九年：港幣79,733,000元)之銀行貸款以港幣及美元列值外，餘下銀行及其他貸款均以人民幣列值。
- (c) 於二零一六年九月二日，神州數碼軟件有限公司於中國的銀行間市場發行中期票據(「中期票據」)，本金額為人民幣500,000,000元。中期票據的年利率為4.9%，並將於二零二一年九月六日到期(附有投資者於發行日期的第三年末擁有選擇權回售其票據)。截至二零一九年十二月三十一日止年度，投資者已悉數贖回本金額。
- (d) 於以前年度，本集團的非全資附屬公司神州靈雲(北京)科技有限公司(「神州靈雲」)向其投資人發行可轉債借款。

在神州靈雲的二零一六年至二零二零年業績承諾全部得到滿足的前提下，投資人同意將可轉債借款全部轉換為對神州靈雲的投資，轉換後的投資均計入神州靈雲的資本公積。如業績承諾未得到滿足，由神州靈雲在收到投資人的通知後30天內予以償還上述可轉債借款。

於二零一九年十二月三十一日，約人民幣32,600,000元(相等於約港幣35,730,000元)的可轉債尚未轉換，其中包括神州信息提供約人民幣26,400,000元(相等於約港幣28,940,000元)，其他投資人提供約人民幣6,200,000元(相等於約港幣6,939,000元)。

於二零二零年四月十五日，神州信息及其他投資人與獨立第三方(「靈雲受讓人」)簽署《轉讓協議書》，各方一致同意將彼等於神州靈雲的股權轉讓給靈雲受讓人，並退出神州靈雲。神州信息於神州靈雲的權益所付代價人民幣7,200,000元(相等於約港幣8,134,000元)。於交易完成後，神州靈雲不再為本集團的附屬公司，因此，可換股債券已經完全取消。

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截至二零二零年十二月三十一日止年度

37. 股本

	二零二零年 港幣千元	二零一九年 港幣千元
法定： 2,500,000,000股(二零一九年：2,500,000,000股)每股面值港幣0.1元 (二零一九年：港幣0.1元)之普通股	250,000	250,000
已發行及繳足股款： 二零二零年：1,672,497,376股(二零一九年：1,670,977,976股) 每股面值港幣0.1元(二零一九年：港幣0.1元)之普通股	167,250	167,098

截至二零二零年及二零一九年十二月三十一日止年度，本公司的已發行股本及股份溢價賬變動概述如下：

	已發行 普通股數目	已發行股本 港幣千元	股份溢價賬 港幣千元	總計 港幣千元
二零一九年一月一日	1,677,261,976	167,726	4,665,095	4,832,821
已購回之股份(附註)	(6,284,000)	(628)	(21,237)	(21,865)
二零一九年十二月三十一日及 二零二零年一月一日	1,670,977,976	167,098	4,643,858	4,810,956
行使購股權(附註39)	1,519,400	152	8,119	8,271
於二零二零年十二月三十一日	1,672,497,376	167,250	4,651,977	4,819,227

附註：截至二零一九年十二月三十一日止年度，本公司分別按每股最高及最低價為港幣3.60元及港幣3.37元之代價於香港聯合交易所有限公司以合共現金代價(包括交易成本)約為港幣20,539,000元購買本公司5,911,000股每股面值為港幣0.10元之普通股。

截至二零一八年十二月三十一日止年度所購回之373,000股股份及截至二零一九年十二月三十一日止年度所購回之5,911,000股股份(合共為6,284,000股)已於二零一九年三月註銷。

除上文所披露者外，本公司或其任何附屬公司於截至二零二零年十二月三十一日止年度內概無購買、出售或贖回任何本公司之上市證券。

38. 儲備

本集團於本年度及過往年度的儲備金額及其變動於綜合權益變動表呈列。

資產估值儲備

資產估值儲備為因自有物業之用途改為投資物業而產生的累計物業估值收益及虧損。此類項目將不會在以後期間重新分類至損益。

投資估值儲備

投資估值儲備為重估產生的累計收益及虧損，產生於本集團及聯營公司的以公允價值計量且其變動計入其他全面收益指定的非上市權益工具。

儲備基金

儲備基金為本集團於中國大陸之附屬公司按中國有關法規撥出之儲備。該等儲備基金可用以抵銷累計虧損，但不能以現金股息之方式分派。

資本儲備

資本儲備主要為集團重組及本集團對附屬公司的所有權變動但不失去控制權的情況下產生的股東權益變動影響。

39. 股權激勵計劃

本公司股權激勵計劃

(a) 購股權計劃

本公司的購股權計劃於二零一一年八月十五日（「二零一一年購股權計劃」）採納。二零一一年購股權計劃有效期為十年。

二零一一年購股權計劃的主要條款如下：

(i) 目的

購股權計劃旨在肯定及答謝合資格人士（定義見下文）對本集團所作出或將作出之貢獻或可能之貢獻，藉以激勵合資格人士為本集團之利益精益求精及提高彼等之效率，並維持或招徠與合資格人士的業務關係，合資格人士的貢獻著實或會有助於本集團的發展。

(ii) 合資格人士

本集團任何成員公司或任何聯營公司之任何全職或兼職僱員或高級人員或董事（包括執行、非執行或獨立非執行董事），或本集團任何成員公司之任何供應商、代理、客戶、合營夥伴、策略性聯盟夥伴、分銷商、專業諮詢人或顧問或承包商，或本公司董事會預先批准而受益人包括上述任何人士之任何信託（或倘為全權信託，則為全權託管的對象）之受託人。

(iii) 最高股份數目

在二零一一年購股權計劃下可供發行之股份最高數目為167,726,197股（二零一九年：167,726,197股），佔於本財務報表批准日期之本公司已發行股本10.03%（二零一九年：10.04%）。

(iv) 每名合資格人士可獲授之最高數目

每名合資格人士在任何十二個月期間根據購股權計劃及本公司任何其他購股權計劃可獲授之購股權（包括已行使及尚未行使），在行使後予以發行及將予發行之最高股份數目不得超過本公司當時已發行股份之1%。任何進一步授出超過此上限之購股權，均須待股東於本公司股東大會上批准後，方可作實。

任何向本公司董事、行政總裁或主要股東或彼等各自之聯繫人授出購股權，必須獲本公司之獨立非執行董事（不包括身為該等購股權承授人之獨立非執行董事）批准。

39. 股權激勵計劃 (續)

本公司股權激勵計劃 (續)

(a) 購股權計劃 (續)

(IV) 每名合資格人士可獲授之最高數目 (續)

任何向本公司之主要股東或獨立非執行董事或彼等各自之聯繫人授出購股權時，倘建議授出之購股權加上在直至該次授出購股權當日止 (包括該日在內) 十二個月期間內已授予該主要股東或獨立非執行董事之所有購股權 (不論是已行使、註銷或尚未行使) 將會：(i)使該有關人士有權收取的股數超過本公司當時已發行股本總數的0.1%；及(ii)按本公司股份於該授出日期在聯交所之收市價計算，其總值超過港幣5,000,000元，則除了須取得本公司獨立非執行董事之批准外，亦必須在股東大會上經由本公司股東批准。

(V) 行使購股權之期限

根據購股權計劃之條款，購股權可供行使之期限為有關購股權要約函件所載之期限，惟該期限須於要約日期之第十週年當日屆滿。

(VI) 接納要約

購股權之要約須於有關要約函件所載就接納該要約之最後限期或之前獲承授人接納，而該限期不得超過有關要約日期起計之28個營業日。每項要約獲接納時本公司須收取代價港幣1.00元。

(VII) 認購價之釐定基準

認購價將為下列中之最高者：(a)股份於要約日期之收市價；(b)股份於緊接要約日期前的五個營業日之平均收市價；或(c)股份之面值。

(VIII) 購股權計劃之有效期

二零一一年購股權計劃於二零一一年八月十五日 (即該計劃根據其條款被視為已生效之日) 起計之十年期間內維持有效及有作用。

財務報表附註

截至二零二零年十二月三十一日止年度

39. 股權激勵計劃 (續)

本公司股權激勵計劃 (續)

(a) 購股權計劃 (續)

下表載列在二零一一年購股權計劃下本公司購股權於本年度內之變動，以及於二零二零年年初及年末尚未行使之購股權：

承授人	購股權數目				於二零二零年 十二月 三十一日 尚未行使	每股行使價 港幣元	授予日期 前一天的 收市價 港幣元	授出日期	行使期	附註
	於二零二零年 一月一日 尚未行使	本年度內授出	本年度內行使	本年度內失效						
董事 郭為	13,116,974	-	-	-	13,116,974	6.394	6.73	25/1/2017	25/1/2017- 24/1/2025	(i)·(ii)
林楊	-	81,000,000	-	-	81,000,000	6.60	6.54	13/7/2020	(iv)	(v)
	13,116,974	-	-	-	13,116,974	6.394	6.73	25/1/2017	25/1/2017- 24/1/2025	(i)·(ii)
黃文宗先生	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
倪虹小姐	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
劉允博士	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
嚴曉燕女士	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
金昌衛先生	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
其他僱員	62,646,667	-	-	(56,665,327)	5,981,340	6.394	6.73	25/1/2017	25/1/2017- 24/1/2025	(i)·(ii)
其他僱員	5,000,000	-	(601,000)	(1,600,000)	2,799,000	4.818	4.87	21/5/2018	21/5/2019- 20/5/2026	(iii)
其他僱員	5,700,000	-	(401,000)	(3,300,000)	1,999,000	3.88	3.88	20/11/2018	20/11/2019- 19/11/2026	(iii)
其他僱員	6,970,000	-	(317,400)	(1,450,000)	5,202,600	4.32	4.26	28/3/2019	28/3/2020- 27/3/2027	(iii)
其他僱員	3,200,000	-	(200,000)	(800,000)	2,200,000	4.04	3.95	2/9/2019	2/9/2020- 1/9/2027	(iii)
其他僱員	30,000	-	-	(30,000)	-	4.172	4.10	7/11/2019	7/11/2020- 6/11/2027	(iii)
其他僱員	-	7,570,000	-	(1,020,000)	6,550,000	4.17	4.16	27/4/2020	27/4/2021- 26/4/2028	(iii)
其他僱員	-	2,620,000	-	(150,000)	2,470,000	4.48	4.27	11/6/2020	11/6/2021- 10/6/2028	(iii)
其他僱員	-	14,000,000	-	(1,000,000)	13,000,000	6.60	6.54	13/7/2020	(iv)	(v)
其他僱員	-	1,900,000	-	(110,000)	1,790,000	6.60	6.54	13/7/2020	13/7/2021- 12/7/2028	(iii)
總計	109,780,615	119,090,000	(1,519,400)	(66,125,327)	161,225,888					
於本年度末可行使					35,399,888					
加權平均行使價 (港幣元)	5.991	6.399	4.364	6.120	6.254					

39. 股權激勵計劃(續)

本公司股權激勵計劃(續)

(a) 購股權計劃(續)

下表載列在二零一一年購股計劃下購股權於年內之變動，以及於二零一九年初及年末尚未行使之購股權：

承授人	購股權數目				每股行使價 港幣元	授予日期 前一天的 收市價 港幣元	授出日期	行使期	附註
	於二零一九年 一月一日 尚未行使	本年度內授出	本年度內失效	於二零一九年 十二月 三十一日 尚未行使					
董事 郭為	13,116,974	-	-	13,116,974	6.394	6.73	25/1/2017	25/1/2017- 24/1/2025	(i)、(ii)
林揚	13,116,974	-	-	13,116,974	6.394	6.73	25/1/2017	25/1/2017- 24/1/2025	(i)、(ii)
其他僱員	62,646,667	-	-	62,646,667	6.394	6.73	25/1/2017	25/1/2017- 24/1/2025	(i)、(ii)
其他僱員	9,100,000	-	(4,100,000)	5,000,000	4.818	4.87	21/5/2018	21/5/2019- 20/5/2026	(iii)
其他僱員	6,000,000	-	(300,000)	5,700,000	3.88	3.88	20/11/2018	20/11/2019- 19/11/2026	(iii)
其他僱員	-	8,000,000	(1,030,000)	6,970,000	4.32	4.26	28/3/2019	28/3/2020- 27/3/2027	(iii)
其他僱員	-	3,200,000	-	3,200,000	4.04	3.95	2/9/2019	2/9/2020- 1/9/2027	(iii)
其他僱員	-	30,000	-	30,000	4.172	4.10	7/11/2019	7/11/2020- 6/11/2027	(iii)
總計	103,980,615	11,230,000	(5,430,000)	109,780,615					
於二零一九年度末可行使				91,020,615					
加權平均行使價(港幣元)	6.111	4.240	4.672	5.991					

附註：

- (i) 由於於二零一七年九月十八日完成的供股，相關行使價於二零一一年購股權計劃的港幣6.71元調整為港幣6.394元，而尚未行使的購股權數目作出相應的調整。
- (ii) 在二零一一年購股權計劃下，於二零一七年授出之購股權可於行使期內任何時間全數或部分行使。
- (iii) 在二零一一年購股權計劃下，授出之購股權受制於為期五年的歸屬期，其中20%可於各授出日期起計滿一週年之日開始行使，20%可於滿兩週年之日開始行使，20%可於滿三週年之日開始行使，20%可於滿四週年之日開始行使，及20%可於滿五週年之日開始行使。
- (iv) 行使期由達成若干條件之日起至二零二八年七月十二日。條件之詳情，請參閱附註(v)。

39. 股權激勵計劃 (續)

本公司股權激勵計劃 (續)

(a) 購股權計劃 (續)

附註：(續)

(v) 購股權之歸屬及行使為有條件，須待達成列於各自的授出文件中於截至二零二零年、二零二一年及二零二二年十二月三十一日之若干業績條件 (其中包括關鍵績效指標、利潤業績目標及/或個別業績目標等) (如有) 及下列條件：

- (a) 根據本公司經審核綜合財務報表，本集團截至二零二零年十二月三十一日止財政年度之經審核除稅淨利潤 (在扣除以股份為基礎的開支前) 扣減非控股權益應佔除稅淨利潤後達港幣5億元或以上 (「條件(a)」)，在此情況下，三分之一之購股權將於以下所述之相關歸屬日歸屬並可予行使；
- (b) 根據本公司經審核綜合財務報表，本集團截至二零二一年十二月三十一日止財政年度之經審核除稅淨利潤 (在扣除以股份為基礎的開支前) 扣減非控股權益應佔除稅淨利潤後達港幣8億元或以上 (「條件(b)」)，在此情況下，三分之一之購股權將於以下所述之相關歸屬日歸屬並可予行使；或
- (c) 根據本公司經審核綜合財務報表，本集團截至二零二二年十二月三十一日止財政年度之經審核除稅淨利潤 (在扣除以股份為基礎的開支前) 扣減非控股權益應佔除稅淨利潤後達港幣12億元或以上 (「條件(c)」)，在此情況下，三分之一之購股權將於以下所述之相關歸屬日歸屬並可予行使。

於達成條件(a)、條件(b)及條件(c)後，相關部份之購股權將分別於相關之本公司截至二零二零、二零二一及二零二二年十二月三十一日止財政年度之經審核綜合財務報表刊發日期當日歸屬。

除上表所載者外，概無授出購股權予參與者。

截至二零二零年十二月三十一日及二零一九年十二月三十一日止年度，概無根據二零一一年購股權計劃的購股權被取消。截至二零一九年十二月三十一日止年度亦無根據二零一一年購股權計劃的購股權被行使。

購股權並無賦予持有人享有股息或於股東大會上投票的權利。

於本年度根據二零一一年購股權計劃授出的購股權的公允價值合共約為港幣220,768,000元 (二零一九年：港幣12,181,000元)，而港幣47,792,000元 (二零一九年：港幣8,327,000元) 於年內確認為購股權開支。

在二零一一年購股權計劃下在二零二零年及二零一九年內所授出購股權之公允價值乃於個別授出當日採用二項式模式估算，當中已計及購股權之授出條款及條件。下表載列採用模型之數據資料：

授出於：	二零二零年	二零一九年
行使價 (每股港幣元)	4.17-6.6	4.04-4.32
股息率(%)	每年1.1-2.65	每年2.6-3
預期波幅(%)	每年37.9-38.1	每年38.5-39.5
預期年期 (年)	8	8
無風險利率(%)	每年0.41-0.56	每年1.12-1.57
加權平均股價 (每股港幣元)	4.17-6.6	4.04-4.32

39. 股權激勵計劃(續)

本公司股權激勵計劃(續)

(a) 購股權計劃(續)

預期波幅乃根據過去三年之過往資料計算，未必反映可能出現之行使情況。預期波幅反映該模型乃假設過往波幅可指示未來走勢，此假設亦未必與實際結果相符。

於計量公允價值時並無計入所授出購股權的其他特質。

二項式模式已用於估計購股權的公允價值。用於計算購股權公允價值的變量及假設基於董事的最佳估計。購股權的價值隨某些主觀假設的不同變量而變化。

於二零二零年十二月三十一日，本公司根據二零一一年購股權計劃下有161,225,888份(二零一九年：109,780,615份)購股權尚未行使。根據本公司現時的資本架構，全數行使購股權將導致額外發行161,225,888股(二零一九年：109,780,615股)本公司普通股及使股本增加約港幣16,123,000元(二零一九年：港幣10,978,000元)，以及出現約港幣992,260,000元(二零一九年：港幣646,694,000元)的股份溢價(未計算發行開支及以股份支付僱員之酬金儲備的轉撥)。

在此等財務報表之批准日，本公司於二零一一年購股權計劃下有161,065,888份尚未行使之購股權(二零一九年：109,780,615份)，佔當日本公司已發行股份約9.63%(二零一九年：6.57%)。

(b) 受限制股份獎勵計劃(「受限制股份獎勵計劃」)

於二零一一年三月二十八日採納了一項受限制股份獎勵計劃，其目的在於給予本公司之股份以獎勵及激勵(其中包括)本公司及其附屬公司的董事(包括執行及非執行)及員工(「參與者」)。受限制股份獎勵計劃旨在吸引及挽留最佳人士，通過結合參與者利益與本公司股東權益，鼓勵及激勵彼等致力增強本集團價值及本公司股份的價值。

根據受限制股份獎勵計劃，受限制股份獎勵計劃信託人將以本集團提供之現金於市場上購買本公司現時之股份並以信託方式為有關參與者持有，直至有關股份根據受限制股份獎勵計劃之條款歸屬予有關參與者。在受限制股份獎勵計劃下授予並由信託人持有直至歸屬之股份稱為受限制股份(「受限制股份」)，而每股受限制股份代表一股本公司的普通股股份。

截至二零二零年十二月三十一日止年度內，信託人購買82,012,000股(二零一九年：3,639,000股)本公司股份，總成本(包括相關交易成本)約為港幣493,623,000元(二零一九年：港幣14,055,000元)，並合共授出2,150,000份受限制股份(二零一九年：無)予本公司之若干董事及本集團其他僱員以激勵彼等為本集團服務。本公司股份於授出受限制股份當日的股價分別為每股港幣4.30元(於二零二零年五月七日授予其他僱員1,750,000股)及港幣4.45元(於二零二零年六月二日授予董事400,000股)。

於本年度根據受限制股份獎勵計劃授予之受限制股份於授出日期之公允價值約為港幣9,305,000元(二零一九年：無)。

於本年度，本集團確認港幣2,898,000元(二零一九年：無)為本公司授予受限制股份開支。

39. 股權激勵計劃 (續)

一間附屬公司股權激勵計劃

(c) 神州信息股票期權激勵計劃

本公司的股東和神州數碼信息服務股份有限公司(「DCITS」)的股東分別於二零一九年九月十日及二零一九年九月十六日批准採納股票期權激勵計劃(「股票期權激勵計劃」)。DCITS股票期權激勵計劃的主要條款如下：

- (1) DCITS股票期權激勵計劃之目的是為了進一步建立、健全DCITS長效激勵機制，吸引和留住優秀人才，充分調動DCITS及其附屬公司董事、高級管理人員和核心骨幹人員的積極性，有效地將股東利益、DCITS利益和核心團隊個人利益結合在一起，使各方共同關注DCITS的長遠發展。
- (2) DCITS股票期權激勵計劃的激勵對象包括DCITS及其附屬公司董事、高級管理人員及核心骨幹人員，但不包括DCITS獨立董事、監事及單獨或合計持有DCITS 5%或以上股份的股東或實際控制人及其配偶、父母、子女。DCITS股票期權激勵計劃的所有激勵對象必須在DCITS授予股票期權時以及在DCITS股票期權激勵計劃的有效期內與DCITS具有聘用、僱傭或勞務關係。
- (3) 根據DCITS股票期權激勵計劃：
 - (a) DCITS全部有效的激勵計劃所涉及的標的股票總數累計不超過DCITS股票期權激勵計劃提交DCITS股東大會時DCITS股本總額的10%；
 - (b) 可於DCITS股票期權激勵計劃及DCITS任何其他計劃所有已授出但未行使的股票期權予以行使時發行的股份數目，不會超過DCITS不時已發行的A股普通股的30%；及
 - (c) 任何一名激勵對象通過DCITS全部有效的股權激勵計劃獲授的DCITS股票總數均未超過DCITS總股本的1%。
- (4) DCITS股票期權激勵計劃的股票來源為向DCITS股票期權激勵計劃激勵對象定向發行A股普通股。
- (5) 根據DCITS股票期權激勵計劃授予的股票期權在行使前必須持有的最短期限為自根據DCITS股票期權激勵計劃完成股票期權授予登記之日(「授予期權登記完成日」)起之十二個月。

39. 股權激勵計劃 (續)

一間附屬公司股權激勵計劃 (續)

(c) 神州信息股票期權激勵計劃 (續)

- (6) 在符合DCITS股票期權激勵計劃中行使股票期權的條件下，自授予期權登記完成日起滿十二個月後的二十四個月內，承授人可分兩次行使其股票期權，具體如下：

行權期	可行使期間	可行使之股票期權比例
第一個行權期	自授予期權登記完成日起十二個月後的首個交易日起至授予期權登記完成日起二十四個月內的最後一個交易日當日止	50%
第二個行權期	自授予期權登記完成日起二十四個月後的首個交易日起至授予期權登記完成日起三十六個月內的最後一個交易日當日止	50%

- (7) 根據DCITS股票期權激勵計劃授予的股票期權行權價格為每股人民幣12.76元。
- (8) DCITS股票期權激勵計劃的有效期限自授予期權登記完成日起至根據DCITS股票期權激勵計劃授予承授人的所有股票期權被行使或註銷之日止，有效期不得超過三十六個月。
- (9) 在DCITS股票期權激勵計劃的行使期內，承授人行使其股票期權前必須滿足若干條件，包括：
- (a) DCITS未發生以下任一情形：
- 最近一個會計年度DCITS財務會計報告被註冊會計師出具否定意見或者無法表示意見的審計報告；
 - 最近一個會計年度DCITS財務報告內部控制被註冊會計師出具否定意見或者無法表示意見的審計報告；
 - 上市後最近三十六個月內出現過未按法律法規、DCITS章程、公開承諾進行利潤分配的情形；
 - 法律法規及適用的上市規則規定不得實行股權激勵的情形；及
 - 中國證券監督管理委員會（「中國證監會」）或有關監管機構認定的其他情形。

39. 股權激勵計劃 (續)

一間附屬公司股權激勵計劃 (續)

(c) 神州信息股票期權激勵計劃 (續)

(9) (續)

(b) DCITS股票期權激勵計劃之授予人未發生以下任一情形：

- (i) 最近十二個月內被深圳證券交易所認定為不適當人選；
- (ii) 最近十二個月內被中國證監會及其派出機構認定為不適當人選；
- (iii) 最近十二個月內因重大違法違規行為被中國證監會及其派出機構行政處罰或者採取市場禁入措施；
- (iv) 具有〈中華人民共和國公司法〉規定的不得擔任DCITS董事、高級管理人員的情形；
- (v) 法律法規規定不得參與上市公司股權激勵計劃的情形；及
- (vi) 中國證監會或有關監管機構認定的其他情形。

(c) DCITS實現以下財務績效目標：

行期權	業績考核目標
第一個行權期	DCITS於二零一九年淨利潤不低於人民幣3.6億元；
第二個行權期	DCITS於二零二零年淨利潤不低於人民幣4.35億元。

註： 上述「淨利潤」是指歸屬於DCITS股東的淨利潤。

(d) 在DCITS實現相關年度財務績效目標的前提下，DCITS薪酬與考核委員會對承授人進行的年度考核結果需為80分以上或「A」級。

如果在相關可行使期間無法滿足上述任何行權條件，DCITS將註銷根據DCITS股票期權激勵計劃授予的股票期權。如果上述行權條件已經滿足，但根據DCITS股票期權激勵計劃授予的股票期權在相關行權期屆滿後仍未行使，該等股票期權將告失效。

自採納DCITS股票期權激勵計劃後，DCITS根據股票期權激勵計劃已授出22,470,000份股票期權。

39. 股權激勵計劃 (續)

一間附屬公司股權激勵計劃 (續)

(c) 神州信息股票期權激勵計劃 (續)

下表載列在DCITS股票期權激勵計劃下股票期權於截至二零二零年十二月三十一日止十二個月之變動，以及於二零二零年年初及年末尚未行使之股票期權：

承授人	股票期權數目				於二零二零年 十二月 三十一日 尚未行使	每股行使價 人民幣元	授出日期	行使期
	於二零二零年 一月一日 尚未行使	本年度內授出	本年度內行使	本年度內失效				
DCITS董事	-	-	-	-	-	-	-	-
DCITS其他僱員	22,270,000	-	(5,687,554)	(950,000)	15,632,446	12.76	二零一九年 九月十七日	承授人 可參考期權 登記完成日 (即二零一九年 十月三十日) 分兩次行使 (附註)
於本年度末可行使 加權平均行使價 (人民幣元)	12.76	-	12.76	12.76	5,022,446 12.76			

附註：請看DCITS股票期權激勵計劃的主要條款(6)

下表載列在DCITS股票期權激勵計劃下股票期權於截至二零一九年十二月三十一日止十二個月之變動：

承授人	股票期權數目				於 二零一九年 十二月 三十一日 尚未行使	每股行使價 人民幣元	授出日期	行使期
	於二零一九年 內授出	於二零一九年 內行使	於二零一九年 內失效					
DCITS董事	-	-	-	-	-	-	-	-
DCITS其他僱員	22,470,000	-	(200,000)		22,270,000	12.76	二零一九年 九月十七日	承授人 可參考期權 登記完成日 (即二零一九年 十月三十日) 分兩次行使 (附註)
於本年度末可行使 加權平均行使價 (人民幣元)	12.76	-	12.76		- 12.76			

附註：請看DCITS股票期權激勵計劃的主要條款(6)

39. 股權激勵計劃 (續)

一間附屬公司股權激勵計劃 (續)

(c) 神州信息股票期權激勵計劃 (續)

在DCITS股票期權激勵計劃下於二零一九年所授出股票期權之公允價值乃於授出當日採用二項式模式估算，當中已計及股票期權之授出條款及條件。下表載列採用之數據資料：

授出於：	二零一九年
行使價 (每股人民幣元)	12.76
股息率(%)	每年0.205-0.2546
預期波幅(%)	每年21.7765-25.9667
預期年期 (年)	1-2
無風險利率(%)	每年1.5-2.1
加權平均股價 (每股人民幣元)	12.99

預期波幅乃根據過去三年之過往資料計算，未必反映可能出現之行使情況。預期波幅反映該模型乃假設過往波幅可指示未來走勢，此假設亦未必與實際結果相符。

於計量公允價值時並無計入所授出股票期權的其他特質。

二項式模式已用於估計股票期權的公允價值。用於計算股票期權公允價值的變量及假設基於董事的最佳估計。股票期權的價值隨某些主觀假設的不同變量而變化。

於截至二零一九年十二月三十一日止年度，根據DCITS股票期權激勵計劃已授出的股票期權的公允價值約為港幣32,330,000元。

於本年度，本集團確認港幣18,901,000元 (二零一九年：港幣5,835,000元) 為有關DCITS授予股票期權的開支。

(d) DCITS限制性股票激勵計劃

DCITS的股東於二零一九年九月十六日批准採納限制性股票激勵計劃 (「**限制性股票激勵計劃**」)。限制性股票激勵計劃之目的是為了進一步建立、健全DCITS長效激勵機制，吸引和留住優秀人才，充分調動DCITS及其附屬公司董事、高級管理人員和核心骨幹人員的積極性，有效地將股東利益、DCITS利益和核心團隊個人利益結合在一起，使各方共同關注DCITS的長遠發展。

限制性股票激勵計劃的激勵對象包括DCITS及其附屬公司董事、高級管理人員及核心骨幹人員，但不包括DCITS獨立董事、監事及單獨或合計持有DCITS 5%或以上股份的股東或實際控制人及其配偶、父母、子女。限制性股票激勵計劃的所有激勵對象必須在DCITS授予限制性股票時以及在限制性股票激勵計劃的有效期內與DCITS具有聘用、僱傭或勞務關係。

限制性股票激勵計劃的股票來源為DCITS向限制性股票激勵計劃激勵對象定向發行A股普通股。

39. 股權激勵計劃 (續)

一間附屬公司股權激勵計劃 (續)

(d) DCITS限制性股票激勵計劃 (續)

若下列任一授予條件未達成的，不能向激勵對象授予限制性股票。

- (a) DCITS未發生以下任一情形：
- (i) 最近一個會計年度DCITS財務會計報告被註冊會計師出具否定意見或者無法表示意見的審計報告；
 - (ii) 最近一個會計年度內部控制被註冊會計師出具否定意見或者無法表示意見的審計報告；
 - (iii) 上市後最近三十六個月內出現過未按法律法規、DCITS章程、公開承諾進行利潤分配的情形；
 - (iv) 法律法規規定不得實行股權激勵的情形；及
 - (v) 中國證監會認定的其他情形。
- (b) 限制性股票激勵計劃之激勵對象未發生以下任一情形：
- (i) 最近十二個月內被深圳證券交易所認定為不適當人選；
 - (ii) 最近十二個月內被中國證監會及其派出機構認定為不適當人選；
 - (iii) 最近十二個月內因重大違法違規行為被中國證監會及其派出機構行政處罰或者採取市場禁入措施；
 - (iv) 具有〈中華人民共和國公司法〉規定的不得擔任DCITS董事、高級管理人員的情形；
 - (v) 法律法規規定不得參與上市公司股權激勵計劃的情形；及
 - (vi) 中國證監會認定的其他情形。
- (c) DCITS實現以下財務績效目標：

行期權	業績考核目標
第一個行權期	DCITS於二零一九年淨利潤不低於人民幣3.6億元；
第二個行權期	DCITS於二零二零年淨利潤不低於人民幣4.35億元。

註： 上述「淨利潤」是指歸屬於DCITS股東的淨利潤。

- (d) 在DCITS實現相關年度財務績效目標的前提下，DCITS薪酬與考核委員會對承授人進行的年度考核結果需為80分以上或「A」級。

根據DCITS限制性股票激勵計劃的規定，由於DCITS派息，限制性股票之授予價格進行之相應的調整，由每股人民幣6.38元調整為每股人民幣6.345元。

財務報表附註

截至二零二零年十二月三十一日止年度

39. 股權激勵計劃 (續)

一間附屬公司股權激勵計劃 (續)

(d) DCITS限制性股票激勵計劃 (續)

下表載列在DCITS限制性股票激勵計劃下限制性股票於本年度內之變動：

承授人	限制性股票數目			
	於二零二零年 一月一日 尚未行使	於本年度內 授予	本年度內 回購及注銷	於二零二零年 十二月三十一日 尚未行使
DCITS 董事	1,000,000	-	-	500,000
DCITS 其他僱員	5,950,000	-	(300,000)	2,825,000

於截至二零一九年十二月三十一日止年度內，共6,950,000股限制性股票授予DCITS董事及其他僱員並於二零一九年十二月三十一日尚未行使。

根據DCITS限制性股票激勵計劃於二零一九年授出的限制性股票之公允價值乃於授出日期，經計及限制性股票據以授出的條款及條件後以二項式模型估計而來。下表列示模型內採用之輸入數據：

授出於：	二零一九年
股息率(%)	每年0.205-0.2546
預期波幅(%)	每年21.7765-25.9667
無風險利率(%)	每年1.5-2.1
加權平均股價(每股人民幣元)	12.99

預期波幅反映了過往波幅乃未來趨勢之說明之假設，可能與實際結果並非必然一致。

授出之限制性股票之其他特質並未計入公允價值的計量。

已採用二項式模型估計限制性股票之公允價值。計算限制性股票之公允價值時所用的變量及假設乃基於董事作出的最佳估計。限制性股票的價值隨某些主觀假設的不同變量而變化。

所有根據DCITS限制性股票激勵計劃授出的限制性股票均受制於為期兩年的歸屬期，其中50%將於各登記日期的首個週年日成為可售，50%則於第二個週年日成為可售。

截至二零一九年十二月三十一日止年度根據DCITS限制性股票激勵計劃已授出的限制性股票的公允價值約為港幣21,966,000元。

於本年度，本集團確認港幣13,240,000元(二零一九年：港幣4,207,000元)為有關DCITS授予限制性股票的開支。

40. 持有重大非控股權益之部分擁有附屬公司

於二零二零年十二月三十一日，本集團間接持有神州信息40.28%（二零一九年：40.14%）股權，本集團仍有權維持在神州信息之董事會提名五個非獨立董事中的三個（二零一九年：五個中的三個）。考慮到本集團參與於神州信息之營運及財務活動之權力、關鍵股東及彼等之受益股東的分布及過去的投票模式，以及關鍵股東及／或彼等之受益股東之間存在任何合約安排（如有），本公司董事認為，神州信息的持股狀況是分散的及彼等控制權組織通過本集團於神州信息股東會議之決議的實際風險較少，因而本集團的投票權足以讓其擁有實際能力單方面指示神州信息的有關活動。因此，本公司董事認為本公司對神州信息擁有實質性的控制權。詳細情況包括在附註4。

擁有重大非控股權益之本集團附屬公司之詳情載列如下：

	二零二零年 港幣千元	二零一九年 港幣千元
非控股權益擁有的股權百分比：		
神州信息	59.72%	59.86%
	二零二零年 港幣千元	二零一九年 港幣千元
分攤予非控股權益之本年度溢利：		
神州信息及其附屬公司	341,100	131,634
於報告日期之非控股權益的累計餘額：		
神州信息及其附屬公司	3,979,766	3,450,374

財務報表附註

截至二零二零年十二月三十一日止年度

40. 持有重大非控股權益之部分擁有附屬公司(續)

下表列示上述附屬公司之財務資料概要。除任何集團系內各公司之抵銷前的金額披露：

	神州信息及其附屬公司	
	二零二零年 港幣千元	二零一九年 港幣千元
收入及其他收入	11,891,993	11,663,139
成本及費用總額	(11,329,579)	(11,427,746)
本年度溢利	562,414	235,393
—歸屬於神州信息及其附屬公司之股東權益	571,474	228,010
本年度全面收益總額	858,593	171,087
—歸屬於神州信息及其附屬公司之股東權益	867,653	163,704
給予非控股權益之股息支付	(24,832)	(22,889)
流動資產	10,799,446	8,691,961
非流動資產	3,250,052	3,354,786
流動負債	6,915,467	5,907,585
非流動負債	80,677	77,925
經營活動所得現金流量淨額	380,823	324,763
投資活動所得現金流量淨額	629,701	410,578
融資活動所用現金流量淨額	(499,546)	(882,872)
現金及現金等價物增加(減少)淨額	510,978	(147,531)

41. 融資活動產生的負債的對賬

下表詳述本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債是指現金流量或未來現金流量將在綜合現金流量表中分類為融資活動現金流量的負債。

	非現金變動							二零二零年 十二月 三十一日 港幣千元
	二零二零年 一月一日 港幣千元	融資 現金流量 港幣千元	產生 融資成本 港幣千元	已確認 新租賃 港幣千元	收購 附屬公司 港幣千元 (附註42(a))	出售 附屬公司 港幣千元 (附註42(e))	匯兌調整 港幣千元	
付息銀行及其他貸款	5,087,761	(1,093,831)	-	-	216,556	(19,218)	187,336	4,378,604
已付利息	-	(142,123)	142,123	-	-	-	-	-
租賃負債	163,686	(118,803)	-	81,355	-	-	7,524	133,762
其他金融負債	-	566,789	6,333	-	-	-	13,022	586,144
公司債券	6,939	(2,439)	-	-	-	(4,652)	152	-
	5,258,386	(790,407)	148,456	81,355	216,556	(23,870)	208,034	5,098,510

	非現金變動					二零一九年 十二月 三十一日 港幣千元
	二零一九年 一月一日 港幣千元	融資 現金流量 港幣千元	產生 融資成本 港幣千元	已確認 新租賃 港幣千元	匯兌調整 港幣千元	
付息銀行及其他貸款	5,623,822	(481,043)	-	-	(55,018)	5,087,761
已付利息	-	(227,506)	227,506	-	-	-
租賃負債	193,962	(106,240)	-	82,981	(7,017)	163,686
公司債券	574,844	(567,905)	-	-	-	6,939
	6,392,628	(1,382,694)	227,506	82,981	(62,035)	5,258,386

42. 收購及出售附屬公司

(a) 收購附屬公司作為企業合併

(i) 收購北京雲核網絡技術有限公司(「北京雲核」)

於二零二零年七月，本集團與獨立第三方訂立買賣協議，以現金代價人民幣43,500,000元(相等於港幣49,144,000元)收購北京雲核之全部股權。該收購已使用收購法入賬。因收購而產生的商譽金額為港幣23,536,000元。北京雲核主要從事提供雲端應用系統服務。該收購於二零二零年八月三十一日完成。

通過以下方式支付收購北京雲核的代價：

	港幣千元
現金代價	49,144

於收購日期之購買資產及承擔負債如下：

	港幣千元
物業、廠房及設備	92
其他無形資產	10,932
存貨	15,817
應收賬款及合約資產	23,147
預付款項、按金及其他應收款項	1,164
現金及現金等價物	1,665
應付賬款	(3,221)
其他應付款項及預提費用	(3,228)
合約負債	(9,765)
應繳稅項	(673)
銀行貸款	(9,942)
遞延稅項負債	(380)
收購可識別資產淨值總額	25,608
商譽	23,536
	49,144
就收購已付的現金代價	49,144
減：所收購的現金及現金等價物	1,665
收購產生的現金流出淨額	47,479

收購產生的商譽是不可抵稅。於收購日期至二零二零年十二月三十一日止期間，北京雲核對本集團的收入、溢利及現金流量影響並不重大。

42. 收購及出售附屬公司 (續)**(a) 收購附屬公司作為企業合併 (續)****(ii) 收購昆山鹿鳴置業有限公司 (「昆山鹿鳴」)**

於二零二零年七月，本集團與獨立第三方訂立買賣協議，以現金代價人民幣68,000,000元（相等於港幣75,285,000元）收購昆山鹿鳴之全部股權。作為收購的一部分，本集團承諾於收購完成前向昆山鹿鳴提供股東貸款人民幣298,535,000元（相等於港幣330,521,000元）。該收購已使用收購法入賬。昆山鹿鳴主要從事物業投資及發展。該收購於二零二零年七月二十七日完成。

通過以下方式支付收購昆山鹿鳴的總代價：

	港幣千元
現金代價	405,806

於收購日期之購買資產及承擔負債如下：

	港幣千元
物業、廠房及設備	991
投資物業	201,797
持作銷售用途的竣工物業	657,323
應收賬款	12,389
預付款項、按金及其他應收款項	464
現金及現金等價物	5,227
其他應付款項及預提費用	(158,776)
合約負債	(92,746)
應繳稅項	(14,249)
銀行貸款	(206,614)

收購可識別資產淨值總額	405,806
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就收購已付的現金代價	405,806
減：應付代價 (包括其他應付款項)	33,214
減：所收購的現金及現金等價物	5,227

收購產生的現金流出淨額	367,365
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於收購日期至二零二零年十二月三十一日止期間，昆山鹿鳴對本集團的收入、溢利及現金流量影響並不重大。

42. 收購及出售附屬公司 (續)

(a) 收購附屬公司作為企業合併 (續)

(iii) 收購神州土地 (北京) 信息技術有限公司 (「神州土地」)

於二零一九年十月，本集團與獨立第三方訂立買賣協議，以現金代價人民幣47,460,000元（相等於港幣53,154,000元）收購神州土地之全部股權。該收購已使用收購法入賬。因收購而產生的商譽金額是港幣66,834,000元。神州土地主要從事提供農業互聯網服務。該收購於二零一九年十月三十一日完成。

通過以下方式支付收購神州土地的代價：

	港幣千元
現金代價	53,154

於收購日期之購買資產及承擔負債淨值如下：

	港幣千元
物業、廠房及設備	144
存貨	2,760
應收賬款	26
預付款項、按金及其他應收款項	35
現金及現金等價物	10,567
應付賬款	(1,383)
其他應付款項及預提費用	(9,190)
應繳稅項	(120)
合約負債	(16,519)
收購可識別負債淨額總額	(13,680)
商譽	66,834
	53,154
就收購已付的現金代價	53,154
減：所收購的現金及現金等價物	10,567
收購產生的現金流出淨額	42,587

收購產生的商譽是不可抵稅。於收購日期至二零一九年十二月三十一日止期間，神州土地對本集團的收入、溢利及現金流量影響並不重大。

42. 收購及出售附屬公司 (續)

(b) 出售一間附屬公司的部分權益

北京神州邦邦技術服務有限公司 (「神州邦邦」)

神州邦邦為本集團之間接非全資附屬公司。本集團於神州邦邦的權益為40%，代表為主要股東及控制神州邦邦董事會三分之二的席位。於二零二零年九月，本集團與獨立第三方訂立買賣協議，以現金代價約人民幣6,000,000元(相當於約港幣6,828,000元)出售神州邦邦之20%股權。出售完成後，本集團於神州邦邦的權益由40%減少至20%，而本集團自此失去對神州邦邦的控制權。由於本集團可於神州邦邦行使重大影響，因此神州邦邦的保留權益作為聯營公司入賬。該視作出售於二零二零年九月二十九日完成。

所收取代價：

	港幣千元
保留權益的公允價值	6,828
現金代價	6,828
	13,656

失去控制權的資產及負債分析：

	港幣千元
物業、廠房及設備	4
以公允價值計量且其變動計入損益的金融資產	5,121
應收賬款	40,934
預付款項、按金及其他應收款項	567
存貨	3,246
現金及現金等價物	1,253
應付賬款	(39,970)
合約負債	(6,647)
其他應付款項及預提費用	(617)
應繳稅項	(614)
非控股權益	(1,967)
	1,310
出售資產淨值	1,310

財務報表附註

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42. 收購及出售附屬公司 (續)

(b) 出售一間附屬公司的部分權益 (續)

北京神州邦邦技術服務有限公司 (「神州邦邦」) (續)

出售一間附屬公司之收益：

	港幣千元
代價	13,656
減：出售資產淨值	1,310
出售收益	12,346

出售產生的現金流入淨額：

	港幣千元
所收取現金代價	6,828
減：所出售之現金及現金等價物	1,253
	5,575

(c) 收購非全資附屬公司的額外權益

截至二零二零年十二月三十一日止年度，本集團以現金代價合共約港幣62,000元 (二零一九年：港幣79,000元) 收購若干非全資附屬公司額外權益，其負債淨值總賬面價值約為港幣448,000元 (二零一九年：資產淨值約港幣47,000元)。該收購產生的差額約港幣510,000元 (二零一九年：港幣32,000元) 已於資本儲備列支。

(d) 視作收購非全資附屬公司的額外權益

截至二零二零年十二月三十一日止年度，神州信息自公眾人士購回合共8,775,208股股份，代價合共約為人民幣139,237,000元 (相當於約港幣164,747,000元)，佔神州信息於二零二零年十二月三十一日之已發行股本0.8993%。

非控股權益變動與該交易產生已付代價的差額約港幣42,015,000元已於資本儲備列支。

42. 收購及出售附屬公司 (續)

(e) 出售附屬公司

根據綜合財務報表附註36(d)所述之轉讓協議，本集團以現金代價人民幣7,200,000元（相等於港幣8,134,000元）出售其於非全資附屬公司神州靈雲的全部股權。

失去控制權的資產及負債分析：

	港幣千元
物業、廠房及設備	1,038
存貨	667
應收賬款	12,996
預付款項、按金及其他應收款項	1,028
現金及現金等價物	871
應付賬款	(2,003)
其他應付款項及預提費用	(5,823)
合約負債	(232)
應繳稅項	(57)
其他貸款	(19,218)
公司債券	(4,652)
非控股權益	8,000
出售負債淨值	(7,385)

出售附屬公司收益：

	港幣千元
代價	8,134
減：出售負債淨值	(7,385)
出售收益	15,519

出售產生的現金流入淨額：

	港幣千元
所收取現金代價	8,134
減：所出售之現金及現金等價物	871
	7,263

截至二零二零年十二月三十一日止年度，本集團亦按現金代價港幣733,000元出售一間並不重大附屬公司，並確認出售收益港幣642,000元且導致出售產生現金流入淨額港幣651,000元。

財務報表附註

截至二零二零年十二月三十一日止年度

42. 收購及出售附屬公司 (續)

(e) 出售附屬公司 (續)

於二零一九年，本集團分別以現金代價人民幣11,000,000元(相等於港幣12,146,000元)、人民幣15,000,000元(相等於港幣16,800,000元)及人民幣700,000元(相等於港幣773,000元)出售其於非全資附屬公司江蘇智慧港城投資發展有限公司及兩間全資附屬公司智慧神州(北京)信息技術有限公司與荊門智慧荊楚信息服務有限公司的全部股權。

失去控制權的資產及負債分析：

	港幣千元
物業、廠房及設備	62
現金及現金等價物	32,569
應收賬款	5,411
其他應收款項	4,860
可收回稅項	144
應付賬款	(3,330)
其他應付款項及預提費用	(2,608)
合約負債	(3,055)
非控股權益	(5,224)
出售資產淨值	28,829

出售附屬公司收益：

	港幣千元
代價	29,719
減：出售資產淨值	28,829
出售收益	890

出售產生的現金流出淨額：

	港幣千元
所收取現金代價	29,719
減：所出售之現金及現金等價物	32,569
	(2,850)

42. 收購及出售附屬公司 (續)

(f) 附屬公司非控股權益之資本出資

(i) 北京因特睿軟件有限公司 (「北京因特睿」) 之非控股權益注資

於二零二零年九月十五日，神州投資有限公司 (「神州投資」)、深圳神州普惠信息有限公司 (「深圳普惠」) (均為本公司間接全資附屬公司)、北京因特睿其他個人股東 (「其他個人持有人」)、長春市金融控股集團有限公司 (「長春金控」) 及長春淨月高新技術產業開發區國有資產投資經營有限公司 (「長春淨月」) 以及北京因特睿 (為本公司間接非全資附屬公司) 訂立資本投資協議，據此，長春金控及長春淨月 (「投資者」) 已有條件同意以現金注資的方式以代價人民幣400,000,000元及人民幣300,000,000元分別認購北京因特睿經擴大註冊資本的約6.45%及4.84%。有關詳情載於本公司日期為二零二零年九月十五日及二零二零年九月二十九日的公告。

總代價人民幣700,000,000元將由投資者以現金按如下方式支付：

- (i) 人民幣490,000,000元 (「首期付款」) 將由投資者於資本投資協議項下的所有先決條件獲達成後五個營業日內支付予北京因特睿；及
- (ii) 人民幣210,000,000元將由投資者於北京因特睿完成註冊地址及稅務註冊地址變更並自工商行政管理局的相關部門取得新營業執照後五個營業日內支付予北京因特睿。

於注資前，北京因特睿由神州投資、深圳普惠及其他個人持有人分別持有約80.65%、12.90%及合共6.45%。於支付首期付款後，北京因特睿的總註冊資本將增至約人民幣120,965,000元，其股權將由神州投資、深圳普惠、其他個人持有人、長春金控及長春淨月分別擁有約71.54%、11.45%、合共5.72%、6.45%及4.84%。北京因特睿仍將為本公司附屬公司。

於同日，投資者、神州數碼軟件有限公司 (「神州數碼軟件」) (為本公司間接全資附屬公司)、本公司、神州投資及深圳普惠以及北京因特睿訂立補充協議 (「補充協議」)，據此 (其中包括)，神州數碼軟件已向投資者授出認沽期權。有關認沽期權之詳情載於本公司綜合財務報表附註48。

上述認沽期權構成初步按贖回價之現值確認之贖回負債。有關負債其後採用實際利率法按攤銷成本計量。

42. 收購及出售附屬公司 (續)

(f) 附屬公司非控股權益之資本出資 (續)

(i) 北京因特睿軟件有限公司 (「北京因特睿」) 之非控股權益注資 (續)

截至二零二零年十二月三十一日，投資者已貢獻人民幣490,000,000元 (相等於約港幣566,789,000元) 的首期付款。此致使本集團於北京因特睿的權益由93.55%減少至82.99%，非控股權益增加港幣128,523,000元及母公司擁有人應佔權益減少港幣128,523,000元。北京因特睿非控股權益之資本出資之影響列表如下：

	港幣千元
非控股權益賬面值	128,523
自非控股權益所收取之代價	566,789
減：贖回金融負債 (附註48)	(566,789)
	128,523

(ii) 科捷供應鏈有限公司 (「科捷」)、楊凌農業雲服務有限公司 (「楊凌農業雲」) 及神州邦邦之非控股權益注資

於二零二零年十二月十一日，本集團與獨立第三方訂立認購協議，據此，獨立第三方同意向科捷 (本公司間接全資附屬公司) 注資約人民幣46,080,000元 (相等於港幣54,522,000元)。此致使本集團於科捷的權益由100%減少至87.2%，非控股權益增加約港幣30,609,000元及母公司擁有人應佔權益增加約港幣23,913,000元。

於二零二零年，楊凌農業雲及神州邦邦之非控股權益注資總共人民幣2,850,000元 (相等於約港幣3,193,000元)。此致使非控股權益增加總共約港幣3,193,000元。

附屬公司非控股權益之上述資本出資之影響列表如下：

	港幣千元
非控股權益總賬面值	33,802
自非控股權益所收取之總代價	11,877
有關科捷的應收代價	45,838
	(23,913)

42. 收購及出售附屬公司 (續)

(f) 附屬公司非控股權益之資本出資 (續)

(iii) 發放神州信息之受限制股份及行使購股權

截至二零二零年十二月三十一日止年度，本公司間接非全資附屬公司神州信息的3,325,000股受限制股份已發放予受限制股份持有人。此致使本集團於神州信息的股權攤薄0.14%，並導致非控股權益增加約港幣23,452,000元及母公司擁有人應佔權益增加約港幣1,255,000元。

此外，截至二零二零年十二月三十一日止年度，神州信息5,687,554份購股權已獲行使。此致使本集團於神州信息的股權攤薄0.23%，並導致非控股權益增加約港幣66,214,000元及母公司擁有人應佔權益增加約港幣19,244,000元。

上述視作出售神州信息權益而不失去控制權之合計影響列表如下：

	港幣千元
非控股權益賬面值	89,666
自非控股權益所收取之代價	85,458
撥回受限制股份之回購責任	24,707
	(20,499)

43. 或然負債

於二零一八年十一月七日，中國普天信息產業集團有限公司向北京市第二中級人民法院發起訴訟，就神州信息協助深圳市生物港投資有限公司（「**生物港公司**」）抽逃出資為由，要求神州信息在協助生物港公司抽逃出資的人民幣25,000,000元及利息範圍內承擔連帶賠償責任。截止二零一八年十二月底，神州信息已向北京市第二中級人民法院提起管轄權異議訴訟，被北京市第二中級人民法院駁回。神州信息針對駁回管轄權異議的裁定書向北京市高級人民法院提起訴訟，於二零一九年五月被北京市高級人民法院駁回。於二零一九年十月二十九日，北京市第二中級人民法院出具了(2018)京02民初344號的民事判決書：神州信息在代墊資金本息共計人民幣35,120,000元範圍內，對於生物港公司在廣東省深圳市中級人民法院(2007)深中法委執字第539號執行案項下對中國普天信息產業集團有限公司的債務經強制執行不能清償的部分（以數額不超過人民幣68,125,000元為限）承擔補充賠償責任，其他第三方被告北京新富投資有限公司在抽逃出資人民幣58,380,000元範圍內承擔補充賠償責任，昆山市申昌科技有限公司在代墊資金本息共計人民幣60,250,000元範圍內承擔補充賠償責任。於二零一九年十二月三十一日，神州信息已上訴，但根據上述判決計提預計負債人民幣21,382,000元（相等於港幣23,948,000元）。

於二零二零年十一月十八日，神州信息與中國普天信息產業集團有限公司達成協議（「**和解協議**」）。根據和解協議，神州信息與中國普天信息產業集團有限公司同意和解案件，補償為人民幣21,000,000元（相等於港幣24,622,000元）。和解協議已於二零二零年十一月二十三日簽立，及中國普天信息產業集團有限公司已向北京市高級人民法院提交簽立證明。

44. 經營租賃安排

本集團作為出租人

本集團根據經營租賃安排出租其投資物業(附註15)，所議定租約期間介乎一至十年。租約條款通常會要求租戶支付保證金，並列明會根據屆時市況定期調整租金。

於報告期末，本集團已與租戶訂立未來最低租賃付款額：

	二零二零年 港幣千元	二零一九年 港幣千元
一年內	196,111	259,038
第二年	135,175	115,441
第三年	93,320	56,781
第四年	60,749	34,406
第五年	37,405	27,949
第五年後	107,551	111,800
	630,311	605,415

45. 承擔

	二零二零年 港幣千元	二零一九年 港幣千元
已簽約但未於綜合財務報表中撥備：		
土地及樓宇	16	30,209
向多間合營企業資本注資	32,337	33,969
向多間聯營公司資本注資	24,847	23,520
以公允價值計量且其變動計入其他全面收益的金融資產資本注資	507	480
	57,707	88,178

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46. 關連人士交易

(a) 與關連人士之交易：

除此財務報表其他部分所呈列之該等交易及結餘外，本集團與關連人士有以下重大交易：

	附註	二零二零年 港幣千元	二零一九年 港幣千元
與合營企業之交易			
向合營企業銷售之IT貨物	(i)	11,025	9,730
向合營企業提供之IT服務	(ii)	7,804	446
由合營企業提供之IT服務	(ii)	1,343	-
向合營企業收取之租賃收入	(iv)	-	1,268
向合營企業收取之貸款利息收入	(v)	8,380	9,422
與聯營公司之交易			
向聯營公司銷售之IT貨物	(i)	5,887	13,057
從聯營公司購買之IT貨物	(iii)	-	119
向聯營公司提供之IT服務	(ii)	3,606	2,412
由聯營公司提供之IT服務	(ii)	108,883	2,542
向聯營公司收取之租賃收入	(iv)	8,684	22,387
與關連公司之交易 (附註(vi))			
向關連公司銷售之IT貨物	(i)	60,033	11,828
向關連公司提供之IT服務	(ii)	449,549	400,439
從關連公司購買之IT貨物	(iii)	188,765	335,952
由關連公司提供之IT服務	(ii)	36,986	46,847
向關連公司收取之租賃收入	(iv)	49,271	45,728

附註：

- (i) 該等銷售乃根據本集團向其主要客戶提供之訂價及條件而進行。
- (ii) 提供IT服務之價格乃根據本集團與相關關連人士雙方協定而釐定。
- (iii) 該等購買乃參照由關連人士提供予主要客戶之訂立價格及條款根據本集團與相關關連人士雙方協定之價格進行。
- (iv) 租賃收入乃參照市場租金根據本集團與相關關連人士雙方協定而釐定。
- (v) 收取的利息收入以參考市場利率計算並計入金融服務業務的收入。
- (vi) 神州數碼集團股份有限公司及其附屬公司為本集團的關連公司，因郭為先生為本公司之主席及關鍵管理人員，對神州數碼集團股份有限公司有重大影響力。

46. 關連人士交易 (續)**(b) 與關連人士之往來結餘：**

- (i) 於報告期末，本集團與合營企業及聯營公司以及其他關連人士之應收賬款及應收票據之詳情載於附註30。
- (ii) 於報告期末，計入本集團之預付款項、按金及其他應收款項之向合營企業提供之貸款之詳情載於附註31。
- (iii) 於報告期末，本集團與合營企業及聯營公司以及其他關連人士的應付賬款及應付票據以及其他應付款項詳情分別載於附註34及附註35。
- (iv) 神州數碼集團股份有限公司及其附屬公司為本集團的關連公司，因郭為先生為本公司之主席及關鍵管理人員，對神州數碼集團股份有限公司有重大影響力。

(c) 關鍵管理人員之報酬

於本年度內，本公司關鍵管理人員（執行董事）的薪酬如下：

	二零二零年 港幣千元	二零一九年 港幣千元
短期僱員福利	7,792	3,590
以股份支付之酬金	31,706	-
離職福利	870	510
	40,368	4,100

本公司董事及主要管理人員的薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

有關董事及行政總裁酬金之進一步詳情載於附註9。

47. 遞延收入及政府補貼

本年度確認為其他收入的政府補貼約為港幣107,535,000元（二零一九年：港幣86,212,000元）。已就銷售中華人民共和國（「中國」）稅務部門認可之自行開發軟件、於中國大陸開發軟件及於中國大陸特定省份進行投資的增值稅退稅款以及補償經營成本而收取多項政府補貼。

因尚未進行相關開支之政府補貼計入遞延收入，其中分別約港幣25,888,000元（二零一九年：港幣37,033,000元）分類為非流動負債及約港幣12,787,000元（二零一九年：港幣4,402,000元）分類為流動負債（計入其他應付款項及預提費用（附註35））。

截至二零二零年十二月三十一日止年度，遞延收入約港幣44,800,000元（二零一九年：港幣20,902,000元）已於達成該等政府補貼隨附條件後確認為其他收入。

於截至二零二零年十二月三十一日止年度確認之餘下政府補貼約港幣62,735,000元（二零一九年：港幣65,310,000元）指已收取之政府補貼，而該等政府補貼概無隨附未達成之條件及其他或然事項。

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48. 其他金融負債

根據載於綜合財務報表附註42(f)(i)的北京因特睿之非控股權益之資本出資，神州數碼軟件已向投資者授出認沽期權。

倘於投資者持有北京因特睿的股權期間及北京因特睿上市之前發生任何觸發事件，則投資者有權要求本集團於二零二六年三月三十一日前以認沽價購買其在北京因特睿的全部或部分股權：

主要觸發事件包括：

- (i) 於投資者支付首筆分期款起計六個月內（或投資者協定的較後日期），由於投資者以外的原因而未完成將北京因特睿的註冊地址及稅務註冊地址變更至長春淨月高新技術產業開發區；
- (ii) 北京因特睿未於二零二五年十二月三十一日之前上市，或神州數碼軟件或本公司已明確或通過行動放棄北京因特睿擬議上市有關的安排或工作；

本公司將作為擔保人，以向投資者保證神州數碼軟件根據補充協議履行該等回購責任。

認沽價（「贖回價」）按注資項下由投資者已付金額加上年利率6%之利息再減去投資者在持有北京因特睿股權期間自北京因特睿宣派及已付任何現金股息或神州數碼軟件及／或本公司支付之現金彌償中實際收取之總額計算。

認沽期權構成一份合約，其中載有本集團購買其自有權益工具的責任，從而產生按贖回價現值確認及隨後按攤銷成本計量的贖回金融負債。

贖回金融負債之變動如下：

	二零二零年 港幣千元
非控股權益注資 (附註42(f)(i))	566,789
利息費用	6,333
匯兌調整	13,022
於本年度末	586,144

49. 本公司之主要附屬公司詳情

名稱	註冊成立/ 登記及業務地點	法律形式	已發行普通股/ 註冊股本	本公司應佔權益百分比		本公司應佔權益百分比		主要業務
				二零二零年		二零一九年		
				直接	間接	直接	間接	
Digital China (BVI) Limited	英屬維爾京群島	不適用	5,125美元	100	-	100	-	投資控股
神州數碼有限公司	香港	不適用	港幣2元	-	100	-	100	投資控股
E-Olympic International Limited	英屬維爾京群島	不適用	1美元	-	100	-	100	持有商標
輝煌企業有限公司	英屬維爾京群島	不適用	1美元	-	100	-	100	投資控股
深圳科捷物流有限公司	中國/中國大陸	有限責任公司	人民幣 100,000,000元	-	87.2	-	100	提供物流服務
Talent Gain Developments Limited	英屬維爾京群島	不適用	1美元	-	100	-	100	投資控股
神州數碼軟件有限公司	中國/中國大陸	有限責任公司	200,000,000美元	-	100	-	100	投資控股
西安神州數碼實業有限公司	中國/中國大陸	有限責任公司	人民幣 800,000,000元	-	100	-	100	科技產業園的開發及建設
神州數碼(南京)信息科技 有限公司	中國/中國大陸	有限責任公司	港幣 367,000,000元	-	100	-	100	科技產業園的開發及建設
天津神州數碼融資租賃 有限公司	中國/中國大陸	有限責任公司	30,000,000美元	-	100	-	100	融資租賃業務
鴻健投資有限公司	香港	不適用	港幣1元	-	100	-	100	投資控股
智慧神州(重慶)運營服務 有限公司	中國/中國大陸	有限責任公司	人民幣 200,000,000元	-	82.99	-	93.55	智慧城市平台運營
北京因特睿軟件有限公司	中國/中國大陸	有限責任公司	人民幣 120,964,997元	-	82.99	-	93.55	數據集成及管理軟件銷售
神州信息	中國/中國大陸	股份有限公司	人民幣 975,768,827元 (二零一九年： 人民幣 970,381,273元)	-	40.28*	-	40.14*	系統集成服務、軟件開發及技術 服務
神州數碼金信科技股份 有限公司	中國/中國大陸	股份有限公司	人民幣 200,000,000元	-	40.28**	-	40.14*	金融專用設備銷售
北京中農信達信息技術 有限公司	中國/中國大陸	有限責任公司	人民幣 100,000,000元	-	40.28**	-	40.14**	測繪服務軟件銷售

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49. 本公司之主要附屬公司詳情 (續)

名稱	註冊成立/ 登記及業務地點	法律形式	已發行普通股/ 註冊股本	本公司應佔權益百分比		本公司應佔權益百分比		主要業務
				二零二零年		二零一九年		
				直接	間接	直接	間接	
神州數碼集成系統有限公司	香港	不適用	港幣 531,750,000元	-	40.28**	-	40.14**	系統集成服務
南京華蘇科技有限公司 (「華蘇科技」)	中國/中國大陸	有限責任公司	人民幣 102,340,000元	-	40.24***	-	40.10***	網絡優化服務
北京雲核網絡技術有限公司	中國/中國大陸	有限責任公司	人民幣 13,333,333元	-	40.28****	-	-	提供雲應用系統服務
昆山鹿鳴置業有限公司	中國/中國大陸	有限責任公司	人民幣 50,000,000元	-	100****	-	-	物業投資及發展

* 神州信息為深圳上市公司，雖本集團只擁有該公司的40.28% (二零一九年：40.14%) 股權，惟根據此財務報表附註4與40解釋之因素，因此該公司乃作為本集團的附屬公司。

** 該等公司為神州信息的全資擁有附屬公司，因此，鑒於本公司對該等公司之控制權，該等公司乃作為附屬公司入賬。

*** 華蘇科技為神州信息擁有99.90%之附屬公司，因此，鑒於本公司對該公司之控制權，該公司乃作為附屬公司入賬。

**** 該等公司為於二零二零年收購的附屬公司並作為業務合併入賬。

董事認為上表所載之本公司附屬公司對本集團本年度之業績有重大影響或佔本集團資產淨值之重大部分。董事認為倘列出其他附屬公司資料，將使篇幅過於冗長。

50. 按類別劃分之金融工具

於報告期末，各金融工具類別之賬面值如下：

二零二零年

金融資產

	二零二零年 港幣千元	二零一九年 港幣千元
按攤銷成本列賬之金融資產		
應收融資租賃款項	53,942	56,838
應收賬款及應收票據	3,762,356	5,362,493
包含於預付款項、按金及其他應收款項中之金融資產	1,860,811	2,082,345
現金及現金等價物	3,076,717	1,890,171
受限制銀行結餘	228,286	115,488
以公允價值計量且其變動計入損益的金融資產		
上市股本證券	199,503	3,325
非上市理財產品	922,911	925,766
以公允價值計量且其變動計入其他全面收益的金融資產		
指定以公允價值計量且變動計入其他全面收益的非上市股本投資	714,300	408,572
	10,818,826	10,844,998

金融負債

	二零二零年 港幣千元	二零一九年 港幣千元
按攤銷成本列賬之金融負債		
應付賬款及應付票據	3,620,499	3,832,793
包含於其他應付款項及預提費用中之金融負債	1,895,360	1,684,542
付息銀行及其他貸款	4,378,604	5,094,700
其他金融負債	586,144	-
	10,480,607	10,612,035

財務報表附註

截至二零二零年十二月三十一日止年度

51. 公允價值計量及金融工具之公允價值等級

公允價值等級

下表提供了在每個報告期末按公允價值計量的經常性計量的金融工具分析，根據本集團的會計政策公允價值可按照公允價值計量的程度分為等級一至等級三。

以公允價值計量的資產：

於二零二零年十二月三十一日：

	公允價值等級			總計 港幣千元
	在活動市場 的報價 (等級一) 港幣千元	重大可 觀察到的因素 (等級二) 港幣千元	重大不可 觀察到的因素 (等級三) 港幣千元	
以公允價值計量且其變動計入損益的 金融資產				
—上市股本證券	199,503	-	-	199,503
—非上市理財產品	-	-	922,911	922,911
以公允價值計量且其變動計入其他 全面收益的金融資產				
—非上市股權投資	-	-	714,300	714,300

於二零一九年十二月三十一日：

	公允價值等級			總計 港幣千元
	在活動市場 的報價 (等級一) 港幣千元	重大可 觀察到的因素 (等級二) 港幣千元	重大不可 觀察到的因素 (等級三) 港幣千元	
以公允價值計量且其變動計入損益的 金融資產				
—上市股本證券	3,325	-	-	3,325
—非上市理財產品	-	-	925,766	925,766
以公允價值計量且其變動計入其他 全面收益的金融資產				
—非上市股權投資	-	-	408,572	408,572

51. 公允價值計量及金融工具之公允價值等級 (續)

公允價值等級 (續)

截至二零二零年及二零一九年十二月三十一日止年度，概無公允價值層級之間之轉移。

理財產品及非上市股權投資的公允價值採用收入法確定，且重大不可觀察輸入數據包括貼現率及增長率。貼現率越低及增長率越高，公允價值越高。

本集團委聘一名外部估值專家對無法獲得市場報價的該等投資進行估值。本集團管理層每年與估值師就估值假設及估值結果進行討論，所進行估值乃用於年度財務申報。

以公允價值計量且其變動計入損益的金融資產的等級三公允價值計量與以公允價值計量且其變動計入其他全面收益的金融資產的對賬：

	非上市 理財產品 港幣千元	非上市 股權投資 港幣千元
於二零一九年一月一日	1,258,048	427,293
購買	799,646	-
贖回	(1,159,421)	(7,886)
公允價值變動	26,713	(3,696)
匯兌調整	780	(7,139)
於二零一九年十二月三十一日及二零二零年一月一日	925,766	408,572
轉撥來自一間聯營公司之權益 (附註21)	-	191,935
購買	1,125,061	-
出售一間附屬公司 (附註42(b))	(5,121)	-
贖回	(1,160,782)	(40,196)
公允價值變動	16,727	114,406
匯兌調整	21,260	39,583
於二零二零年十二月三十一日	922,911	714,300

本公司董事認為，於綜合財務報表中按攤銷成本記錄的金融資產及金融負債的賬面值與其公允價值相若。

52. 財務風險管理目標及政策

本集團之主要金融工具包括應收賬款及應收票據、其他應收款項、應付賬款及應付票據、其他應付款項、附息銀行及其他貸款及現金及現金等價物。該等金融工具的主要用途是為本集團之資本開支及營運籌集資金。本集團還有各種其他金融資產及負債，例如營運過程中直接產生之應收賬款及應收票據以及應付賬款及應付票據。金融工具的詳情已披露於相應附註。

與這些金融工具相關的風險包括市場風險（利率風險、貨幣風險）信貸風險及流動性風險。有關如何減輕這些風險的政策如下。管理層管理及監控這些風險，以確保及時有效地採取適當措施。

市場風險

市場風險指由於市場變數如利率及外匯變動而導致金融工具之公允價值或未來現金流波動所產生之風險。

利率風險

本集團面臨按浮動利率的銀行及其他貸款的現金流量利率風險。本集團亦面臨與固定銀行貸款有關的公允價值利率風險。本集團的政策是維持其借款的平衡組合，以管理現金流及公允價值利率風險。

於二零二零年十二月三十一日，本集團之附息貸款為港幣1,823,386,000元（二零一九年：港幣2,869,405,000元）乃按浮動利率計息。

本集團目前並無任何利息對沖政策。

本集團亦面臨與其銀行結餘有關的現金流量利率風險。由於本集團的銀行結餘屬於短期性質且利率收費預期不會對本集團產生重大影響，故並無呈列敏感度分析。

以下敏感度分析乃根據報告期末的利率風險釐定。假設於報告期末尚未償還的金融工具全年未償還，則編製該分析。在向主要管理人員內部報告利率風險時使用100個基點（二零一九年：100個基點）增加（減少）乃代表管理層對合理可能的利率變化的評估。

	基點上升 (下降)	本年度除稅前 溢利增加 (減少) 港幣千元
二零二零年十二月三十一日		
浮動利率貸款	100	(18,234)
浮動利率貸款	(100)	18,234
二零一九年十二月三十一日		
浮動利率貸款	100	(28,694)
浮動利率貸款	(100)	28,694

52. 財務風險管理目標及政策 (續)

外幣風險

於二零二零年十二月三十一日，本集團所承擔之外幣風險主要來自以非功能貨幣計值的貨幣資產淨值約港幣494,927,000元(二零一九年：港幣660,370,000元)。

下表顯示報告期末對人民幣匯率合理可能變動的敏感度，所有其他變量與本集團除稅前溢利保持不變。1%(二零一九年：1%)是向主要管理人員內部報告外幣風險時使用的敏感度比率，代表管理層對外匯匯率合理可能變動的評估。

	人民幣 匯率上升 (下降) %	本年度 除稅前溢利 增加(減少) 港幣千元
二零二零年十二月三十一日		
若人民幣兌美元貶值	(1)	(4,987)
若人民幣兌美元升值	1	4,987
二零一九年十二月三十一日		
若人民幣兌美元貶值	(1)	(6,663)
若人民幣兌美元升值	1	6,663

信貸風險

於二零二零年十二月三十一日，本集團因未能履行交易對手的責任及本集團提供的財務擔保而導致本集團財務虧損的最大信貸風險來自各自認可財務的賬面值。於綜合財務狀況表所述的資產及本集團於附註43所披露的有關財務擔保的或然負債金額。

本集團的信貸風險主要來自現金及現金等價物、受限制銀行結餘、應收賬款及應收票據、合約資產、應收融資租賃款項及其他應收款項。該等結餘的賬面值代表本集團就金融資產而言的最大信貸風險。

為盡量減低信貸風險，本集團管理層已委派團隊負責釐定信貸限額，信貸審批及其他監控程序，以確保採取跟進行動收回逾期債務。

就應收賬款及應收票據、合約資產及應收融資租賃款項而言，本集團已採用香港財務報告準則第9號的簡化方法計量全期預期信貸虧損的虧損撥備。本集團使用根據歷史信貸虧損經驗估計的撥備矩陣以及債務人經營所在行業的一般經濟狀況個別及集體確定預期信貸虧損。就此而言，本公司董事認為本集團的信貸風險已大幅減少。

52. 財務風險管理目標及政策 (續)

信貸風險 (續)

就其他應收款項而言，本集團已評估自初始確認後信貸風險是否顯著增加。倘信貸風險大幅增加，本集團將根據全期而非12個月的預期信貸虧損計量虧損撥備。

管理層認為對合營企業的貸款信貸風險較低，因此本年度內確認的減值撥備僅限於12個月的預期信貸虧損。

流動資金及理財產品的信貸風險有限，因交易方是國際信貸評級機構指定的信用評級較高的銀行。

由於本集團僅與認可且信譽良好的第三方進行交易，因此不需要抵押品。本集團超過90%的客戶及營運位於中國大陸。信貸風險集中由行業及客戶管理。

本集團於初始確認資產時考慮違約概率，以及於整個報告期內信貸風險是否持續大幅增加。為評估信貸風險是否顯著增加，本集團將資產在報告日期發生的違約風險與初始確認日期的違約風險進行比較。它考慮了可用的合理且支持性的轉發信息。特別是以下指標包含在內：

- 內部信用評級
- 業務、財務或經濟狀況的實際或預期重大不利變化，預計會導致借款人履行其義務的能力發生重大變化
- 借款人經營業績的實際或預期重大變化
- 支持第三方擔保或信用增強的義務或質量的抵押品價值發生重大變化
- 借款人其他金融工具的信貸風險顯著增加
- 借款人的預期業績及行為發生重大變化，包括本集團借款人付款狀況的變化以及借款人經營業績的變化。

為降低信貸風險，本集團已委託其營運管理委員會制定及維持本集團的信貸風險評級，以根據其違約風險程度對風險進行分類。信貸評級信息由獨立評級機構提供，如不提供，運營管理委員會使用其他公開財務信息及本集團自己的交易記錄對主要客戶及其他債務人進行評級。本集團的風險敞口及其交易方的信貸評級會不斷受到監控，而已完成交易的總值則會在獲批准的交易對手中分攤。

52. 財務風險管理目標及政策 (續)

信貸風險 (續)

本集團目前的信貸風險評級框架包括以下類別：

級別	描述	識別預期信貸虧損的基礎
表現	對於違約風險較低或自初始確認後信貸風險並未顯著增加且信貸風險不大的金融資產 (參見第1階段)	12個月預期信貸虧損
壞賬	對於自初始確認以來信貸風險顯著增加但不存在信用減值的金融資產 (參見第2階段)	全期預期信貸虧損—沒有信貸減值
欠款	當一項或多項事件對該資產的估計未來現金流量產生不利影響時，金融資產被評估為信貸減值 (參見第3階段)	全期預期信貸虧損—有信貸減值
撇銷	有證據表明債務人處於嚴重的財務困境，本集團並無實際復甦前景	金額已被註銷

流動性風險

本集團採用經常性流動資金計劃工具監控資金短缺的風險。該工具考慮其涉及金融工具與金融資產 (如應收賬款及應收票據) 之到期日以及來自業務之預期營運現金流量。

本集團之目標為透過使用附息銀行貸款以及其他可取得之資金來源，維持資金延續性與靈活性之平衡。此外，本集團已取得銀行額度以供應急之用。

財務報表附註

截至二零二零年十二月三十一日止年度

52. 財務風險管理目標及政策 (續)

流動性風險 (續)

載列於報告期末本集團之金融負債到期日 (根據已訂約惟未貼現款項計算) 如下：

	二零二零年				賬面值 港幣千元
	按要求或 一年內 港幣千元	一至五年 港幣千元	超過五年 港幣千元	總計 港幣千元	
附息銀行及其他貸款	2,133,669	1,489,134	1,508,217	5,131,020	4,378,604
應付賬款及應付票據	3,620,499	-	-	3,620,499	3,620,499
包含於其他應付款項及預提費用中之					
金融負債	1,895,360	-	-	1,895,360	1,895,360
其他金融負債	-	-	768,748	768,748	586,144
	7,649,528	1,489,134	2,276,965	11,415,627	10,480,607
租賃負債	85,705	55,987	-	141,692	133,762
	二零一九年				賬面值 港幣千元
	按要求或 一年內 港幣千元	一至五年 港幣千元	超過五年 港幣千元	總計 港幣千元	賬面值 港幣千元
附息銀行及其他貸款	3,634,203	1,037,840	1,057,341	5,729,384	5,094,700
應付賬款及應付票據	3,832,793	-	-	3,832,793	3,832,793
包含於其他應付款項及預提費用中之					
金融負債	1,684,542	-	-	1,684,542	1,684,542
	9,151,538	1,037,840	1,057,341	11,246,719	10,612,035
租賃負債	106,027	67,294	-	173,321	163,686

如浮動利率變動與報告期末確定的利率估計不同，則上述非衍生金融負債浮動利率工具的金額可能會發生變化。

52. 財務風險管理目標及政策 (續)

資本管理

本集團資本管理之主要目的是為了確保本集團持續經營的能力及維持穩健之資本比率以支持其業務及盡量提高股東價值。

本集團管理資本結構以及根據經濟狀況之轉變及相關資產的風險特徵作出調整。本集團可以通過調整對股東派發之股息、向股東發還資本或發行新股以保持或調整資本結構。本集團並無必須遵守的外加資本要求。於截至二零二零年及二零一九年十二月三十一日止年度內，本公司之資本管理目標、政策及程序並無轉變。

本集團運用資產負債率監控資本，該比率乃由負債淨額除以總資本加負債淨額之和計算。本集團的政策旨在盡量可能將資產負債比率維持在低水平。負債淨額包括付息銀行及其他貸款、應付賬款及應付票據、其他應付款項及預提費用、租賃負債、減現金及現金等價物及受限制銀行結餘。資本為於母公司股東應佔權益。於報告期末之資產負債率如下：

	本集團	
	二零二零年 港幣千元	二零一九年 港幣千元
付息銀行及其他貸款	4,378,604	5,094,700
應付賬款及應付票據	3,620,499	3,832,793
其他應付款項及預提費用	2,517,610	2,046,205
租賃負債	133,762	163,686
減：現金及現金等價物	(3,076,717)	(1,890,171)
受限制銀行結餘	(228,286)	(115,488)
負債淨額	7,345,472	9,131,725
母公司股東應佔權益	9,429,727	8,936,423
總資本	9,429,727	8,936,423
總資本加負債淨額	16,775,199	18,068,148
資產負債率	44%	51%

財務報表附註

截至二零二零年十二月三十一日止年度

53. 有關本公司財務狀況表的資料

	二零二零年 港幣千元	二零一九年 港幣千元
非流動資產		
物業、廠房及設備	39	72
於附屬公司之投資	1,939,081	1,939,081
總非流動資產	1,939,120	1,939,153
流動資產		
預付款項、按金及其他應收款項	40,384	24,798
應收附屬公司款項	5,013,902	4,460,946
現金及現金等價物	60,150	4,677
	5,114,436	4,490,421
流動負債		
其他應付款項及預提費用	32,136	13,853
應付附屬公司款項	1,424,248	719,134
應付股息	159	87
付息銀行貸款	64,786	63,500
	1,521,329	796,574
流動資產淨值	3,593,107	3,693,847
總資產減流動負債	5,532,227	5,633,000
非流動負債		
付息銀行貸款	42,880	46,832
資產淨值	5,489,347	5,586,168
股本及儲備		
已發行股本	167,250	167,098
儲備	5,322,097	5,419,070
權益總額	5,489,347	5,586,168

53. 有關本公司財務狀況表的資料(續)

附註：

本公司之儲備摘要如下：

	股份		僱員 股票基金	以股份 支付僱員之 酬金儲備		其他儲備	保留溢利	總計
	溢價賬	繳入盈餘		港幣千元	港幣千元			
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
於二零一九年一月一日	4,665,095	623,689	(21,571)	65,478	(1,326)	247,440	5,578,805	
本年度虧損及本年度全面虧損總額	-	-	-	-	-	(57,743)	(57,743)	
已付股息	-	-	-	-	-	(51,112)	(51,112)	
以股份支付之酬金	-	-	-	8,327	-	-	8,327	
股份購回	(21,237)	-	-	-	1,326	-	(19,911)	
僱員股票基金供款	-	-	(39,296)	-	-	-	(39,296)	
於二零一九年十二月三十一日及 二零二零年一月一日	4,643,858	623,689	(60,867)	73,805	-	138,585	5,419,070	
本年度溢利及本年度全面收益總額	-	-	-	-	-	517,474	517,474	
已付股息	-	-	-	-	-	(162,829)	(162,829)	
以股份支付之酬金	-	-	-	35,526	-	-	35,526	
行使購股權	8,119	-	-	(1,640)	-	-	6,479	
僱員股票基金供款	-	-	(493,623)	-	-	-	(493,623)	
於二零二零年十二月三十一日	4,651,977	623,689	(554,490)	107,691	-	493,230	5,322,097	

本公司之繳入盈餘指根據為籌備本公司股份在聯交所主板上市而進行之一項公司重組而收購附屬公司之股份的公允價值高於本公司作為交換而發行之股份面值之金額。根據百慕達公司法(經修訂)及本公司之公司細則，繳入盈餘可分派予股東，惟本公司必須有能力償還到期之債務，而在該項分派後，本公司之總負債以及已發行股本及溢價乃低於其資產的可變現值。

以股份支付僱員之酬金儲備由股權激勵計劃下之已授予、尚未行使的購股權或受限制股份之公允價值構成，詳情於財務報表附註3對有關僱員福利會計政策進一步解釋。

物業詳情

於二零二零年十二月三十一日之投資物業：

地點	用途	年期	本集團應佔權益
中國陝西省 西安市高新技術產業開發區 丈八四路20號 神州數碼西安科技園	辦公大樓	中期租約	100%
中國湖北省武漢市 東湖新技術開發區 光谷大道以東大舒東路以北 神州數碼武漢科技園	辦公大樓	中期租約	100%
中國江蘇省 南京市江寧區 麒麟街道 神州數碼南京科技園	辦公大樓	中期租約	100%
中國重慶市渝北區 洪湖西路24至26號科技創新園 神州數碼重慶科技園	辦公大樓	中期租約	100%
中國江蘇省昆山市 澱山湖鎮雙和路1號 神州數碼昆山物流園	物流及倉儲	中期租約	100%
中國遼寧省沈陽市 渾南區倉儲東一街2號 神州數碼(沈陽)電子商務產業基地	物流及倉儲	中期租約	100%
中國湖北省 武漢市東湖新技術開發區 高新四路61號 神州數碼武漢電子商務產業基地	物流及倉儲	中期租約	100%
中國山東省濟南市 高新技術開發區 孫村通信產業園科遠路1459-2號 神州數碼濟南電子商務產業園	物流及倉儲	中期租約	100%
中國北京市海澱區 上地九街 數碼科技廣場	辦公大樓	中期租約	100%
中國北京市海澱區 蘇州街16號 北京神州數碼大廈4-9層及18層	辦公大樓	中期租約	100%

五年財務摘要

業績

	截至二零二零年 十二月三十一日 止年度 港幣千元	截至二零一九年 十二月三十一日 止年度 港幣千元	截至二零一八年 十二月三十一日 止年度 港幣千元	截至二零一七年 十二月三十一日 止年度 港幣千元	截至二零一六年 十二月三十一日 止年度 港幣千元
持續經營業務收入	19,819,527	17,727,429	15,254,499	13,246,571	12,251,359
持續經營業務之除稅前溢利(虧損)	1,146,870	546,700	281,534	(47,817)	137,713
所得稅費用	(181,518)	(96,524)	(61,064)	(143,584)	(148,743)
持續經營業務之本年度溢利(虧損)	965,352	450,176	220,470	(191,401)	(11,030)
非持續經營業務之本年度溢利	-	-	-	-	559,623
本年度溢利(虧損)	965,352	450,176	220,470	(191,401)	548,593
歸屬於：					
母公司股東權益	612,970	301,844	149,587	(413,006)	389,314
非控股權益	352,382	148,332	70,883	221,605	159,279
	965,352	450,176	220,470	(191,401)	548,593

資產、負債與非控股權益

	截至二零二零年 十二月三十一日 止年度 港幣千元	截至二零一九年 十二月三十一日 止年度 港幣千元	截至二零一八年 十二月三十一日 止年度 港幣千元	截至二零一七年 十二月三十一日 止年度 港幣千元	截至二零一六年 十二月三十一日 止年度 港幣千元
總資產	28,020,965	25,551,101	25,488,174	27,915,561	23,716,121
總負債	(14,256,333)	(12,987,629)	(13,091,478)	(15,120,687)	(13,244,208)
非控股權益	(4,334,905)	(3,627,049)	(3,546,353)	(3,685,089)	(3,303,326)
	9,429,727	8,936,423	8,850,343	9,109,785	7,168,587

公司資料

董事會

執行董事

郭為先生 (主席兼首席執行官)

林楊先生 (副主席)

非執行董事

彭晶先生

曾水根先生

獨立非執行董事

黃文宗先生

倪虹小姐

劉允博士

嚴曉燕女士

金昌衛先生

公司秘書

王自強先生

註冊辦事處

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

香港總辦事處及主要營業地點

香港灣仔告士打道77-79號

富通大廈31樓

主要往來銀行

香港上海滙豐銀行有限公司

中國銀行股份有限公司

中信銀行股份有限公司

中國工商銀行股份有限公司

華美銀行

法律顧問

香港法律：

趙不渝馬國強律師事務所

佳利 (香港) 律師事務所

百慕達法律：

Appleby

核數師

信永中和 (香港) 會計師事務所有限公司

股份過戶登記處

百慕達

Ocorian Management (Bermuda) Limited

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

香港

卓佳雅柏勤有限公司

香港皇后大道東183號

合和中心54樓

股票上市地點及股份代號

香港聯合交易所有限公司

股份代號：00861

台灣證券交易所股份有限公司

台灣存託憑證

股份代號：910861

網址

www.dcholdings.com

封面图片来源：艺术家马晟哲

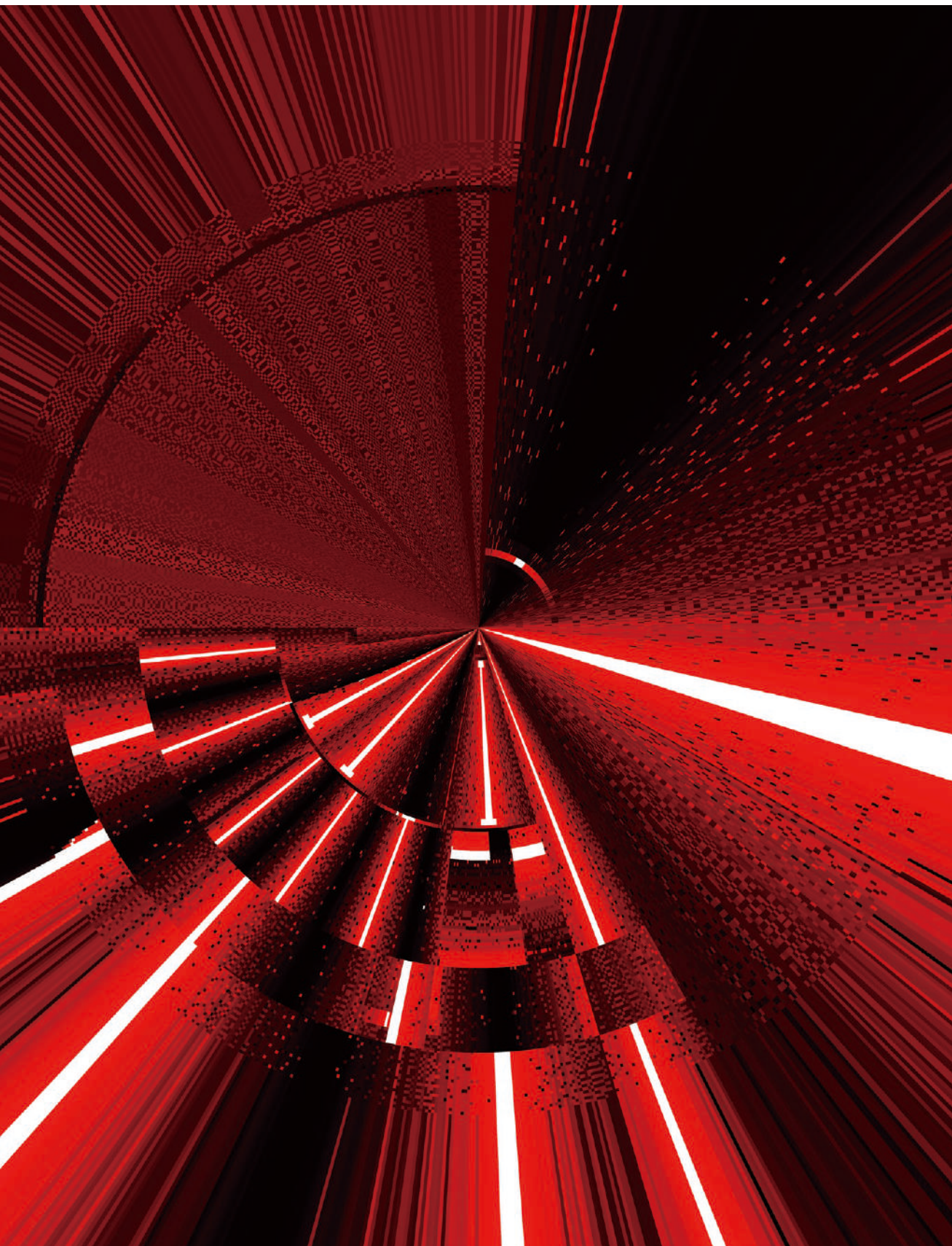


附 件 五

ANNUAL REPORT

20
20

年
報



於百慕達註冊成立之有限公司 Incorporated in Bermuda with Limited Liability



Digital China Holdings Limited
神州數碼控股有限公司

Stock Code 股份代號: 00861



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Company Profile

Digital China Holdings Limited ("DC Holdings") was founded in 2000, and listed on the Main Board of the Stock Exchange of Hong Kong Limited since 2001 (Stock Code: 000861.HK).

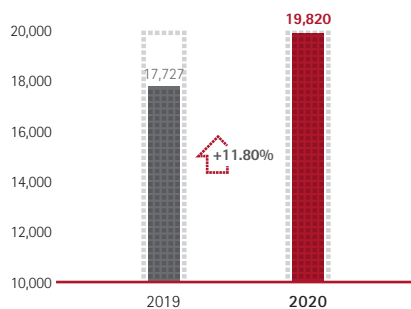
For the past 20 years, DC Holdings has committed to "Digitalizing China" as its core mission. Adhering to its corporate culture of "Responsibility, Passion, Innovation and Creating Shared Value", we have continuously made breakthroughs and created new innovations within various areas of technology including I.T., infrastructure, system integration, smart city, as well as big data services, and we look to drive the digital transformation of cities and industries with best-in-class technologies.

As a leading and innovative technology enterprise, DC Holdings is dedicated to creating an ecosystem through its various usage models which include City Big Data Usage Model, Industry Big Data Model, Fintech Model and Incubation Model. Through "industry-academia-research"-driven incubation, we continue to develop our core products to enable an accelerated development of the big data industry as a whole. We provide a comprehensive product and service suite to our clients and continue to drive the digital transformation of cities and industries as we continuously strive to realize our mission of "Digitalizing China".

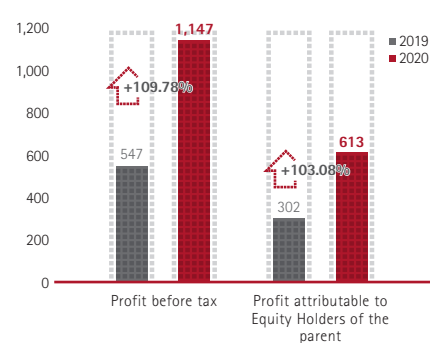
Financial Highlights

	FY2020 HK\$m	FY2019 HK\$m
For the Year		
Revenue	19,820	17,727
Profit before Tax	1,147	547
Profit Attributable to Equity Holders of the Parent	613	302
Earnings per Share (HK cents)	37.74	18.31
Dividend per Share (HK cents)	13.6	6.4
Operating Cash Flow	1,146	989
At Year-end		
Total Assets	28,021	25,551
Shareholders' Funds	9,430	8,936
Financial Ratio		
Return on Equity (%)	6.50	3.38
Interest Cover (times)	8.7	3.4
Total Interest Bearing Debts to Shareholders' Funds Ratio (times)	0.46	0.57

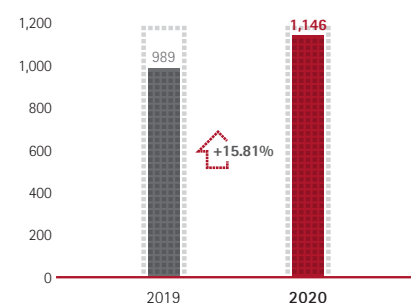
Revenue
HK\$m



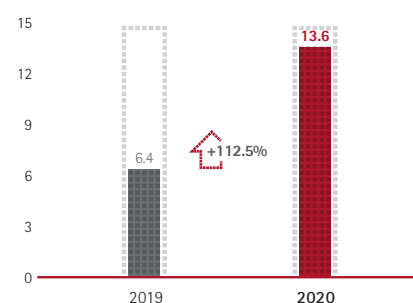
Profit
HK\$m



Operating cash flow
HK\$m



Dividend per share
HK cents



Significant Events

2020

26 January

DC Holdings officially launched an ecosystem alliance to combat the COVID-19 pandemic and cooperated with various partners to continuously deliver various resources to the frontline of the COVID-19 pandemic.

7 April

Together with the Jilin provincial authorities, Huawei, Loongson Technology and other partners, DC Holdings led the establishment of "Jilin Information Technology and Application Innovation Alliance" and furthermore, established a headquarters in Jilin province as well as an investment function focused on technological innovation.



30 April

DC Holdings won the tender for the first phase construction and operation project of Smart Tangshan (智慧唐山), with the project amount of RMB83.4 million. Based on the idea of reinforcing core designs, consolidating the underlying foundation, breaking through data barriers, strengthening smart applications, and reflecting the characteristics of Tangshan, the first phase of Smart Tangshan was built on a "four horizontal and two vertical" structure, together with one cloud and multiple sub-platforms. It is expected to complete the official review process and start the operation by the end of March 2021.

8 May

DCITS, a subsidiary of DC Holdings, was admitted into the Beijing Economic-Technological Development Area. Their area of focus was innovation around the current fintech architecture behind their "Sm@rtGalaxy 3.0" platform which incorporates concepts of Distributed Computing, Micro-web services and Cloud Native technologies. Their distributed computing solutions won awards from the Chinese Institute of Electronics in 2019, and their innovative ability was well recognized by clients such as Bank of China and the Postal Savings Bank of China.

20 May

DC Holdings signed a cooperation framework agreement with Changchun New District Management Committee (長春新區管理委員會) for joint development of the information technology industry in Changchun New District and industrial ecosystem clusters and also co-establishing a headquarters as well as an investment function to promote the construction of the new digital district.



June

DCITS was part of the founding members behind Beijing Fintech Institute, and was also a co-founding member of China's first open sourced bank test laboratory. Furthermore, DCITS was the first batch of partners for "Fintech New Ecosystem Lab" in China Financial Digitalization Corporation, and had become a member of a variety of committees and associations related to fintech, including "China Fintech Association Financial Industry Committee"; "Fintech Association Member"; "Beijing Fintech Industry Alliance Member" and "Blockchain Industry Member".

28 June

DC Holdings signed a strategic partnership agreement with the Liuzhou government and Wecan Intelligent Technology (雲壘智能科技(上海)有限公司), aiming to build a national industrial demonstration base for intelligent manufacturing, in order to promote and encourage digital industrialization and construction in Liuzhou City.



6 July

ITL, a subsidiary of DC Holdings, entered into a strategic agreement with Line Clear, a logistics company operating out of Malaysia. The agreement covers the China-Malaysia corridor, encompassing cross-border logistics, warehousing, invoice processing, distribution and delivery services, and serves as a method for ITL to expand its Smart Supply Chain business abroad to Southeast Asia, expanding its international presence.



Significant Events

25 August

DCITS's core bank distributed computing system was selected as one of the global new use cases by China's National Institution for Finance and Development ("NIFD").

3 September

DCITS, a subsidiary of DC Holdings, announced completion of the acquisition of CloudCore (雲核網絡) which would improve our front-end layout and mobility of our financial products. CloudCore is a professional solution provider of internet banking with A.I. technology implementation throughout its platforms, focusing on zero-touch financial services on mobile banking, internet banking, transaction banking, and direct banking.

15 September

The Smart City business under DC Holdings successfully raised RMB700,000,000 through its Series B fund raising, achieving a post-money valuation of over RMB6,200,000,000.

24 October

Sm@rtGAS, a block chain technology Platform from DCITS, a subsidiary of DC Holdings, won the Best Software Product Award and the Innovative Block Chain Financial Product Award. The "Accounts Receivable Financing System for Block Chain based Supply Chain Finance Enterprise" has been adopted by "International Standard of ISO/TC 307 WG6 Block Chain and Distributed Ledger Technology Standard (Draft for Comments)", as one of case studies.

25 November

Together with the University of Tianjin, DC Holdings established a laboratory focused on researching and developing its Smart City expertise. The laboratory will focus on technology sectors, including "Trusted Computing+Blockchain" and "Industry of Internet".



27 November

DCITS, a subsidiary of DC Holdings, entered into the strategic cooperation agreement with the Beijing Local Financial Supervision and Administration and People's Government of Fangshan District. For such collaboration, a new entity will be formed and headquartered at the Beijing Financial Security Industrial Park, to enhance the existing protective measures around the financial system and promote various industry applications with block chain technology.



24 March

DC Holdings signed a strategic cooperation agreement with Yanbian Prefecture Government and Yanji City Government, building a digital economy industrial highland with border characteristics by means of technology including digital twin, cloud services, big data and A.I. and serving the development of digital industries in northern China and countries along the "Belt and Road" in Northeast Asia.

Awards

2020

9 January 2020, Beijing Internetware, a subsidiary of DC Holdings, was elected to the 2019-2020 Big Data Industry Innovation Top 100 in China. *INNOV100.*

9 January 2020, DC Holdings won the 2019 Golden Hong Kong Stock-Best New Economy Stock Company Award. *Zhitongcaijing.com and 10jqka.com.cn.*

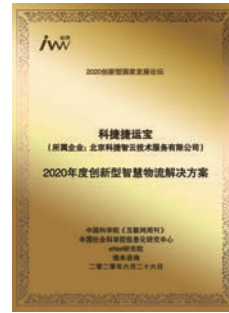
11 March 2020, the Electronic Signing Cloud Platform product under ITL (a subsidiary of DC Holdings) won the 2019 Annual Logistics Product. *The CIWEEK magazine of the Chinese Academy of Sciences, the Information Research Center of the Chinese Academy of Social Sciences and eNet Institute.*



2019年度大数据提供商TOP100

排名	名称
1	阿里巴巴
2	华为
3	腾讯
4	百度
5	联通大数据
6	神州控股
7	中国电信
8	中兴通讯
9	中科曙光
10	科大讯飞

9 April 2020, DC Holdings ranked 6th among the 2019 Big Data Supplier Top 100. *The CIWEEK magazine of the Chinese Academy of Sciences.*



28 June 2020, the Logistics Tracker product of ITL was awarded the 2020 Innovative Smart Logistics Solution. *The CIWEEK magazine of the Chinese Academy of Sciences, the Information Research Center of the Chinese Academy of Social Sciences, eNet Institute and Deben Consulting.*

2020数字基建TOP100

排名	名称	简介
1	神州控股	提供综合信息技术IT服务
2	剑桥科技	全球ICT产业提供OEM/ODM/MEM的设备厂商
3	盛路通信	天线、射频产品提供商
4	联芸科技	协同数字业务功能，构建企业协同平台
5	天翼云	面向垂直行业提供云计算产品
6	沃特股份	为PC客户提供全产业链高分子材料解决方案
7	医渡云	专注于医疗人工智能研究与应用
8	广东欧宝	高精度电路板提供商
9	欣天科技	耐解金属元件研发生产商
10	光一科技	专注于信息采集技术和全面解决方案的研究
11	创想特	机械手及工业机器人研发商
12	国双	企业级大数据和人工智能解决方案提供商
13	新中大科技	项目管理信息化整体解决方案供应商
14	数据家	互联网综合服务商
15	安博通	提供可定制化网络安全专用核心系统产品
16	新华三	致力于云技术与产品的研发

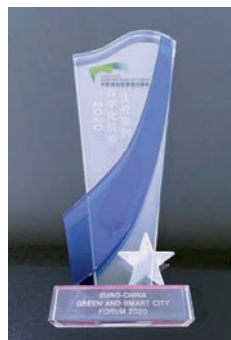
16 July 2020, DC Holdings ranked 1st in the 2020 Digital Infrastructure Top 100. *CIWEEK magazine of the Chinese Academy of Sciences.*

28 August 2020, DCITS, a subsidiary of DC Holdings, was listed on the IDC China Fintech Top 50.
IDC (International Data Corporation).



28 August 2020, IT Logistics, a subsidiary of DC Holdings, was granted the 2020 Corporate Social Responsibility Model Award and the 2020 Most Investment Value Award.
China Finance Summit.

9 September 2020, Core Business Solution, Channel Management Solution, Open Banking Solution and Basic Business Solution of DCITS, a subsidiary of DC Holdings, ranked 1st in 2019 IDC IT Solution Market Share of Banking Industry in China. Core Business Solution and Channel Management Solution ranked 1st in 8 consecutive years.
IDC (International Data Corporation).



14 September 2020, DC Holdings assisted Sanming City, Zhangzhou City and Weihai City in election of 2020 Policy Guarantee, Resumption of Work & Production and Epidemic Prevention of Excellent Case of Digital Anti-Epidemic.
The China Center for Urban Development (CCUD), Fondation Prospective et Innovation and The Commission of Sino-European Green and Smart City.



16 September 2020, DC Holdings won the 2020 Best Service Provider for Big Data Infrastructure.
CIWEEK magazine of the Chinese Academy of Sciences, the Information Research Center of the Chinese Academy of Social Sciences, eNet Institute and Deben Consulting.



13 October 2020, DCITS, a subsidiary of DC Holdings, ranked 39th among the 2020 IDC FinTech Rankings Top 100, ranking 1st in China's List of Companies for the second consecutive year.
IDC (International Data Corporation).

Awards



15 October 2020, IT Logistics, a subsidiary of DC Holdings, was qualified as National 5A Level Logistics Enterprise. *China Federation of Logistics and Purchasing.*



3 November 2020, KingKooData Supply-Chain Big-Data Application Platform of ITL, was granted the 2020 Excellent Cases of Big Data, Cloud Services, and Block Chain Innovation Applications. *China Federation of Logistics and Purchasing.*

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12 November 2020, DC Holdings won the 2020 Leading Solution Provider for China's Smart City. Tangshan and Weihai won the 2020 China's Leading Smart City Award. *IDG Asia.*



26 November 2020, DC Holdings was granted the 2020 Outstanding Enterprise in Smart City Pioneer List. *The Commission of Smart City China.*



16 December 2020, DC Holdings was certified as 2020 New Infrastructure Leading Enterprise. *CIWEEK magazine of the Chinese Academy of Sciences, the Information Research Center of the Chinese Academy of Social Sciences, eNet Institute and Deben Consulting.*



18 December 2020, DC Holdings was elected to the 2020 Outstanding Enterprise in the Big Data Field of China's Software and Information Service Industry. *The Commission of China Software Conference.*



21 December 2020, DC Holdings won the 8th Hong Kong Stocks Best Investment Value Award.
Top 100 Hong Kong Listed Companies Research Centre.

18 December 2020, DCITS, a subsidiary of DC Holdings, was listed on the China FinTech Top 50.
iResearch.

27 December 2020, DC Holdings ranked 4th among China Internet of Things Enterprises Top 100.
CIWEEK magazine of the Chinese Academy of Sciences.

2020中国物联网企业100强

排名	企业	企业
1	华为	构建万物互联的智能世界
2	海尔智家	物联网时代生态品牌引领者
3	海康威视	以视频为核心的AI解决方案及产品
4	神州控股	大数据-物联网引擎助推智慧城市建设
5	京东方	提供智慧场景:服务和专业服务物联网公司
6	阿里云	提供云计算、人工智能、物联网等顶层技术
7	小米集团	物联网软件平台小米Vida
8	腾讯云	覆盖“云-边-网-端”的IoT产品矩阵
9	科大讯飞	智能物联网操作系统iFLYOS 2.0
10	海纳云	物联网智慧社区/园区生态平台

2021

18 January 2021, DCITS, a subsidiary of DC Holdings, ranked 50th in 2020 China Leading Fintech.
KPMG.

2020年度中国信创TOP500

排名	企业	得分	得分	得分	得分
1	华为	98.59	98.50	99.00	99.35
2	中兴国际	98.50	98.30	98.50	98.77
3	中科院光	97.24	98.70	98.90	98.28
4	中国软件	97.84	98.00	98.00	98.25
5	阿里巴巴	99.30	97.40	97.80	98.13
6	中兴通讯	98.97	96.80	98.40	98.06
7	神州控股	96.88	98.30	98.30	97.79
8	海康集团	98.17	97.80	97.20	97.72
9	博软	97.80	97.64	97.50	97.65
10	中国系统	97.79	97.86	97.20	97.62
11	蒙迪集团	97.02	97.84	97.98	97.61
12	中国长城	96.94	97.86	97.89	97.60
13	百度	96.79	97.81	97.78	97.46
14	四方股份	96.76	97.76	97.77	97.43
15	海康威视	96.66	97.25	97.73	97.38
16	科大讯飞	96.52	97.72	97.62	97.29

11 February 2021, DC Holdings ranked 7th in 2020 Innovative Applications of Information Technology Top 500.
CIWEEK magazine of the Chinese Academy of Sciences.



12 March 2021, DC Holdings won the Enterprise of the Year 2020 – Big Data Software Services Industry.
The CIWEEK magazine of the Chinese Academy of Sciences, the Information Research Center of the Chinese Academy of Social Sciences.

Chairman's Statement

Dear Shareholders of Digital China Holdings,

Today, digitalization is subverting and reshaping our lives, and a new era is coming! As a technology company with digitalizing China as its mission, Digital China Holdings Limited ("DC Holdings", or "the Group") is facing unprecedented opportunities. For over twenty years, from IT infrastructure services, integrated IT services, smart city services and big data services, DC Holdings has enabled the upgrade of cities and industries through digitalization and built a better digital world with technology.

In response to the COVID-19 pandemic in 2020, DC Holdings launched an anti-pandemic ecosystem alliance with other participants and companies against the outbreak and fought at the front line of the pandemic while ensuring zero infection within Group. During that period, DC Holdings donated materials and digitalization services worth around RMB30 million whilst other members of the ecosystem donated combined materials worth over RMB200 million. Relying on our proprietary technology "Yan Cloud DaaS" and the power of our ecosystem, DC Holdings assisted various cities including Beijing, Wuhan, Tianjin, Changchun, Tangshan, Weihai, Xuzhou, Longyan, Sanming battle against the pandemic. Member companies from the ecosystem were recognized as "Anti-Pandemic Advanced Private Enterprises" (抗疫先進民營企業) by the National Federation of Industry and Commerce (全國工商聯).

NEW OPPORTUNITIES IN THE ERA OF A DIGITAL ECONOMY

Today, data is a key element in production and the value of data is continuously being amplified due to its full integration with the production process life cycle. Relying on the core elements of replicability, share ability, infinite growth, and infinite supply at almost nil marginal cost, data has become a key element in linking innovation, capital deployment, talent cultivation, industrial upgrades and wider economic growth. Big data enables humanity to visualize the world and society in a different light, and in turn enables the process of new technological innovation such as A.I. and blockchain, which will drive the continuous expansion of big data applications and further promote progress in society and knowledge innovation.

Fortunately, DC Holdings foresaw this trend as early as 2016, and has since accumulated a number of advanced big data technological achievements through "industry-academia-research" cooperation, proprietary in-house technology research and project incubation focused on industry needs and new usage models. Our flagship proprietary product is "Yan Cloud DaaS", which won the First Prize for National Technological Invention Award (國家技術發明獎一等獎) based on its technical merits.

As a proprietary and globally unique product for big data, "Yan Cloud DaaS" can integrate legacy IT systems and databases by generating API links at extremely low cost without the need to update original systems. "Yan Cloud DaaS" real-time data enquiry and update functions are now widely used in over 10 ministries in China including the Ministry of Science and Technology, the Ministry of Industry and Information Technology, and the Ministry of Agriculture and Rural Affairs and more than 20 provinces, municipalities, and autonomous regions including Beijing, Shanghai, Guizhou, and Zhejiang. Our technology becomes a common feature supporting the development of a potential trillion-dollar big data industry ecosystem, and also a tool for the development of new infrastructure in different regions.

The breakthrough in big data technology has enabled DC Holdings to seize opportunities to grow the digital economy. DC Holdings' performance has significantly increased as it continues to reap technology dividends. The sudden outbreak of the COVID-19 pandemic in 2020 has led to significant changes in municipal management, business operation, personal lives and consumer consumption patterns, resulting in strong demand for digital transformation. DC Holdings' core big data technology business will grow tremendously through the new national policies for infrastructure development.



Mr. GUO Wei

BIG DATA EMPOWERS MULTIPLE CORE USAGE MODELS AND LEADS NEW DEVELOPMENTS WITHIN INDUSTRIES

City big data usage model

Cities are the most important places for production and our livelihoods, they also carry the largest data pools and have the most potential number of applications, so cities have become a key sector for DC Holdings' big data enablement. Rapid convergence, effective integration, precise empowerment of citizens, government and industrial development are all important aspects behind construction of new digital infrastructure, as well as behind DC Holdings' business focus.

DC Holdings gained a deep understanding of urban development and governance via over 10 years of experience in smart city construction and extensive practical deployment in over 200 cities. The Group can seize the development opportunity of city big data by leveraging on our "Yan Cloud DaaS" product which will enable DC Holdings to act as the "City CTO" and drive the development of smart cities and digital transformation. DC Holdings will also help cities build urban data hubs and data centers, open up urban digital networks, promote the "City Brain" and "City Digital Twin" concepts as the core components behind new smart city construction, which will in turn continuously refine our big data software products and services. Our big data technology allows us to better serve city citizens, enterprises and municipal managers, and therefore allows DC Holdings to be the digital operator of the city.

Industry big data model

5G, big data, Internet of Things, artificial intelligence and other new technologies keep evolving every day. With the arrival of a new era of 5G, digital infrastructure and Internet of Things, the world is becoming more connected which provides more possibilities for us to deal with the two core elements of "people" and "goods". A new pattern of industry, city and human integration is gradually forming through smart city construction with data as the production factor and through the smart supply chain service which is also driven by big data.

In addition to expanding our city big data capabilities, DC Holdings can leverage its industry expertise of over 20 years in the supply chain business to help its expansion in big data services to service the whole industrial value chain. Through horizontal and vertical integration, DC Holdings can create relatively comprehensive data banks and advanced application usage models, and thereby constantly advance our big data service ability. Continued and rapid growth of income will also be further enhanced through deep customer engagement across the entire industry value chain. In 2020, the COVID-19 pandemic led to the transformation of people's lifestyles, increased demand for online shopping and spurred rapid development of e-commerce and e-learning. By leveraging its technological advantage, DC Holdings actively seizes opportunities and successfully turns crises into business opportunities, solves enterprise supply chain needs, and amplifies its own business performance as well as industry coverage.

Looking forward, DC Holdings will be able to provide a fully integrated supply chain service by establishing China's largest network of cloud ecosystem warehousing services which is based on the worldwide supply chain warehouse distribution network. It relies on our proprietary logistics management solution and logistics big data platform "KingKooData", which integrates artificial intelligence and Internet of Things (AIoT) technologies. Engaging various supply chain service usage models, DC Holdings can build an end-to-end supply chain software product suite through the continuous sharing of data and algorithms in the Group's core data infrastructure. Meanwhile, DC Holdings will also improve service capabilities and customer experience by using advanced methods such as AIoT technologies to act as a source of data as well as a tool to create a positive data feedback loop.

Fintech model

Within DC Holdings' big data strategy, DCITS (a subsidiary of DC Holdings) has focused on the financial services and fintech usage models and over the years, has refined its value proposition within the fintech space by deploying the correct tools for data acquisition, improving its computing and data modelling capabilities and enhanced its overall core competency in big data management and applied various usage models to better serve city citizens. This approach has led to DCITS obtaining top industry positions across fintech innovation, fintech usage and intelligent financing solutions. As one of DC Holdings' core ecosystem components, DCITS is highly complementary to the various key sectors under DC Holdings such as fintech and agriculture; we are also able to cultivate a mutually beneficial situation with our clients through ecosystem collaboration, client engagement and business linkage.

Incubation model

"Innovation" has always been the centre of our corporate culture and has also been the driving force behind our growth. Today, not only do we implement an internal framework of self-innovation, but we also strive to establish an external framework of innovation to gather different elements from society and industry in order to drive development of enterprises and industries. DC Holdings has focused on leveraging its big data strategy to incubate and invest in new companies, providing the Group with a channel of continuous and stable growth. On one hand, this strategy enables DC Holdings to effectively grow its big data ecosystem and develop value chain digitalization capabilities, improving its overall value proposition. On the other hand, such investment profits can be re-deployed into DC Holdings' big data ecosystem, creating a positive feedback loop and improving its overall return on investment.

Data software, the future of DC Holdings

In 2020, "DC Elite" and "DC Geek" were formed as two internal organization as a means to further refine DC Holdings' human capital strategy and both organizations aim to select and grow both its top management and top technical talent. During the same time, the Group also included "Creating Shared Value" ("CSV") into its corporate culture and improved alignment between the Group and its staff via new incentive schemes such as restricted stock units and stock options, with the ultimate aim of having its staff also be part of the Group's shareholder base.

2021 represents China's "fourteenth five-year plan", which is also the start of a new phase of modernisation for China. 2021 also represents the 20th anniversary of DC Holdings' IPO listing in Hong Kong. Looking forward, we are facing an unprecedented era of change and to equip ourselves for such change, DC Holdings will continue to lead the big data industry via deployment of our solutions and usage models across a variety of core models including smart city, fintech and ecosystem. Through the approach of "industry-academia-research", we will continue to refine our supply chain related products and accelerate the development of the big data industry with our software solutions. This will form a robust software ecosystem for us to provide our customers with an all-encompassing software and services product suite allowing us to lead ahead in the market, ahead in our technology and ahead in our results. We will continue to empower the development of smart cities in China, spearhead the digital transformation of industries and implement Digital China's corporate values, creating value for our shareholders and for society.

Management Discussion and Analysis

In 2020, the unexpected COVID-19 pandemic had triggered significant behavioral changes and business transformation among industries, and the global economy was forced to accelerate its digitalization. With the help of the nation's vigorous development of new infrastructure, Digital China Holdings' ("DC Holdings", or "the Group") core business models are empowered by new big data technologies and in turn are driving the Group's growth. Our strategies of "deep city engagement", "deep industry engagement" and "deep customer engagement" have achieved remarkable results, marking an important step for digital economy operators in the era of big data.

During the reporting period, the Group's overall revenue was HK\$19.820 billion, representing an increase of 11.8% over the same period of the last financial year. The profit attributable to the equity holders of the parent was approximately HK\$613.0 million, representing an increase of 103.1% over the same period of the last financial year. Big data related revenue was approximately HK\$231 million representing an increase of 124.5% over the same period of the last financial year; services related revenue was approximately HK\$6.024 billion; solution related revenue was approximately HK\$7.849 billion. With our leading technologies and big data solutions, the Group was selected for multiple industry awards, including "2020 Best Service Provider for Big Data Infrastructure", "2020 Best New Economy Company", "2020 Best Enterprises for Investment Value", and also ranked as first place in the list of "2020 Top 100 Digital Infrastructure" which was published in the "Internet Weekly" magazine published by the Chinese Academy of Sciences during the reporting period.

1) CITY BIG DATA USAGE MODEL (SM@RT CITY BUSINESS): LEVERAGING "YAN CLOUD DaaS" TO TAP "CITY CTO" OPPORTUNITIES WITH A DEEP ENGAGEMENT APPROACH; SEGMENT RESULTS GREW 149.4% VERSUS LAST YEAR

The city is where people gather and live, and it is the largest data source available with the most applicable usage models. Under the new infrastructure plan in China, smart cities are to become the centerpiece of the entire implementation plan. According to "2020 Digital Twin Paper" published by the Ministry of Industry and Information Technology of the P.R.C., the market size of the smart city sector in China will likely exceed RMB1.3 trillion by 2023.

Based on over a decade of innovation in the smart city space and deployment of numerous solutions across 200 cities in China, we understand the pain points faced by city managers such as difficulty in data extraction/storage across isolated databases. The Group was able to leverage its proprietary "Yan Cloud DaaS" technology to address city managers' initial data issues by first connecting previously isolated databases to create a consolidated and uniform central database for the city and its community, allowing for efficient and accurate data access. Over time, by continuously refining our big data software products and services, we look to adopt a "City CTO" manager role within each city. During the reporting period, revenue from this sector was approximately HK\$477 million, representing an increase of 46% over the same period of the last financial year; segment result was approximately HK\$28.66 million, representing an increase of 149.4% over the same period of the last financial year.

The improvement in accuracy and speed of data integration for its application to citizens, government and industries is a crucial task in the "new infrastructure plan" behind smart city development. This so happens to be the focal point behind DC Holdings' overall strategy. As data is continuously generated across a vast number of platforms, APIs, devices, systems and formats, the data consolidation and integration process represents a massive challenge for the industry. Through "Yan Cloud DaaS", our proprietary big data solution which won the First Prize for National Science and Technology Invention Award in China, we are able to navigate and integrate isolated databases across a wide variety of data sources. By deploying "Yan Cloud DaaS", a user could save over 90% of communication time and shorten the overall process timeline by more than 50%.

With the unique integration and consolidation abilities of "Yan Cloud DaaS" combined with our position as the "City CTO", the Group has successfully implemented numerous large-scale projects across provinces and cities throughout China, thereby accelerating the new infrastructure plan in China, providing society with better quality of life, and developing the overall digital economy in China. Through our unique data center and data hub integration services, our usage models have continuously expanded and encompassed end users such as citizens, enterprises, and city managers in the city. With more practical applications coming to light, we see cooperation with cities and their managers becoming increasing integrated with our core business.

DC Holdings has long been involved in the infrastructure development of Jilin province. With our proprietary technology "Yan Cloud DaaS" and solid experience in data infrastructure development and management, we were selected to lead two other major infrastructure projects in the year which were for the development of a "Digital City Brain" in Changchun City and creating a foreign trading service platform throughout Jilin province, both of which will further enable data integration and development of trading businesses in the province. Furthermore, to spur further innovation in the technology sector and capture a larger share of the growing digital economy, the Group spearheaded a new alliance amongst enterprises and the Jilin government with the aim to drive further innovation of new industry ecosystems and develop new software solutions which are industry specific, technologically advanced and scalable. Together with enterprises which represent core industries in Jilin province, the alliance expects to utilize synergies amongst themselves and create a billion-dollar data ecosystem in Jilin.

DC Holdings is also currently participating in the infrastructure project "Smart Tangshan" in Tangshan City. With the support of "Yan Cloud DaaS," the Group was first able to efficiently consolidate the various applications and databases across Tangshan city under the "1+N" framework. The city will then establish a cloud computing platform across government departments and functions, to achieve a smart city deployment characterized by strong economy, operating efficiency, improved public services and better quality of living.

The Group was also involved in first and second phases of infrastructure development for a big data platform project in Suzhou City of Wujiang district. Our technological expertise and advice were extremely well received by our clients, and therefore they had extended our services to the third phase of the infrastructure development, driving the city one step closer to full digitalization.

In addition, although the COVID-19 pandemic has brought hardship upon us, it also represented a litmus test of our smart city execution capabilities. During the pandemic, we had uncovered a larger number of technical issues in some existing client systems such as inconsistent data sources, resulting in the failure of key civil services such as healthcare. We thus had the opportunity to deploy "Yan Cloud DaaS" and leverage its technology to remedy such issues for our clients. DC Holdings has constantly improved and enhanced the quality and functions of its software products and solutions to provide the best quality and most comprehensive product and service suite to our clients.

The big data sector was also recognized by the capital markets in 2020. During the reporting period, Beijing InternetWare, a subsidiary of the Group, had obtained a new funding round commitment from investors, with amount RMB700 million (equivalent to HK\$830 million), achieving a post-money valuation of RMB6.2 billion (equivalent to HK\$7.34 billion). Going forward, the Group will continue to capitalize on development opportunities to build data infrastructure in other cities and to drive business growth.

2) INDUSTRY BIG DATA MODEL (SMART INDUSTRY CHAIN BUSINESS): VALUE ENHANCEMENT FOR PRODUCTS AND SERVICES ACROSS THE SUPPLY CHAIN; SIGNIFICANT SEGMENT RESULTS INCREASE OF 88.9% VERSUS LAST YEAR

5G, big data, Internet of Things, artificial intelligence, and other new technologies keep evolving every day. With the arrival of a new era of digital infrastructure and Internet of Things, the world is becoming more connected, which provides more possibilities for us to deal with the two core elements of "people" and "goods". A new pattern of industry, city and human integration is gradually forming through smart city construction with data as the production factor and through the smart supply chain service which is also driven by big data. In addition to expanding its city big data capabilities, DC Holdings can leverage its industry expertise of over 20 years in the supply chain business to help its expansion in big data services to the whole industry value chain. Through horizontal and vertical integration, DC Holdings can create relatively comprehensive databases and advanced usage models, and thereby constantly advance its big data service ability. Our deep customer engagement approach to service their needs across the entire industry value chain will also support our continued and rapid income growth.

Management Discussion and Analysis

During the reporting period, this segment achieved revenues of approximately HK\$7.411 billion, representing an increase of approximately 37.7% over the same period of the last financial year; segment results was approximately HK\$200 million, representing an increase of approximately 88.9% over the same period of the last financial year.

In 2020, the COVID-19 pandemic led to the transformation of people's lifestyles, increased demand for online shopping and spurred rapid development of e-commerce and online education. However, many other businesses were financially struggling and had to shut down. Despite the challenge from COVID-19 pandemic, DC Holdings remained resilient throughout the pandemic. By leveraging our supply chain management system, deploying a "supply chain + big data + AIoT" approach and utilizing our proprietary supply chain big data platform "KingKooData" for big data analysis, we were able to create a comprehensive data center to service a wide range of e-commerce clients and provide big data services. By leveraging technology to reduce the distribution cost and improve operating efficiency, we were able to service the leading players in e-commerce and the online education sector. The rapid growth in e-commerce logistics, together with our enhanced operating efficiencies were key drivers behind our strong performance.

By leveraging our technological expertise, the industry big data model successfully turned crises into opportunities, and solved various client needs across the supply chain while also achieving better performance and expanded industry coverage. The Group was able to capture revenue growth and market share in many types of consumer products such as electronics, fast moving consumer goods, maternal products, and cosmetics. In the online education space, DC Holdings had superior coverage where more than half of the top ten players in the sector were its clients, giving DC Holdings the largest big data services market share for this sector. In addition, it has successfully made new inroads into heavy infrastructure and industrial production sectors, winning contracts with customers such as Sany Heavy Industry, TELD and State Grid's Xuji Group Corporation. Our scale and scope of services continue to expand and going forward, we will continue to have a deep engagement with our clients and solve a variety of needs for them.

The Group's efforts over the past few decades have paid off as the Group had broken yet another new industry record during "Double-11" event, reaching 4.5 million total single warehouse deliveries. In addition, we had become one of rare few asset-light operators who are certified with the "5A" logistics enterprise qualification, the highest grade available in this industry. Against the backdrop of the "One Belt One Road" policy, we will provide the relevant services to our clients in order to assist their expansion into the international market and thereby also accelerate our own international business growth.

Looking forward, DC Holdings will be able to provide a fully integrated supply chain service by establishing China's largest network of cloud ecosystem warehousing services which is based on the global supply chain warehouse distribution network model. The service relies on our proprietary logistics management solution and logistic big data platform "KingKooData", which integrates artificial intelligence and Internet of Things (AIoT) technologies. Engaging various supply chain service usage models, DC Holdings can build an end-to-end supply chain software product through continuous refinement of data and algorithms in the Group's core data infrastructure. Meanwhile, DC Holdings will also improve service capabilities and customer experiences by using advanced methods such AIoT technologies to act as a source of data for further refinement of our products and services.

3) FINTECH MODEL (DCITS): STRENGTHEN THE FINTECH ECOSYSTEM BY COLLABORATION AND CREATE A NEW ENGINE OF GROWTH

Within DC Holdings' big data strategy, DCITS (a subsidiary under DC Holdings) has focused on the financial services and fintech vertical and over the years, has refined its value proposition within the fintech space by deploying the right channels for data acquisition, improving its computing and data modelling capabilities and enhancing its overall core capability in big data management and application of various usage models in order to better serve its clients. This approach has led to DCITS obtaining top industry positions across fintech innovation, fintech usage and intelligent financing solutions.

As one of DC Holdings' core ecosystem components, DCITS is highly complementary to the various key verticals under DC Holdings such as fintech and agriculture; we are also able to cultivate a mutually beneficial situation with our clients through ecosystem collaboration, deep client engagement and business linkage. During the reporting period, this segment achieved revenues of approximately HK\$11.457 billion; segment result of approximately HK\$615 million which represented an increase of 104.0% over the same period of the last financial year.

During the reporting period, our proprietary innovative fintech solutions and services categorized under "seven major solutions + consulting services" grew steadily, while the overall performance of the distributed application platform "Sm@rtGalaxy3.0" was enhanced, and our banking core system offering won tenders with 15 financial institutions and achieved its first overseas deployment. In the sector of digital currency, we are in the lead to release our blockchain platform "Sm@rtGAS" as well as digital currency (DCEP) solutions. We won tenders for system integration and software projects which included state-owned major banks, policy banks and joint-stock banks, allowing us to amplify and innovate our fintech innovation value chain.

Our fintech model adopts a "data + technology + scenario" approach to innovate and integrate cross-industry data to open up financial services to more industries and use fintech as a means to serve the economy and create a fintech ecosystem. Innovative services such as financial-agricultural linkage, big data assisted financing, "bank-tax" interaction, and data-driven corporate credit risk assessment were launched to solve financing issues for agriculture, rural areas, and micro/small/medium enterprises. During the reporting period, we won a variety of tenders for integration of credit data as well as overall software solution development projects for customers such as Industrial and Commercial Bank of China, China Development Bank, Bank of Communications, and the Shenzhen Stock Exchange, all of which contribute to our fintech innovation value chain development.

In addition, the digitalization of the financial industry has grown steadily. During the reporting period, we have undertaken several big data projects at both the national and municipal level, and implemented a full-stack data application system with data collection, analysis, publication, and fulfilment within the agricultural sector. As applications for big data solutions continue to increase, we continue to win a variety of new contracts for enterprise clients as well as government clients within the agriculture space (rubber, oilseeds). In terms of quantum communications, we won the tender for the construction of a nation-wide quantum secured communication backbone network project (connecting Beijing with Wuhan, and Wuhan with Guangzhou), and also won work for new connections between Beijing and Hangzhou, Chengdu and Yuhuan, Jinan and Qingdao, laying the foundation for subsequent new core infrastructure network projects.

During the reporting period, our fintech business won numerous accolades including IDC's 2020 Global Financial Technology Awards coming 39th in the FinTech Rankings Top 100 List and ranked first among China's listed companies. The distributed application platform and core banking system ranked 1st in market share for 8 consecutive years.

4) INCUBATION MODEL (INVESTING BUSINESS): STRATEGICALLY INCUBATE AND OPTIMIZE OUR BIG DATA ECOSYSTEM

Focusing on the core strategy of DC Holdings, the incubation model aims to improve DC Holdings' core products, services and capabilities and build the Group's sustainable development through continuous innovation and incubation through investment. On one hand, this will continue to expand the big data ecosystem of DC Holdings and enhance the digital industry value chain, forming greater synergies between our core business and the wider industry; on the other hand, investment profits can be re-deployed in our core businesses to maximize the return on investment of the Group.

During the reporting period, the Group sold part of its equity in Digital China Health for RMB500 million (approximately HK\$550 million). We also received proceeds of HK\$220 million from the partial sale of Digital China Health during 2019. The combined total proceeds of approximately HK\$770 million will be used for further investment in the field of big data. After the completion of the disposal, the Group still retains approximately 3.99% stake in Digital China Health. Digital China Health is primarily engaged in medical big data, medical cloud services and medical records digitalization. As part of the big data ecosystem of DC Holdings, both companies will continue to explore different synergies together.

As a leading industrial internet platform operator, iSESOL (an affiliate of DC Holdings) continues to refine its product which is based on the innovative model of connecting intelligent business terminals across industries and cloud services, as well as "cloud-smart manufacturing". The industrial internet platform promotes the development of China's smart manufacturing through data empowerment and open-source sharing. During the reporting period, iSESOL was selected as the "Big Data Industry Development Pilot Demonstration Project" in 2020 by the Ministry of Industry and Information Technology. iSESOL not only complements the big data business of DC Holdings, but also integrates with the supply chain solutions, enriches upstream and downstream of the supply chain, expands the scope of big data services and improves overall service offering. Going forward with further development, this vertical may also generate considerable investment returns for the Group.

The Group's technology real estate business also developed rapidly during the reporting period. Based on the digitalization of technology real estate property management in the ecosystem, DC Holdings will build a smart property big data integrated management platform to incubate smart property management businesses. At the same time, we will also utilize the smart property management sector as an entry point for our "Digital Twin" products and solutions and expand that to the entire urban ecosystem, developing our city digital twin business.

5) BUSINESS OUTLOOK: LEADING THE DEVELOPMENT OF A TRILLION-DOLLAR BIG DATA INDUSTRY, REWARDING OUR SHAREHOLDERS AND SOCIETY

According to the "2020 China's Big Data Industry Map and China's Big Data Industry Development White Paper", the scale of China's big data industry reached RMB539.7 billion in 2019, representing a year-on-year increase of 23.1%. With the development of 5G and Internet of Things, the industry's demand for more efficient and environmentally friendly data centers as well as cloud computing infrastructure continues to grow together with the underlying big data infrastructure. It is expected that the overall market will reach RMB667.02 billion in 2020. By 2022, the industry could exceed RMB1 trillion driven by continued transformation and upgrades of traditional industries and overall economic growth, both which will accelerate the construction of new smart cities and drive the development of China's digital economy, all of which demonstrate vast potential for industry development.

Looking forward and in the face of major changes not seen in the last century, DC Holdings will become a big data service provider who empowers a variety of verticals, focusing on core usage models in city big data, industry big data, fintech, and ecosystem. Through "industry-academia-research"-driven incubation, we continue to build core products around our supply chain offering, expand our data processing products and accelerate our growth within the data industry. This will form a robust software ecosystem for us to provide our customers with an all-encompassing software and services product suite, allowing us to lead ahead in the market, ahead in our technology and ahead in our results. We will continue to empower the development of smart cities in China, spearhead the digital transformation of industries and implement DC Holdings' corporate values, creating value for our shareholders and for society.

6) UPDATE ON THE SETTLEMENT PLANS REGARDING CERTAIN WEALTH MANAGEMENT PRODUCTS PURCHASED BY THE GROUP (THE "WMP")

As at 31 December 2020, the outstanding unpaid principal of the WMP was approximately HK\$1,933 million (RMB1,634 million). The Group has obtained the right to proactively dispose of the ultimate underlying assets involved in the WMP and has set up disposal plans and specific action plans.

In 2020, despite the significant impacts brought by the outbreak of COVID-19 pandemic on all aspects of work, the Group pushed forward with the disposal of the real estate residential project (the amount of the principal and interest involved is approximately HK\$228 million (RMB193 million) and achieved results in accordance with the action plans. The asset restructuring procedure for the real estate residential project has been substantially completed and other creditors' interference on the asset realisation has been eliminated. Based on the market price of the project assets, it could fully cover the Group's creditor's rights in the project. In accordance with the realisation and repayment plans, the Group would be able to recover with priority the amount due to the Group from the sale proceeds. If the realisation and repayment plans are carried out in accordance with relevant laws and regulations, the Group will recover a total amount of approximately HK\$228 million (RMB193 million) involved in the real estate residential project which is one of the underlying assets.

The remaining ultimate underlying assets is approximately HK\$1,705 million (RMB1,441 million). In accordance with the realisation and repayment plans, certain supporting facilities in the properties are being upgraded with a view to improve valuation in the subsequent sales. At the same time, the Group is also actively negotiating the sale with interested parties. The Group will continue to pursue execution according to the action plans. Further announcement will be made by the Company as and when appropriate in the event of any material development on the action plans.

Based on the management's judgment of the recoverable amount of the relevant underlying assets and its understanding of the assets disposal progress, together with the valuation report issued by the valuer on the relevant underlying assets, the management is of the view that the corresponding amount of the WMP as set out in the financial statements of the Group for the end of year 2020 is reasonable and appropriate.

Capital Expenditure, Liquidity and Financial Resources

The Group mainly finances its operations with internally generated cash flows, bank borrowings and banking facilities.

The Group had total assets of approximately HK\$28,021 million at 31 December 2020 which were financed by total liabilities of approximately HK\$14,256 million, non-controlling interests of approximately HK\$4,335 million and equity attributable to equity holders of the parent of approximately HK\$9,430 million. The Group's current ratio at 31 December 2020 was 1.40 as compared to 1.17 at 31 December 2019.

During the year ended 31 December 2020, capital expenditure of approximately HK\$441 million was mainly incurred for the acquisition of properties, office equipment and IT infrastructure facilities.

As at 31 December 2020, the Group had cash and bank balances of approximately HK\$3,305 million, of which about approximately HK\$2,989 million were denominated in Renminbi.

The aggregate borrowings of the Group as a ratio of equity attributable to equity holders of the parent was 0.46 at 31 December 2020 as compared to 0.57 at 31 December 2019. The computation of the said ratio was based on the total interest-bearing bank and other borrowings of approximately HK\$4,379 million (31 December 2019: approximately HK\$5,095 million) and equity attributable to equity holders of the parent of approximately HK\$9,430 million (31 December 2019: approximately HK\$8,936 million).

Management Discussion and Analysis

At 31 December 2020, the denomination of the interest-bearing bank and other borrowings of the Group was shown as follows:

	Denominated in Hong Kong dollars HK\$'000	Denominated in Renminbi HK\$'000	Total HK\$'000
Current			
Interest-bearing bank borrowings, unsecured	50,000	898,397	948,397
Interest-bearing bank borrowings, secured	64,785	1,012,657	1,077,442
Other borrowings	–	51,470	51,470
	114,785	1,962,524	2,077,309
Non-current			
Interest-bearing bank borrowings, secured	42,881	2,258,414	2,301,295
Total	157,666	4,220,938	4,378,604

Certain of the Group's bank borrowings of:

1. Approximately HK\$2,384 million extended by financial institutions to certain subsidiaries of the Group were secured by mortgages over the Group's buildings, investment properties and land use rights with an aggregate carrying amount of approximately HK\$4,257 million at 31 December 2020; and
2. Approximately HK\$995 million extended by financial institutions to certain subsidiaries of the Group were secured by pledge of 130,960,000 issued shares of DCITS, a non-wholly-owned subsidiary of the Company, directly held by a wholly-owned subsidiary of the Company, with an aggregate carrying amount of approximately HK\$2,402 million at 31 December 2020.

Included in the Group's current and non-current bank borrowings of approximately HK\$202 million and HK\$2,301 million respectively represented the long-term loans which are repayable from the year 2021 to year 2034. All of the Group's bank borrowings were charged at floating interest rates except for the loan balances with an aggregate amount of approximately HK\$2,555 million which were charged at fixed interest rates as at 31 December 2020.

In prior years, 神州靈雲(北京)科技有限公司 ("Shenzhou Lingyun"), a non-wholly owned subsidiary of the Group issued convertible bonds to its investors.

Subject to the fulfillment of the undertaking regarding Shenzhou Lingyun's business results for the years 2016 to 2020 in full, the investors have agreed to convert the full amount of the convertible bond loans into investments in Shenzhou Lingyun, which shall be credited, upon conversion, to Shenzhou Lingyun's capital reserve. In the event that the business result undertaking is not fulfilled, Shenzhou Lingyun shall repay the aforesaid convertible bond loans within 30 days upon receipt of notices from the investors.

As at 31 December 2019, the convertible bond of approximately RMB32,600,000 (equivalent to approximately HK\$35,730,000) was outstanding, including approximately RMB26,400,000 (equivalent to approximately HK\$28,940,000) provided by DCITS and approximately RMB6,200,000 (equivalent to approximately HK\$6,939,000) by other investors.

On 15 April 2020, DCITS and other investors signed the "Transfer Agreement" with an independent third party ("**Lingyun Transferee**"), and all parties agreed to transferred their equities in Shenzhou Lingyun to Lingyun Transferee, and withdrew from Shenzhou Lingyun. Approximately RMB7,200,000 (equivalent to approximately HK\$8,134,000) consideration paid for DCITS's equity interest in Shenzhou Lingyun. Upon completion of the transaction, Shenzhou Lingyun ceased to be subsidiary of the Group and hence the convertible bond is fully derecognized from the Group.

The total available bank credit facilities for the Group at 31 December 2020 amounted to approximately HK\$12,953 million, of which approximately HK\$2,566 million were in long-term loan facilities, approximately HK\$5,372 million were in trade lines and approximately HK\$5,015 million were in short-term and revolving money market facilities. At 31 December 2020, the facility drawn down from the Group was approximately HK\$2,563 million in long-term loan facilities, approximately HK\$730 million in trade lines and approximately HK\$1,711 million in short-term and revolving money market facilities.

Under the normal course of business, the Group has issued performance bonds to some customers for potential claims of non-performance in order to satisfy the specific requirements of these customers. As no material claims had been made by the customers under such performance bonds in the past, the management considers that the possibility of realisation of any actual material liabilities arising from such performance bonds is remote.

Contingent Liabilities

On 7 November 2018, China Potevio Co., Ltd. filed a litigation with Beijing's Second Intermediate People's Court on the grounds that DCITS assisted Shenzhen Shengwugang Investment Co., Ltd. (深圳市生物港投資有限公司) ("**Shengwugnag Company**") in capital withdrawal, requiring DCITS to bear joint and several liability for compensation in relation to the assistance given to Shengwugang Company for capital withdrawal of RMB25,000,000 together with interests. At the end of December 2018, DCITS filed jurisdiction objection litigation with Beijing's Second Intermediate People's Court, which has been rejected by Beijing's Second Intermediate People's Court. DCITS filed litigation with Beijing Municipal High People's Court against the ruling rejecting the jurisdiction objection, which has been rejected by Beijing Municipal High People's Court in May 2019. On 29 October 2019, Beijing Second Intermediate People's Court issued the civil judgment (2018) Jing 02 Min Chu No. 344, which stated that: DCITS shall undertake the supplementary liability for the unsettled part of the debt Shengwugang Company owned to China Potevio Co., Ltd. under Guangdong Shenzhen Intermediate People's Court (2007) Shen Zhong Fa Wei Zhi Zi No. 539 Enforcement Case after the enforcement (with the amount limited to RMB68,125,000), which is limited to the extent of the principal and interest of the advance totaling RMB35,120,000; Beijing Xinfu Investment (Group) Co., Ltd. (北京新富投資有限公司) and Kunshan Shenchang Technology Co., Ltd. (昆山市申昌科技有限公 司), being other third-party defendants, shall bear their supplementary liabilities to the extent of the capital withdrawal amounting to RMB58,380,000 and the principal and interest of the advance totaling RMB60,250,000, respectively. DCITS has appealed to the court, but it is necessary to make a provision of RMB21,382,000 (equivalent to HK\$23,948,000) for the judgement above as at 31 December 2019.

On 18 November 2020, DCITS reached an agreement with China Potevio Co., Ltd ("**Settlement Agreement**"). Pursuant to the Settlement Agreement, DCITS and China Potevio Co., Ltd. agreed to settle the case at a compensation of RMB21,000,000 (equivalent to HK\$24,622,000). The Settlement Agreement has been executed on 23 November 2020 and China Potevio Co., Ltd has filed the execution proof with Beijing Municipal High People's Court.

Management Discussion and Analysis

Commitment

At 31 December 2020, the Group had the following commitments:

	HK\$'000
Contracted, but not provided in the consolidated financial statements:	
Land and buildings	16
Capital contributions payable to joint ventures	32,337
Capital contributions payable to associates	24,847
Capital contributions payable to financial assets at fair value through other comprehensive income	507
	57,707

Events After the Reporting Period

No significant event occurred after the Reporting Period of the Company and up to the date of this report.

Material Acquisitions and Disposal of Subsidiaries and Associated Companies

Disposal of Equity Interest in Beijing Lizhi Weixin

On 14 January 2020, the Group entered into the sale and purchase agreement with SK China Company Limited pursuant to which the Group agreed to sell, and SK China Company Limited agreed to acquire, the entire equity interest in Beijing Lizhi Weixin Technology Co., Ltd. (北京勵致維欣科技有限公司) ("Beijing Lizhi Weixin"), being an indirect non-wholly owned subsidiary of the Company, which in turn holds 32,720,636 shares in Digital China Health Technologies Co., Ltd. (神州數碼醫療科技股份有限公司) ("Digital China Health"), representing approximately 14.05% of the entire issued share capital of Digital China Health.

As at the date of the transaction, the Group held approximately 20.04% of the total issued shares in Digital China Health and the entire equity interest in Beijing Lizhi Weixin. Immediately after completion of the disposal, the Group retained approximately 5.99% of the total issued shares in Digital China Health, and Digital China Health ceased to be an associate of the Company. The Group also ceased to have any equity interest in Beijing Lizhi Weixin, and Beijing Lizhi Weixin will cease to be a subsidiary of the Company.

Please refer to the announcement of the Company dated 15 January 2020 for details.

Disposal of Equity Interest in Digiwin Software

On 4 July 2020, Digital China Software (BVI) Limited ("DC Software") and Talent Gain Developments Limited entered into the sale and purchase agreement with Foxconn Industrial Internet Co., Ltd. (富士康工業互聯網股份有限公司) ("Foxconn") pursuant to which DC Software has agreed to sell, and Foxconn has agreed to acquire, 39,971,265 shares in Digiwin Software Co., Ltd. (鼎捷軟件股份有限公司) ("Digiwin Software"), representing approximately 15.08% of the total issued shares in Digiwin Software.

As at the date of the transaction, the Group held approximately 18.91% of the total issued shares in Digiwin Software. Immediately after completion of the disposal, the Group retained approximately 3.83% of the total issued shares in Digiwin Software and Digiwin Software has ceased to be an associate of the Company.

Please refer to the announcements of the Company dated 4 July 2020, 7 July 2020 and 17 November 2020 for details.

Deemed Disposal of Equity Interest in Beijing Internetware

On 15 September 2020, Digital China Investment Company Limited (神州投資有限公司) (“**DC Investment**”), Shenzhen Digital China Puhui Information Company Limited (深圳神州普惠信息有限公司) (“**Shenzhen Puhui**”) (both being indirect wholly-owned subsidiaries of the Company), other individual holders, Changchun Financial Holding Group Co., Ltd (長春市金融控股集團有限公司) (“**Changchun Financial**”) and Changchun Jingyue High-Tech Industry Development Zone State-Owned Assets Investment Management Co., Ltd. (長春淨月高新技術產業開發區國有資產投資經營有限公司) (“**Changchun Jingyue**”) and Beijing Internetware Software Company Limited (北京因特睿軟件有限公司) (“**Beijing Internetware**”) (being indirect non-wholly owned subsidiary of the Company) entered into the conditional capital investment agreement, pursuant to which Changchun Financial and Changchun Jingyue have conditionally agreed to subscribe for approximately 6.45% and 4.84%, respectively, of the enlarged registered capital of Beijing Internetware by way of capital contribution in cash for the sum of RMB400 million and RMB300 million, respectively.

As at the date of the transaction, Beijing Internetware was held as to approximately 80.65% by DC Investment, 12.90% by Shenzhen Puhui and an aggregate of 6.45% by other individual holders. Upon completion of the capital injection, Beijing Internetware’s total registered capital has increased to approximately RMB120,965,000, and its equity interest was owned as to approximately 71.54% by DC Investment, 11.45% by Shenzhen Puhui, an aggregate of 5.72% by other individual holders, 6.45% by Changchun Financial and 4.84% by Changchun Jingyue. Beijing Internetware remains as a subsidiary of the Company.

Please refer to the announcements of the Company dated 15 September 2020 and 29 September 2020 for details.

Save as disclosed, there was no material acquisition or disposal of subsidiaries or associated companies of the Company during the year ended 31 December 2020.

Human Resources and Remuneration Policy

At 31 December 2020, the Group had approximately 14,000 full-time employees (31 December 2019: approximately 11,800). The majority of these employees work in the PRC. The Group offers remuneration packages in line with industry practice. Employees’ remuneration includes basic salaries and bonuses. The Group has recorded a 8.43% increase in staff costs to approximately HK\$2,792 million for the year ended 31 December 2020 as compared to approximately HK\$2,575 million for the corresponding period of the last financial year. In order to attract and retain a high caliber of capable and motivated workforce, the Company offers share-based incentive schemes to staff based on the individual performance and the achievements of the Company’s targets. The Group is committed to providing its staff with various in-house and external training and development programs.

The remuneration of the directors and senior management are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each director and senior management member as well as their individual performance.

Update on the use of proceeds from the Rights Issue

In September 2017, the Company completed a rights issue (the "Rights Issue") and raised funds of approximately HK\$1,335 million. The table below set out the use of net proceeds (the "Net Proceeds") from the Rights Issue:

Intended use of the net proceeds from the Rights Issue	Net proceeds HK\$'million	Utilised amount as at 1 January 2020 HK\$'million	Actual application for the year ended 31 December 2020 HK\$'million	Unutilised amount as at 31 December 2020 HK\$'million	Expected to be utilised by 30 June 2022 HK\$'million
(i) Financing the Healthcare Big Data Investment or any other potential investments and acquisitions as and when any suitable opportunity is identified	782	(409)	(76)	297	297
(ii) Repayment of debt and interest expenses					
(a) Repayment of principal and interest expenses to Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司) due in October 2017	183	(183)	-	-	-
(b) Repayment of principal and interest expenses to Western Securities Co., Ltd. (西部證券股份有限公司) due in October 2017	286	(286)	-	-	-
(iii) General working capital purposes	84	(84)	-	-	-
Total	1,335	(962)	(76)	297	297

Note: As at the date of this report, the Healthcare Big Data Investment is still at its preliminary discussion stage and no legally binding agreement has been entered into by the Group.

The Company does not have any intention to change the purposes of the Net Proceeds as set out in the Rights Issue prospectus dated 23 August 2017, and will gradually utilise the un-utilised amount of the Net Proceeds in accordance with the intended purposes mentioned above. As at 31 December 2020, an aggregate of HK\$1,038 million has been utilised from the Net Proceeds.

As at 31 December 2020, the un-utilised Net Proceeds from the Rights Issue amounted to approximately HK\$297 million. In 2020, due to the impact of the COVID-19 pandemic, the investment atmosphere was relatively sluggish, and the management of the Company became more cautious in investing and in mergers and acquisitions. Therefore, the un-utilised Net Proceeds had not been expected to be utilised in full by the end of 2020. All of such un-utilised Net Proceeds will be utilised for financing the Healthcare Big Data Investment or any other potential investments and acquisitions as and when any suitable opportunity is identified. It is expected that the un-utilised Net Proceeds will be fully utilised by 30 June 2022.

For further details of the Rights Issue, please refer to the announcements of the Company dated 21 July 2017, 24 August 2017 and 15 September 2017, the rights issue prospectus dated 23 August 2017 and the annual reports of the Company for the year ended 31 December 2017, 31 December 2018 and 31 December 2019.

Directors and Company Secretary

CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. GUO Wei



Mr. GUO Wei, aged 58, is the Chairman, Chief Executive Officer and an Executive Director of the Group and is responsible for the strategic development and the overall business management of the Group. Mr. Guo had been the Vice Chairman, the President and the Chief Executive Officer of the Group since February 2001 and was appointed as the Chairman of the Group in December 2007. In June 2018, Mr. Guo was re-appointed as the Chief Executive Officer of the Group. He is also a director of certain subsidiaries and associates of the Company. Mr. Guo obtained a Master's Degree from the Graduate School of the Chinese Academy of Science (formerly known as Graduate School of the University of Science and Technology of China) in 1988. He joined the Legend group in 1988 and was once an Executive Director and Senior Vice President. Mr. Guo was awarded such major prizes included China's Top Ten Outstanding Youths (2002), 求是傑出青年成果轉化獎 (Practical and Outstanding Youth of Achievement) (2002) by the China Association for Science and Technology, China's Top Ten Outstanding Youths in Technology Innovation (1998), Future Economic Leader of China (2003), and the First Annual China Young Entrepreneurs Creative Management Golden Honour (2005). He was also selected as one of the 50 Most Powerful Business People in China by Fortune Magazine (Chinese version) in 2011 and 2012.

Mr. Guo is currently the Chairman and the Chairman of the Strategic Committee and member of the Nomination Committee of Digital China Information Service Company Ltd. and the Chairman and the President and members of the Strategic Committee and the Nomination Committee of Digital China Group Co., Ltd. (formerly known as Shenzhen Shenxin Taifeng Group Co., Ltd.) (all listed on The Shenzhen Stock Exchange). In addition, he is a Director of Kosalaki Investments Limited which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Guo was a Non-executive Director of HC GROUP INC. (formerly known as HC International, Inc.) (listed on the Main Board of The Stock Exchange of Hong Kong Limited), an Independent Director of Shanghai Pudong Development Bank Co., Ltd. (listed on The Shanghai Stock Exchange), a Director of DigiWin Software Co., Ltd. (listed on the ChiNext of The Shenzhen Stock Exchange) and an Independent Non-executive Director of China Southern Airlines Company Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited, The Shanghai Stock Exchange and The New York Stock Exchange). Besides, Mr. Guo is currently a member of the 4th Advisory Committee for State Informatization and Vice Chairman of Digitalized China Industry Development Alliance. He was a Standing Committee Member of the 11th & 12th National Committee of the Chinese People's Political Consultative Conference, the Chairman of Beijing Informatization Association and the Chairman of the 6th Council of China Non-Governmental Science Technology Entrepreneurs Association, the Chairman of China Smart City Industry Technology Innovation Strategic Alliance and other social positions. He has over 33 years of experience in business strategy development and business management.

VICE CHAIRMAN AND EXECUTIVE DIRECTOR



Mr. LIN Yang

Mr. LIN Yang, aged 54, is the Vice Chairman and an Executive Director of the Group. He is also a director of certain subsidiaries of the Company. Mr. Lin graduated in 1988 with a Bachelor's Degree in Computing Communications from the Xidian University and in 2005 with a Master's Degree in Business Administration from Cheung Kong Graduate School of Business. He joined the Group in February 2001 and was previously the Executive Vice President and the President of the Group and was also the Chief Executive Officer of the Group from April 2011 to June 2018. Mr. Lin was the Vice Chairman, Director and a member of the Audit Committee of Digital China Information Service Company Ltd. (listed on The Shenzhen Stock Exchange). He joined the Legend group in 1990 and has over 30 years of management experience in IT business. Mr. Lin was awarded the Lifetime Achievement Award by the IT Channel Elite Panel in 2001 and recognised as the Most Influential Figure in IT Distribution of 20 Years in 2005. In 2013, he was also selected as one of the Leaders of the Year 2012 of the China Information Industry and Top-10 Annual Icons of the Year 2012 of Zhongguancun. Besides, Mr. Lin was the Director of IT Channel Profession Council, under the MIIT (Ministry of Industry and Information Technology).

NON-EXECUTIVE DIRECTOR

Mr. PENG Jing



Mr. PENG Jing, aged 34, has been a Non-executive Director of the Company since 27 December 2017. Mr. Peng serves as the Vice General Manager of Guangzhou City Investment Co., Ltd. and the Chairman of Guangzhou City Investment Micro Loan Co., Ltd. Mr. Peng received a Bachelor's Degree in Literature from Guangzhou University in 2008 and received a Master's Degree in Business Administration from Guangdong University of Finance and Economics in 2017.

Mr. Peng has served several large listed financial institutions and state-owned conglomerates, and has had nearly 13 years' experience on financial investment and financing experience since 2008. During the period, he was responsible for bank credit, trade finance, international business and corporate financial investment. He has established several companies to invest in funds, finance lease, small loans, urban infrastructure construction and investment operation management, as well as the development of emerging industries. In recent years, he has focused on financial investment and financing, participated in the establishment of big data funds and construction funds, and participated in the relevant investment projects of the group's smart cities.

Directors and Company Secretary

Mr. ZENG Shuigen



Mr. ZENG Shuigen, aged 43, has been a Non-executive Director of the Company since 30 June 2020. Mr. Zeng serves as the Secretary and director of party branch of Guangzhou Urban Planning Technology Development Services Department Co., Ltd. and the legal representative and chairman of Guangzhou City Investment Ziguang Cloud Co., Ltd. and has been appointed as the director of Guangzhou Broadband Backbone Network Co. Ltd. since December 2020. He is also a director of several group companies of Guangzhou City Infrastructure Investment Group Limited ("GZ Infrastructure"). Mr. Zeng graduated from Northeast Electric Power University in 2006 with a Master's Degree in computer application technology. He obtained senior engineer qualification in November 2014, and information system project manager qualification in May 2015.

Mr. Zeng has rich experience in smart city and big data planning and implementation, and participated in the establishment of several big data joint ventures in recent years. He joined GZ Infrastructure group in August 2017 and was the technical director of Guangzhou City Intelligence Technology Investment Co. Ltd. (formerly known as Guangzhou Environment Energy CCI Capital Ltd.), serving the construction of Guangzhou smart city. He was the research and development director of Nanjing big data information group of the Jusfour Big Data Information Group Co., Ltd. and vice general manager of Anhui Zhongkang big data Co., Ltd. from April 2016 to August 2017, and responsible for the planning, R&D and implementation of multiple big data platforms.

INDEPENDENT NON-EXECUTIVE DIRECTOR



Mr. WONG Man Chung, Francis

Mr. WONG Man Chung, Francis, aged 56, has been an Independent Non-executive Director of the Company since 23 August 2006. He holds a Master's Degree in Management conferred by Guangzhou Jinan University, the People's Republic of China. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom, the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England and Wales and The Society of Chinese Accountants and Auditors, and a Certified Tax Advisor of the Taxation Institute of Hong Kong. He is a Certified Public Accountant (Practising) and has over 33 years of experience in auditing, taxation, corporate internal control and governance, acquisition and financial advisory, corporate restructuring and liquidation, family trust and wealth management. Previously, Mr. Wong worked for KPMG, an international accounting firm, for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years. Mr. Wong has the appropriate professional qualifications, accounting and related financial management expertise as required under Rule 3.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. Wong is currently an Independent Non-executive Director, the Chairman of the Audit Committee and the Remuneration Committee as well as a member of the Nomination Committee of China Oriental Group Company Limited and Greenheart Group Limited (all listed on the Main Board of The Stock Exchange of Hong Kong Limited); an Independent Non-executive Director, the Chairman of the Audit Committee and the Remuneration and Evaluation Committee as well as a member of the Risk Management Committee and the Nomination Committee of Shanghai Dongzheng Automotive Finance Co., Ltd. (listed on the Main Board of The Stock Exchange of Hong Kong Limited); an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of Wai Kee Holdings Limited and Integrated Waste Solutions Group Holdings Limited (all listed on the Main Board of The Stock Exchange of Hong Kong Limited); an Independent Non-executive Director and a member of the Audit Committee and the Strategy and Investment Committee of GCL-Poly Energy Holdings Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited); an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of Hilong Holding Limited and IntelliCentrics Global Holdings Ltd. (all listed on the Main Board of The Stock Exchange of Hong Kong Limited); and an Independent Non-executive Director, the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee of Qeeka Home (Cayman) Inc. (listed on the Main Board of The Stock Exchange of Hong Kong Limited). He was an Independent Non-executive Director and the Chairman of the Audit Committee of Kunming Dianchi Water Treatment Co., Ltd. (listed on the Main Board of The Stock Exchange of Hong Kong Limited) and an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee of China New Higher Education Group Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited). With effect from 3 April 2018, Mr. Wong was re-designated as a Non-executive Chairman of Union Alpha C.P.A. Limited (who was the Managing Director) and a Non-executive Director of Union Alpha CAAP Certified Public Accountants Limited (who was a Director), both being professional accounting firms, in order to devote more time on his role of independent non-executive directors of listed companies and charity works. Mr. Wong is a Founding Director and member of Francis M C Wong Charitable Foundation Limited, a charitable institution.

Directors and Company Secretary

Ms. NI Hong (Hope)



Ms. NI Hong (Hope), aged 48, has been an Independent Non-executive Director of the Company since 29 September 2010. Ms. Ni received her J.D. Degree from the University of Pennsylvania Law School and her Bachelor's Degree in Applied Economics and Business Management from Cornell University. Ms. Ni joined the Company in September 2010. Currently, Ms. Ni is a Non-executive Director of Cogobuy Group (listed on the Main Board of The Stock Exchange of Hong Kong Limited) and an Independent Director, the Chairman of the Audit Committee and a member of the Compensation Committee of ATA Inc., a NASDAQ-listed company (NASDAQ: ATA). From August 2004 to January 2008, Ms. Ni served as the Chief Financial Officer and Director for Viewtran Group, Inc. ("Viewtran"), and subsequently served as its Vice Chairman until early 2009. Prior to joining Viewtran, Ms. Ni spent six years as a Practicing Attorney at Skadden, Arps, Slate, Meagher & Flom LLP in New York and Hong Kong, specializing in corporate finance. Prior to that, Ms. Ni worked at Merrill Lynch's investment banking division in New York.

Ms. Ni was an Executive Director and the Chief Investment Officer of Cogobuy Group (listed on the Main Board of The Stock Exchange of Hong Kong Limited), an Independent Director, the Chairman of the Audit Committee and a member of the Compensation and Nomination Committee at JA Solar Holdings, Co. Ltd., a NASDAQ-listed company (NASDAQ: JASO), a Director of ATA Online (Beijing) Education Technology Co., Ltd. (delisted from the National Equities Exchange and Quotations System of China (also known as the New Third Board) on 11 October 2017) and an Independent Director at KongZhong Corporation, a formerly NASDAQ-listed company (NASDAQ: KZ).

Dr. LIU Yun, John



Dr. LIU Yun, John, aged 57, has been an Independent Non-executive Director of the Company since 25 March 2014. Dr. Liu is the board member of the Board of Directors of dormakaba Holdings AG (whose shares are listed in the SIX Swiss Exchange) since October 2020 and appointed as the CEO of Shenzhen Afiniti Technology Co. Ltd. since 1 October 2020. He was the board member of the Board of Directors and the Chief Executive Officer of VOSS (an international bottled water brand) and the Chief Advisor of Reignwood Holdings Pte Ltd. (Singapore). He was the Vice President and Chief Operating Officer of Wanda Internet Technology Group from March 2017 to May 2018, an Independent Non-Executive Director of ARM Holdings Plc. (listed on the London Stock Exchange) from December 2014 to September 2016 and a Senior Vice President of Greater China Field Division of Conservation International from June 2016 to September 2016. He was also the Chief Business Officer of Qihoo 360 Technology Co. Ltd. from January 2014 to August 2015. Prior to that, he held senior positions in various renowned companies in the communication or networking or software arena as follows: Corporate Vice President and Head of Greater China of Google Inc. from 2008 to 2013; Chief Executive Officer, China Operations of SK Telecom Co., Ltd. from 2002 to 2007; General Manager, Greater China of FreeMarkets Inc. from 2000 to 2002; Chief Executive Officer, China Operations of SITA Communication from 1999 to 2000; General Manager, Telecommunication Group of The Lion Group from 1997 to 1999 and Country Director, Greater China of Singapore Telecommunications Limited from 1994 to 1997.

Dr. Liu graduated from Beijing Normal University with a Bachelor's Degree in Mathematics in 1983 and obtained his Ph.D in Telecommunications Network Management from Technical University of Denmark in 1997. In 2011, Dr. Liu undertook a Senior Executive Program of Harvard Business School.

Directors and Company Secretary

Ms. YAN Xiaoyan



Ms. YAN Xiaoyan, aged 69, has been an Independent Non-executive Director of the Company since 27 May 2014. Ms. Yan has served in the financial sector for about 41 years. She has taken up senior positions at The People's Bank of China and Industrial and Commercial Bank of China and served as a Director and a Vice President of Bank of Beijing (listed on The Shanghai Stock Exchange) since 1996 and appointed as the President and the Vice Chairperson since 2002 and 2010 respectively. Ms. Yan was also the President of the 6th Executive Committee of Beijing Banking Association. She was also the Chairperson of Bank of Beijing Consumer Finance Company, an Advisor to The People's Government of Beijing Municipality, the Vice President of the Listed Companies Association of Beijing, the Assistant Secretary General of the China Volunteer Service Federation and the Vice Director General and Secretary General of the China Volunteer Service Foundation. Ms. Yan is a female financial entrepreneur with outstanding acumen and leadership rarely seen in the banking sector.

Ms. Yan is a senior economist, holding a Master's Degree in Economics from Southwestern University of Finance and Economics and a Master's Degree in Management from Xiamen University. She is a tutor to graduate students and visiting professor at the Central University of Finance and Economics, a school-level part-time professor at Xi'an Jiaotong University and an instructor at the post-doctorate research station of Bank of Beijing.

Mr. KING William



Mr. KING William, aged 54, was appointed as an Independent Non-executive Director of the Company with effect from 29 June 2018. Mr. King was the Managing Director of Russell Reynolds Associates, Hong Kong from October 2018 to December 2019 and a partner at Egon Zehnder International (Shanghai) Company Limited, a leading executive search firm, from January 2007 to May 2016. Prior to that, Mr. King held several leadership roles with some of the global technology companies as follows: Chief Operating Officer at eBay China from April 2005 to November 2006, General Manager of AT&T Greater China from August 2002 to April 2005, Director of Telecommunications and Media at Credit Suisse First Boston (CSFB), Hong Kong from September 2001 to April 2002, Head of Corporate Planning and Development at Hong Kong Telecom and PCCW from September 1999 to September 2001; Senior Associate at Booz Allen & Hamilton from 1995 to September 1999 and Senior Systems Consultant with IBM Corporation in the US from February 1988 to July 1993.

Mr. King received a Bachelor of Science Degree in Electrical Engineering from University of Michigan and MBA with Finance major from the Wharton School of Business at the University of Pennsylvania.

COMPANY SECRETARY

Mr. WONG Chi Keung



Mr. WONG Chi Keung, aged 54, is the Company Secretary of the Company. Mr. Wong is mainly responsible for the financial reporting and listing issues of the Group. Mr. Wong graduated from The University of Hong Kong with a Bachelor's Degree in Social Sciences and is a fellow member of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Wong was a Non-executive Director and a member of the Remuneration Committee of HC Group INC. (formerly known as HC International, Inc.) listed on the Main Board of The Stock Exchange of Hong Kong Limited). Previously, Mr. Wong worked for Ernst & Young, an international accounting firm, for 6 years. Mr. Wong has over 30 years of experience in financial management and corporate administration.

Corporate Governance Report

The Group is committed to promote the highest standards of corporate governance and to maintain sound and well-established corporate governance practices so as to enhance its transparency, accountability and corporate value to the shareholders of the Company (the "Shareholders").

The Company abides strictly by the governing laws and regulations of the jurisdictions where it operates and observes the applicable guidelines and rules issued by regulatory authorities.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices set out in the "Corporate Governance Code and Corporate Governance Report" (the "Code") and contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

During the year ended 31 December 2020 (the "Reporting Period"), the Company has complied with the code provisions (the "Code Provision(s)") set out in the Code throughout the Reporting Period, except the following deviations from certain Code Provisions with considered reasons as given below:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. GUO Wei, the Chairman of the board of directors of the Company (the "Board"), has been taking up the dual role as Chairman and Chief Executive Officer of the Company since 8 June 2018. Mr. GUO Wei has extensive experience in business strategic development and management and is responsible for overseeing the whole business, strategic development and management of the Group. The Board believes that the dual role of Mr. GUO Wei will enable the consistency between the setting up and the implementation of the business strategy and benefit the Group and the Shareholders as a whole.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

All of the Non-executive Directors of the Company were not appointed for any specific term. Since all Directors (save for the Chairman of the Board or the Managing Director) are subject to retirement by rotation at each annual general meeting in accordance with the new bye-laws of the Company (the "New Bye-Laws") and shall be eligible for re-election. The Board considers that the retirement of Directors by rotation at each annual general meeting in accordance with the New Bye-Laws has given the Shareholders the right to approve the continuation of the service of the Directors.

Code Provision A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the New Bye-Laws, at each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office, the Chairman of the Board or the Managing Director shall not, whilst holding such office, be subject to retirement by rotation. Therefore, Mr. GUO Wei, the Chairman of the Board, shall not be subject to retirement by rotation. Given the existing number of Directors of the Company, not less than one-third of the Directors are subject to retirement by rotation at each annual general meeting, by which each Director (other than the Chairman of the Board) will retire by rotation once every three years at the minimum.

Code Provision A.5.1 stipulates that the listed company should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

The Company does not establish a nomination committee at present. The Company considers that the setting up of a nomination committee may not be necessary as the Board has the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as addition to the Board according to the New Bye-Laws, therefore, the Board has been able to assume the responsibilities of a nomination committee. The Board will identify and assess whether the candidate has the balanced composition of skills and experience appropriate for the requirements of the businesses of the Company and suitably qualified to become board members.

Code Provision D.1.4 stipulates that directors should clearly understand delegation arrangements in place. Listed company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment.

The Company has not entered into any written letter of appointment with its any Non-executive Directors or Independent Non-executive Directors. However, the Board recognises that (i) the relevant Directors have already been subject to the laws and regulations applicable to directors of a company listed on the Stock Exchange, including the Listing Rules as well as the fiduciary duties to act in the best interests of the Company and its Shareholders; (ii) all of them are well established in their professions and have held directorships in other listed companies; and (iii) the current arrangement has been adopted by the Company for years and has proved to be effective. Therefore, the Board considers that the relevant Directors are able to carry out their duties in a responsible and effective manner under the current arrangement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" contained in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct for Directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

BOARD OF DIRECTORS

Composition

As at the end of the Reporting Period, the Board comprised nine Directors, including two Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. To the best knowledge of the Company, the Board members have no financial, business, family or other material/relevant relationships with each other.

The Board has a coherent framework with clearly defined responsibilities and accountabilities to safeguard and enhance shareholder values and provide a robust platform to realize the strategy of the Group.

Biographical details of the Directors are set out under the heading "Directors and Company Secretary" on pages 27 to 36 of this annual report.

Role and Function

The Board takes responsibility for the formulation of the overall strategy and the leadership and control of the Group such as the Group's long term objectives and strategies, the approval of the Group's corporate and capital structure, financial reporting and controls, internal controls and risk management, material contracts, communication with the Shareholders, the Board membership and other appointments, remuneration of Directors and other key senior management, delegation of authority to Board committees and corporate governance matters.

During the Reporting Period, an annual general meeting and a special general meeting were held and the Board held four regular Board meetings at approximately quarterly intervals and seven ad hoc Board meetings where the Directors attended the Board meetings either in person or by means of electronic communication.

Appointments and Re-election

The Board is empowered under the New Bye-Laws to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Only the qualified candidates will be proposed to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications, experience and their possible contribution to the Group.

Independent Non-executive Directors

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed five Independent Non-executive Directors, one of whom has appropriate professional qualifications or accounting or related financial management expertise.

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 the Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that they are independent.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. GUO Wei, the Chairman of the Board, has been taking up the dual role as Chairman and Chief Executive Officer of the Company since 8 June 2018. Mr. GUO Wei has extensive experience in business strategic development and management and is responsible for overseeing the whole business, strategic development and management of the Group. The Board believes that the dual role of Mr. GUO Wei will enable the consistency between the setting up and the implementation of the business strategy and benefit the Group and the Shareholders as a whole.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established in 2001 with specific written terms of reference. The Audit Committee comprises three members and all of them are Independent Non-executive Directors. The Audit Committee is currently chaired by Mr. WONG Man Chung, Francis (who possesses the appropriate professional qualification or accounting or related financial management expertise), with Ms. NI Hong (Hope) and Ms. YAN Xiaoyan as members.

The latest Terms of Reference for Audit Committee re-adopted by the Board was effective on 21 December 2018 and is available on the websites of the Stock Exchange and the Company respectively.

The Audit Committee assists the Board in carrying out its oversight responsibilities in relation to financial reporting, risk management and internal control, and in maintaining a relationship with external auditors.

The Audit Committee is responsible for, among others, the following:

- (i) monitoring the integrity of the financial statements of the Group;
- (ii) reviewing the Group's financial controls, risk management and internal control systems;
- (iii) reviewing the Group's financial and accounting policies and practices;
- (iv) reviewing and monitoring the effectiveness of the Group's internal audit function and ensuring coordination between the internal and external auditors; and
- (v) performing the Group's corporate governance function delegated by the Board.

Corporate Governance Function

Under the Terms of Reference for Audit Committee now in place, the Audit Committee has been delegated by the Board to perform the following corporate governance function:

- (i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (ii) to review and monitor the training and continuous professional development of Directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) to review the Company's compliance with the Code and the disclosure in this report as set out under Appendix 14 of the Listing Rules.

During the Reporting Period, the Audit Committee held four meetings where the members attended either in person or by means of electronic communication.

For the Reporting Period, the Audit Committee has reviewed with the senior management and the Auditor of the Company (the "Auditor") their respective audit findings, the half-yearly and annual financial results before recommending them to the Board for consideration and approval, the accounting principles and practices adopted by the Group, legal and regulatory compliance, and discussed auditing, internal control, risk management and financial reporting matters. The Board has, through the Audit Committee, conducted regular reviews on the effectiveness of the internal control system of the Group and discussed matters related to corporate governance function during the Reporting Period.

The Audit Committee has no disagreement with the Board on the selection, appointment, resignation or dismissal of the Auditor.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 31 August 2006 with specific written terms of reference. The Remuneration Committee comprises three members and all of them are Independent Non-executive Directors. The Remuneration Committee is currently chaired by Dr. LIU Yun, John, with Mr. WONG Man Chung, Francis and Mr. KING William as members.

The latest Terms of Reference for Remuneration Committee is available on the websites of the Stock Exchange and the Company respectively.

The Remuneration Committee assists the Board to assess and making recommendations on the compensation policy and compensation packages for the Directors and senior management.

The Remuneration Committee is responsible for, among others, the following:

- (i) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; and
- (ii) making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, which includes benefits in kind, pension rights and compensation payments and on the remuneration of Non-executive Directors.

During the Reporting Period, the Remuneration Committee held a meeting where the members attended either in person or by means of electronic communication.

Details of the Directors' emoluments for the Reporting Period are set out in note 9 to the financial statements.

The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

DIRECTOR'S ATTENDANCE RECORDS AT MEETINGS

The attendance of each Director at the following meetings during the Reporting Period is set out below:

Board members	Committee members		Number of meetings attended/held				Annual General Meeting	Special General Meeting
	Audit Committee	Remuneration Committee	Board Meeting		Audit Committee	Remuneration Committee		
			Regular	Ad Hoc				
Executive Directors								
GUO Wei (<i>Chairman and Chief Executive Officer</i>)	-	-	4/4	7/7	N/A	N/A	1/1	1/1
LIN Yang (<i>Vice Chairman</i>)	-	-	4/4	7/7	N/A	N/A	0/1	0/1
Non-executive Directors								
PENG Jing	-	-	2/4	5/7	N/A	N/A	0/1	0/1
ZENG Shuigen	-	-	2/2	2/4	N/A	N/A	N/A	0/1
YU Ziping	-	-	1/2	0/3	N/A	N/A	0/1	N/A
Independent Non-executive Directors								
WONG Man Chung Francis	Chairman	Member	4/4	7/7	4/4	1/1	1/1	1/1
NI Hong (Hope)	Member	-	4/4	6/7	4/4	N/A	1/1	0/1
LIU Yun, John	-	Chairman	4/4	5/7	N/A	1/1	0/1	1/1
YAN Xiaoyan	Member	-	3/4	7/7	4/4	N/A	0/1	0/1
KING William	-	Member	4/4	6/7	N/A	1/1	1/1	1/1

DIRECTOR INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Newly appointed Directors will receive comprehensive induction on appointment to ensure understanding of the directors' responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company also organises and arranges seminars for and/or provides relevant reading materials to Directors to help ensure they are apprised of the roles, functions and duties of being a director of a listed company and the development of their knowledge on the regulatory updates whenever necessary or appropriate.

During the Reporting Period and up to the date of this annual report, the Company has provided training materials for all the then Directors to keep them abreast of the latest development of legal, regulatory and corporate governance. The Company has received the records of training from all those Directors.

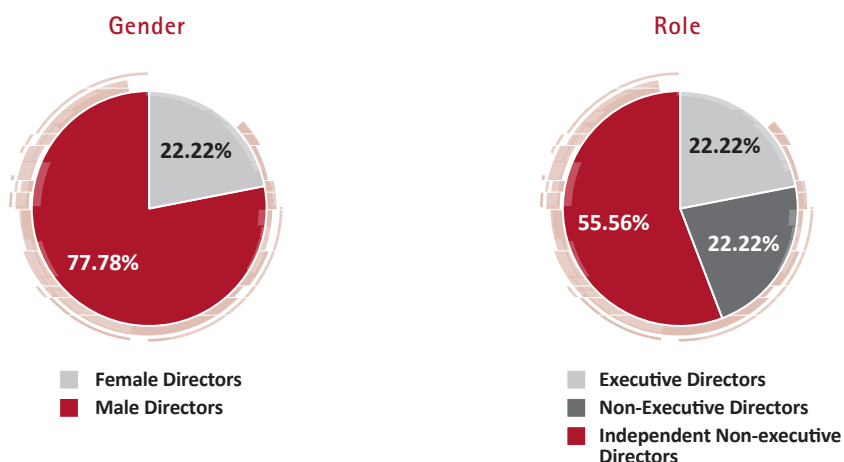
BOARD DIVERSITY POLICY

The Company is committed to promoting diversity among the Board and has adopted a board diversity policy (the "Board Diversity Policy") effective on 20 August 2013. The Board Diversity Policy outlines the Board's commitment to fostering a corporate culture that embraces diversity and, in particular, focuses on its composition.

The Company recognising and embracing the benefits of having a diverse Board values increasing diversity at Board level which is perceived to be an essential element in achieving a sustainable and balanced development of the Company. In determining the Board composition that best suits the Company, a wide spectrum of aspects, including but not limited to gender, age, ethnicity and cultural background, skills, regional and industry experience, professional experience, length of service and other qualities of directors will be considered. All Board appointments shall be made on the basis of meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

As at the end of the Reporting Period, the diversity of the Board is shown in the following graphic illustrations. Out of the nine Directors comprising the Board, two of them are women. Two of the nine Directors are Non-executive Directors and five of them are Independent Non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of age, cultural and educational background, professional expertise and skills. The Board endeavours to steer forward and ensure that the Board has a balance of skills, experience and diversity of aspects appropriate to the requirements of the Company's business.

Diversity of the Board as at the end of the Reporting Period



REMUNERATION OF AUDITOR

For the Reporting Period, remuneration to the Auditor was approximately HK\$2,750,000 for audit services and approximately HK\$150,000 for non-audit services on review relating to the financial statements of offering and issuance of Taiwan Depository Receipts.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Internal Control Notions

An effective and adequate risk management and internal control system is important for ensuring the realisation of the Group's strategic objectives. The risk management and internal control system should uphold the effective conduct of business activities, guarantee the truthfulness and fairness of accounting records, ensure the Group's compliance with relevant laws, regulations and policies, and safeguard the assets and interests of the Shareholders.

Features and Effectiveness of Risk Management and Internal Control

The Board acknowledges its responsibility to establish and maintain the Group's risk management and internal control systems and to review their effectiveness regularly. Such systems are designed to manage, but not to remove, the risk of failure to achieve business objectives, provide reasonable (but not absolute) assurance for freedom from material misstatements or losses, and manage, but not eliminate, the risk of material errors in the objectives of the Group. Such responsibility is primarily performed by the Audit Committee, which conducts at least once annually, on behalf of the Board, reviews on whether the Group's risk management and internal control systems in respect of risk handling, financial accounting and reporting are effective on an ongoing basis, whether its operations are effective and efficient, and whether pertinent laws and regulations have been complied with and risk management functions have been fulfilled. The Audit Committee also monitors risks associated with the Group's accounting, internal audit, finance, staff qualifications and experience, operations and compliance. The Board also understands its overall responsibility for internal control, financial control and risk management, and reviews from time to time its effectiveness in this regard.

On behalf of the Board, the Audit Committee continuously reviews the risk management and internal control system. The review procedures include, but are not limited to, listening to the reports delivered by, among others, the business management teams, the Internal Audit Department, the Legal Department and the independent auditors, reviewing the various work reports and key indicator information, as well as discussing material risks with the senior management team.

For the year 2020, the Board is of the opinion that the Group's risk management and internal control system was both effective and adequate. Besides, the Board believes that the Group's accounting and financial reporting functions were performed by sufficient staff who were suitably qualified and experienced and who had received proper training and been adequately developed. The Board also believes that sufficient resources were allocated to the Group's internal audit function, which was performed by sufficiently qualified and experienced staff and for which the training programmes and budget were sufficient.

RISK MANAGEMENT

1. Three-tier protection for risk management

In order to ensure the effectiveness of the risk management and internal control system, the Group has adopted a three-tier protection model and, under the supervision and guidance of the Board, established the organisational structure for risk management and internal control. The Group's actual circumstances are also taken into account regarding the annual optimisation and refinement of the structure.

- First line of protection — operations and management: Mainly composed of the Group's functional and business departments at various levels, it is responsible for the day-to-day operations and management, and for the design and execution of the relevant control measures for countering risks.
- Second line of protection — risk management: Mainly composed of the respective risk management departments of the Business Groups, it is responsible for planning and carrying out the construction of the risk management and internal control system and, in accordance with the requirements of the risk management system, for organising, directing, coordinating and implementing the collection of risk-related information, risk identification, risk assessment and measures countering material risks at the respective Business Groups. As such, the second line of protection assists the first line of protection in establishing and refining the risk management and internal control system.
- Third line of protection — independent protection: Mainly composed of the Group's Internal Audit Department, it is responsible for supervising and assessing the risk management tasks of the Group, thereby ensuring the effectiveness of the risk management and internal control system.

2. Procedures for Identifying, Assessing and Managing Material Risks

Below is an outline of the procedures employed by the Group for identifying, assessing and managing its material risks:

- **Risk identification and assessment:** Risks that may have a potential impact on the business and operations of the Group's various Business Units are identified, and a risk database is established and continuously updated; the assessment criteria that have been reviewed and approved by the management are used in the assessment of identified risks, during which the likelihood of their occurrence and their impact on the business are taken into account;
- **Risk-counteracting:** Through the comparison of risk assessment outcomes, risks are ranked by priority, and risk management strategies and internal control procedures are determined for preventing, avoiding or reducing risks; and
- **Risk monitoring and reporting:** Relevant risks are monitored on an ongoing and regular basis, and appropriate internal control procedures are guaranteed to be in place; in the event of any material change, the risk management policies and internal control procedures would be amended; and the risk monitoring results are reported to the Audit Committee and the management on a regular basis.

3. Material Risks of the Group and Response Measures

During the year of 2020, the Group identified and assessed its material risks by means of the aforesaid risk management processes.

The Audit Committee assisted the Board in monitoring the Group's overall risk profile, and reviewed the changes in the nature and severity of the Group's material risks. The Audit Committee is of the opinion that the management took suitable measures for counteracting and managing the key risks such that they were maintained at levels acceptable to the Board.

With the constant changes in the scale, scope of operations and complexity of its businesses as well as in the external environment, the Group's risk profile may be subject to change. A brief account is given below of the material risks that are currently faced by the Group, of the changes in the material risks compared with the previous year and the reasons for such changes, and of the risk-counteracting measures that have been implemented.

The following table shows the top three material risk of the Group in 2020:

Rank	Risk
1	Risk relating to competition
2	Risk relating to loss of talent
3	Risk relating to relying on major customers

Compared to 2019, there were no obvious changes in the first three risks of 2020 which were the risk relating to competition, the risk relating to loss of talent and the risk relating to relying on major customers. However, the risk relating to relying on major customers dropped from second to third and the risk relating to loss of talent rose from third to second. Affected by such factors as external market volatility, changes in international relationships and advancement in new technology in 2020, especially the admission and rapid development of new competitors, the risk relating to competition was still relatively prominent. Meanwhile, the Group's internal realignment and organizational optimization still continued. Although the staff turnover rate decreased by 1.6% from 2019, it remained at a relatively high level. In addition, the Group's emphasis on cooperation with major customers to realise synergies increased the revenue concentration. The fluctuations in momentum of industries of major customers, the life cycle of customer's own products and the ability of customers for continuous operation will affect the growth in revenue of the Group.

To address and execute preventive controls over such risks, the Group has adopted, and will continue to optimize, corresponding control measures as follows:

- Relating to market competition, based on the perspectives of their respective businesses, full understanding and analysis on the market environment and the development and changes of competitors, our business units utilized the strong technology advantages of Yan Cloud DaaS, KXDATA, Human + Robot and the accumulation of solutions under various business scenarios as well as the vast market advantages of corresponding industry, to provide protection and support for the continuous expansion of business scale and thus enhance the overall competitiveness of the Group.
- Relating to talent management, the Group's HR Department continuously improved the salary distribution and assessment incentive system, implemented a distribution system that combined position-pay scale, performance bonus and equity incentives and guided with the performance to attract and retain talents. In 2020, While continuing to promote the DC Elite ("神碼匯") talent training platform project, the Group also established the DC Geek ("神技營") aimed at cultivating technical talents. Through the DC Elite and DC Geek organizing and training core management team, and establishing Digital China elite talent training system, outstanding employees were motivated and the vitality of the organization was stimulated which guaranteed the long-term and stable development of core talents.
- Relating to customer management, based upon maintaining and strengthening existing customers relationship, the Group leveraged existing synergies and developed more potential customers and actively expanded more new customers and businesses, simultaneously achieved multi-product lines, serialized operation, developed new channels to diversify the risk of relying on major customers and further optimized the customer structure.

Based on the findings of the review described above, the Board confirms, and the management has also confirmed to the Board, that the risk management and internal control system of the Group (in all material aspects including financial control, operational control and compliance control) is efficient and adequate, and has been in compliance with the provisions on risk management and internal control contained in the "Corporate Governance Code" through the year.

INTERNAL CONTROL

1. Internal Control System

The Group has consistently focused on the construction of its internal control system. The management of the Group is responsible for designing, implementing, and maintaining the effectiveness of, its internal control system. The Board and the Audit Committee are responsible for exercising supervision and regulation over the appropriateness and effective implementation of the internal control measures introduced by the management.

The Group's internal control system delineates the parties' management responsibilities, authorisations and approvals in relation to key actions, and lays down specific written policies and procedures regarding material business processes. The communication of such system to the staff also makes up an important component thereof. The Group's policies covering its financial, legal and operational aspects represent the management standards in relation to its various business processes, and are to be strictly implemented by each of its staff members.

The Board establishes and maintains a good internal control system through the following principal procedures:

- Establishing a reasonable and effective organization structure with clear functions, responsibilities and authority;
- Laying down stringent procedures for budget preparation and budget management; formulating business plans and financial budgets annually; rationally adjusting the organisation structure based on business planning; ensuring the effective operation of the organisation; reviewing the implementation of budgets and making reasonable adjustment based on the latest conditions;
- The Internal Audit Department — independently assessing the comprehensibility and effectiveness of the monitoring of principal business, reporting its principal findings, with recommendations, to the Audit Committee on a half-yearly basis; and
- The Independent Auditor — for the audit of annual results, recommending ways to address some internal management areas which are correspondingly weak; the management making serious reviews, and making and submitting improvement proposals to the Audit Committee.

2. Annual assessment of internal control

During the Reporting Period, the Internal Audit Department adopted a risk benchmarking approach focused on key processes and controls and reported the findings of internal audit to the Audit Committee on a semi-annual basis. Through the Audit Committee, the Board reviewed the effectiveness of the Group's internal control system. The internal control system covers all material controls, including financial, operational and compliance controls, risk management functions and the adequacy of resources, staff qualifications and experience, training programmes and budgets in relation to the accounting and financial reporting functions of the Group. During the year of 2020, the Internal Audit Department did not identify any significant deficiency in internal control.

DISCLOSURES ON INSIDE INFORMATION

The Company's management assesses the likely impact of any unexpected and significant event that may impact the price of the shares or their trading volume and decides whether the relevant information is considered inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Board is responsible for approving and authorising the Directors to issue such announcements and/or circulars.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group which give a true and fair view of the state of affairs of the Company and of the Group on a going concern basis in accordance with the statutory requirements and applicable accounting standards.

The statement of the Auditor about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 96 to 101 of this annual report.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to maintaining an on-going dialogue with the Shareholders and the investment community.

One of the principal channels of communication with the Shareholders is the annual general meeting and all corporate communications of the Company, including but not limited to interim reports, annual reports, notices of meeting, announcements, circulars and other relevant Company's information are available on the Company's website www.dcholdings.com

The Company has adopted a Shareholders Communication Policy to handle enquiries put to the Board.

The Company believes that communicating with the Shareholders through its website is an efficient way of delivering information in a timely and convenient manner. Information on the Company's website will be continuously reviewed and updated to ensure that information is current, or appropriately dated and archived.

SHAREHOLDERS' RIGHTS

The Company recognises the rights of Shareholders and encourages the Shareholders to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meeting. The general meeting provides an important opportunity for the Shareholders to express their view to the Board and management and to exercise the Shareholders' rights. Under the New Bye-Laws, the Shareholders have the rights to convene a special general meeting and put forward agenda items for consideration by the Shareholders. The latest New Bye-Laws has been uploaded onto the websites of the Stock Exchange and the Company respectively.

The Shareholders are encouraged to use their attendance at meetings to ask questions about or comment on the results, operations, strategy, corporate governance and/or management of the Group. The Board members, in particular, either the Chairman or members of the Board committees, appropriate management executives and external auditor shall be available at general meetings to answer questions from the Shareholders.

DIVIDEND POLICY

The Company has adopted a dividend policy effective on 21 December 2018, a summary of which is set out below:

1. The Board may declare and distribute dividends to the Shareholders.
2. The Company in general meetings may declare dividends in any currency, which must not exceed the amount recommended by the Board.
3. The Board may, subject to the Company's Memorandum of Association and New Bye-Laws then in effect, make recommendation to the Shareholders on the distribution of final dividends and may from time to time pay to the Shareholders interim dividends based on the financial position of the Company. Despite the aforesaid, there is no guarantee that any particular amount of dividends will be distributed for any specific periods.
4. The Company's ability to declare dividends will depend on, among others, the operating results and earnings, capital requirements, general financial condition, prevailing economic environment and other factors of the Company which the Board then consider relevant.
5. The Company's declaration and payment of dividends shall also comply with the Companies Act 1981 of Bermuda (as amended, supplemented or otherwise modified from time to time), the Memorandum of Association and New Bye-Laws of the Company as well as other applicable laws, rules and regulations in effect on the declaration and distribution of or otherwise in relation to dividends.

Environmental, Social and Governance Report

CHAIRMAN'S STATEMENT

2020 was an extraordinary year. A sudden pandemic disrupted the pace of normal life and work, and the whole world was lost amongst this disruption. The pandemic tested each individual's mental state and each company's resilience.

China was the first to resume work and production while the pandemic continued to spread globally. Digital China Holdings ("DC Holdings" or "the Group" or "We") joined the citizens of China to actively participate in the defense of Wuhan against the pandemic and also for the resumption of work and production. During the pandemic, we strictly followed the prevention and control requirements to strengthen the health check process for our employees, provided them with masks, disinfectant and other pandemic prevention supplies at the office, and arranged a series of flexible measures such as non-essential personnel to work from home. At the same time, our employees also showed a great level of dedication and self-discipline. These measures have effectively prevented any spread of the virus internally and ensured zero infection among the Group's employees. The Group also actively donated funds to support Hubei's post-pandemic recovery, flood relief, disaster relief, and promote the development of youth education. Empowered by digital technology and with a strong sense of empathy and social responsibility, the employees of DC Holdings each made their own contributions to the fight against the pandemic and support the sustainable recovery of society.



For DC Holdings, we are fully committed to our vision and goal of becoming the most technologically advanced big data service provider and complying with ethics and the principles of sustainable development in our business operations. We therefore have the responsibility to promote and implement positive changes, estimate the impact of environmental, social and governance ("ESG") issues on businesses, and actively respond to the challenges of achieving sustainable development.

In 2020, we not only stepped out of the pandemic and overcame the fear of it, but we also achieved new heights in our business, once again using action to demonstrate the mission of "Digital China". Also in this year, we have refined our management approach and incorporated our sustainable development goals into operation management and risk management. We are focused on our customers, employees, suppliers and partners, and strive to contribute to the long-term development of our business and generate stable, sustained value for our stakeholders. We are also committed to keeping up with global standards of sustainable development and will continue to work tirelessly in accordance with the sustainable development goals of the Hong Kong Stock Exchange and the Global Reporting Initiative GRI, and continue create value for all our stakeholders.

The year 2021 is a year in which DC Holdings takes the lead and refines its corporate values: Technology, Market, Result – Lead Ahead! Determined to subvert tradition through bold reforms and organizational restructuring, continued technological innovation and improvement of management, we will make the organization stronger, the team more cohesive, and the employees more passionate. At the same time, we will continue to focus on the needs of our customers, the health of our employees, and the priorities of all our stakeholders in order to better serve society. In 2021, we will strive to create a better and more sustainable future.

ABOUT US

DC Holdings was established in 2000 and was listed on the main board of the Hong Kong Stock Exchange in 2001 (stock code 00861.HK). For 20 years, DC Holdings has taken "Digital China" as its mission, adhering to the corporate culture of "Responsibility, Passion, Innovation, and Creating Shared Value", and remain determined to forge ahead and empower smart city development and industrial digitalization with its innovative proprietary technology. DC Holdings pushes ahead with digitalizing China; providing customers with advanced and professional digital services. After evolving numerous times from China's leading technology hardware distributor to a leading integrated IT service provider, informatization expert and smart city expert, DC Holdings has once again progressed on the path of digital transformation and is committed to becoming the most technologically advanced big data service group. DC Holdings and its subsidiaries have a total of 14,399 employees as of December 31, 2020.

As a high-tech enterprise that utilizes independent innovation of big data technology to empower the development of smart cities and the digital transformation of industry, DC Holdings has been involved in a variety of verticals and projects including smart city, smart supply chain, fintech, smart healthcare, smart manufacturing, smart agriculture, smart transportation and quantum communications, with outstanding results.

- **Our vision and mission**

We are well aware of the increasingly important role that DC Holdings plays in the industry. As such, how we create long term value for society becomes a key consideration when we look to pursue continuous innovation. As an employer of China's top technology talent, we must provide our employees with a safe working environment, health benefits and opportunities for continuous development. As a member of the wider community and a corporate citizen, we are also enthusiastic about public welfare and promote social progress through our actions such as helping those in poverty and those in need. We are committed to integrating social responsibility into all aspects of the Group (including products, services, innovation, cultural heritage and digitalization) to help promote the sustainable development of society.

Looking to the future, DC Holdings will always remember its roots and strive to execute the vision of "Digital China". We will progress in our core verticals including city big data usage model, industry big data model, fintech model and incubation model. By adopting the concept of "industry-academia-research"-based incubation, we continue to develop core data products in our smart supply chain business and utilize data processing products to accelerate the development of the data industry and through the process, build a mutually synergetic software ecosystem, providing customers with a full range of software licensing and subscription services whilst continuing to empower the development of smart cities and the digital transformation of industry. We will continue to strive for the improvement of citizens' livelihood, development of the digital economy, and the creation of wider value for our shareholders, customers and the society.

ABOUT THIS REPORT

"Digital China Holdings Limited Environmental, Social and Governance Report" (hereinafter referred to as "**this Report**") is based on the "Environmental, Social and Governance Reporting Guide" issued by the Stock Exchange of Hong Kong on December 2019, is also compiled with reference to the relevant rules under the Global Reporting Initiative (GRI) and is aimed at explaining our environmental, social and governance policies as well as our work and results during the year to our stakeholders. Our Environmental, Social and Governance ("**ESG**") reporting team is comprised of personnel from all relevant departments within DC Holdings. The team is responsible for collecting the relevant information every year and compiling this report.

- **Governance structure, strategy and objectives**

The Board of Directors is responsible for assessing and determining the environmental, social and governance risks of the Group, for ensuring that the Group has established a suitable and effective environmental, social and governance risk management and internal control system, and for the Group's environmental, social and governance report. In 2020, the Group's environmental, social and governance risk management and internal control systems were operating effectively.

We believe it is important to formulate effective governance strategies to balance the economic, environmental and social benefits of the Group's business with that of its goals. We have fully integrated environmental, social and governance considerations into the Group's business operations and management as part of our corporate development strategy, and we have paid special attention to the relationship with our stakeholders such as seeking out their opinions and views on matters, collaborate and interact with our partners, care for our employees and grow with them, and shoulder more social responsibilities. The goal of our environmental, social and governance strategy is to be a responsible big data services company that is widely recognized by the public. To achieve this goal, we will adhere to the principles of sustainability, abide by our integrity, and create shared value and development within the industry.

- **Reporting guidelines and scope**

In terms of reporting guidelines, this report follows:

- **Materiality guideline:** We determine the key areas of focus in this report based on the Group's overall strategy and operations as well as on economic, environmental and social issues that affect the sustainability of the Group's business to which our stakeholders have also shown attention to. As such, the Group will maintain close and frequent communication with our stakeholders to assess the importance and ranking of environmental, social and governance issues (see "Stakeholders" below for further details).
- **Quantitative guideline:** Where possible, this report will use data to show relevant environmental and social issues, such as illustrating data on resource consumption and carbon emissions, as well as key assumptions, calculation methods and reference basis.
- **Consistency guideline:** This report will disclose changes in statistical methods or key performance indicators (if any), or any other relevant factors that affect the comparison, in order to avoid misleading the readers of this report.

In terms of the scope of reporting, unless otherwise specified, the content contained in this report covers all subsidiaries of DC Holdings.

In addition, all the information quoted in this report comes from the Group's official documents, audited annual reports, and relevant data and information collected by the Group's functional departments.

In the following pages, we will analyze our environmental, social and governance strategies from the perspective of our stakeholders, users, employees and communities as well as intellectual property, supply chain & anti-fraud and the environment. We will also illustrate our implementation results for 2020.

OUR STAKEHOLDERS

- Stakeholder analysis**

We recognize the importance of stakeholder feedback on our environmental, social and governance policies. Consequently, we maintain close communication with our stakeholders to collect their views and suggestions on environmental, social and governance issues. We also engage in an open and transparent dialogue with our stakeholders through various channels, including meetings, surveys, seminars, etc. The table below presents the Group’s key stakeholders, issues and communication channels.

Stakeholders	Main topics	Main Communication Channel
Government and Regulatory Agencies	Compliance, Corporate Governance	Meeting, Written Report, Interview, Policy Consultation, Information Disclosure
Shareholders and Investors	Business Development, Return on Investment	Company Information Disclosure, Investor Meetings, Social Media Platform Interaction
NGOs and Media	Environmental Protection, Compliance Consulting, Charity	Industry Events, Press Conferences, Social Media Platform Interaction
Customer	Product and Service Quality, Privacy Protection	Customer Feedback, Meetings, Customer Service Hotline, Real-Time Customer Support
Staff	Training, Welfare, Career Planning, Healthy Working Environment	Labor Union, Staff Meeting, Internal Training Program "DC Elite", Corporate Social Platform, Regular Employee Satisfaction Survey Feedback
Community and the Public	Volunteer Service, Charity, Environmental Protection	Company Website, Company Wechat Public Account, Media Reports, Irregular Community/Volunteer Activities
Supplier	Fair Cooperation, Integrity	Meetings, Regular Assessments, Site Visits

For example, the Group attaches great importance to interaction with regulators, shareholders and the media (please refer to the text for the Group’s communication and interaction with other major stakeholders). Apart from fulfilling its information disclosure obligations in strict compliance with regulatory requirements, the Group also builds a platform for communication through multiple channels and means, and allows stakeholders such as regulators, shareholders and the media to fully understand the Group’s operation and development direction through regular and specific communication meetings. At the same time, the Group also listens carefully to the views and suggestions of relevant parties in the hope that it can continue to develop in a sustainable and healthy manner and give back to all stakeholders.



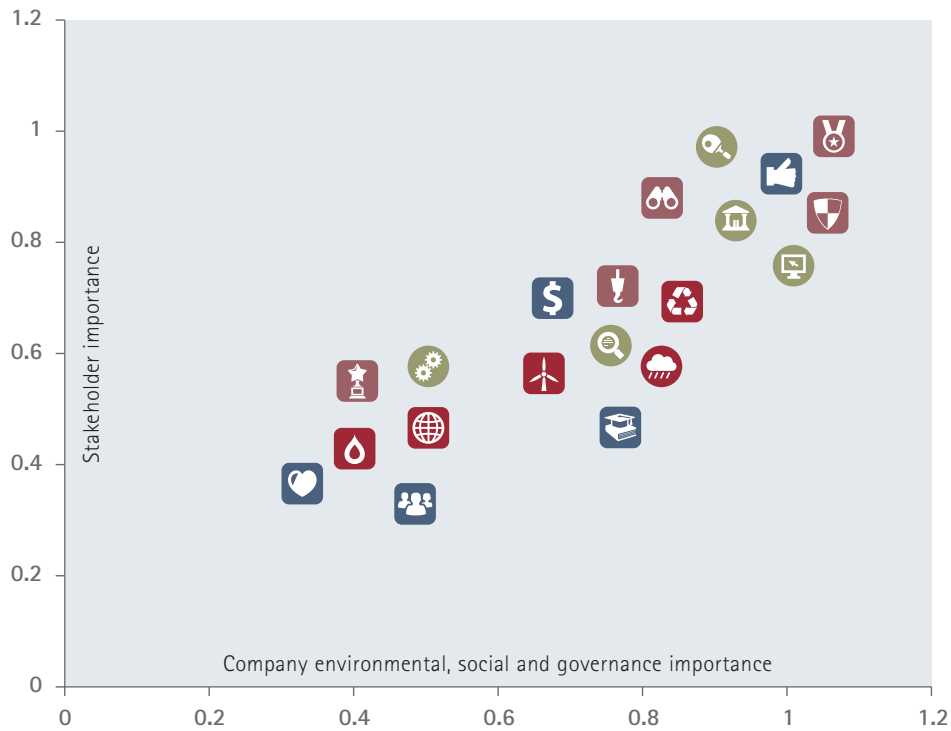
Interaction with media, investors and others

Environmental, Social and Governance Report

In 2020, apart from making strict information announcements and holding regular general meetings in accordance with the regulatory requirements, the Group also invited shareholders/investors to host presentation meetings from time to time. Statistics indicate that the Group held over 60 meetings with shareholders/investors and the media during FY2020. A number of analysts from domestic and overseas brokerage firms have published regular research reports on the Group.

- Environmental, social and governance issues importance assessment**

In FY2020, we not only discussed the importance of ESG issues with our stakeholders through the above-mentioned communication channels, but also conducted an online questionnaire to understand the importance of these issues as ranked by our stakeholders. The survey results and our communication with our stakeholders led to the following assessment of the significance of ESG issues:



- | | | | |
|---|----------------------------------|------------------------------------|------------------------------------|
| The company operates normally during the outbreak | Anti-Corruption | Diversity | Talent Attraction & Retention |
| Compliance with Regulatory Requirements | Community & Volunteer Activities | Staff Health and Safety | Staff Benefits |
| Media, Analysts Disclosure | | Staff Training and Development | |
| Climate Change Response | Energy Saving Management | Supply Chain / Supplier Management | Product Innovation |
| Pollution Reduction | Waste Management | Customer Satisfaction | Customer Data Security and Privacy |
| Water Supply Management | | Intellectual Property | |

- **Environmental, social and governance direction**

In the past 20 years since its listing, DC Holdings has never forgotten its roots, and strive to execute the vision of "Digital China", adhering to our corporate culture of "responsibility, passion, innovation and creating shared value", and continuously innovating to empower China's digital transformation. At the same time, we are fully committed to promoting sustainable development strategies and actively build a healthy product ecosystem.

Through the process of leading the industrial big data development and innovating the "Digital New Infrastructure", DC Holdings was awarded the No. 1 prize in the Digital Infrastructure Top 100 in 2020, the Best Service Provider of New Infrastructure Big Data in 2020, and the Most Growth-Oriented Chinese Listed Technology Company in 2020 by external organizations. In the future, we will continue to strengthen our corporate management system, integrate environmental, social and governance issues deeply into our business operations, and work more closely with our stakeholders to build a better future.

USERS

- **High standard services and enhanced technology support to customers**

As a big data technology company, DC Holdings has always been putting the customers at the heart of the business and constantly delivered the best services and solutions to them in multiple scenarios including smart city, supply chain, fintech, etc. We are committed to provide government, industries and corporates one-stop data services, including project implementation, data-management, software subscription, software maintenance support, IT consulting, and end-to-end supply chain services.

To enhance the quality of our services, we have obtained ISO20000 system certification for information technology service. At the same time, we have also implemented the business continuity management system in accordance with ISO22301 which requires the continuous improvement on a system to reduce the likelihood of occurrence of a disruptive incident, ensuring an emergence plan is in place during such an occasion and reserve in advance proper resources for customer support, including software, hardware, labor, funding, etc. In addition, we also continuously optimize internal control procedures and workflow by providing training and raising the awareness to management and staff. Finally, we constantly review and update the system and emergency plan on an annual basis to ensure the reasonableness and functionality. During the holiday season of lunar new year in 2020, our engineers remain on duty and volunteered their time off to ensure services and systems were available to the public during lunar new year, thereby winning praise from our clients. During the pandemic, despite all the obstacles, our engineers provided full support to the Weihai city government and completed the update of the information systems in time for effective pandemic control.

DC Holdings have enhanced the customer service system through information technology, to standardize the process, promote transparency and efficiency and ensure all issues are properly identified and treated. We also established proper communication channels with customers, and continuously improve and adjust our services, according to the needs from customers and also the actual circumstances, in order to provide tailor-made solutions to each individual to boost customer satisfaction.

For the after-sales service, we have established a separate department to deal with customers feedback. In 2020, the total number of complaints received from customers was approximately 16,000, which accounted for less than 0.05% of total orders. We have always prioritized requests from customers and once any customer feedback is received, a corresponding department staff would follow up with customers as soon as possible and devise a proper solution for customer. In addition, we would evaluate and improve our internal procedures and controls, based on the feedback and complaints we receive from customers in order to prevent the issues repeating again in the future.

- **Improvement of quality control and customer experience**

In term of the standard of quality, we are extremely focused on the R&D process, quality of our deliverables and internal control management. The Group has a well-developed PMBOK control system, which follows the standards of CMMI-5 and ISO90001. The system covers the functions of product quality management, product testing management, configuration management, as well as project management and process monitoring features for quality assurance.

On the system side, we have built a service support system that matches the feedback from customers with our inhouse quality management system. The system runs through the entire delivery process, including internal and external collaboration and division of labor, establishment of corresponding project departments, setting up project managers, customer service points, and transforming requirements into internal processes. Internal operating systems are also set up with the right personnel, project departments and operating systems also collaborate to provide corresponding service and products. Timely response and feedback to customer needs and problems during the service process are also key, statistical analysis of customer KPI indicators every month and quarter are implemented and timely rectification of problematic issues are done to meet customer needs and enhance our customer experience.

- **The importance of data security and user privacy**

With the rapid development of the internet and advancement of global informatization, data has penetrated into every single aspect of our daily life and all industries, and is becoming the core competitive factor for future development. From government's perspective, it includes not only data related to city management and infrastructure, but also the data from citizen livelihood and consumption. For financial data, this includes market data, company data, industry and pricing indexes, etc. Moreover, from an individual user's perspective, it covers all types of information related to personal identity, medical history, health status and consumption habits. Such data have unlimited potential applications and are valuable assets for future development.

With the upside and convenience that big data brought to society, this has also raised our awareness on importance of data security and issues of privacy. To process the massive amount of data and information, setting up a security system to prevent the data leak is crucial and should be treated as priority in the era of digitalization.

- **Technology innovation & data security**

Technology innovation is the anchor of future development in the era of digitalization. "Yan Cloud DaaS", a leading big data solution developed by DC Holdings which was awarded the first prize of the National Technology Invention Award in China, has played a key role in data integration. The solution could integrate any data source by generating API links updated in real time, even those with legacy databases and without primary coding and original engineering support, all at the lowest possible cost. At the same time, it provides user authentication, channel isolation, content encryption, access protection, data blockchain and other enhanced technologies to ensure the data security. "Yan Cloud DaaS" is currently widely used in China, which has been applied to more than 10 different government departments across more than 20 provinces and cities, including Beijing, Shanghai, Guizhou, Zhejiang and etc. Therefore, the solution is now a center piece of technology of the big data ecosystem in China that is worth trillions of dollars.

In 2020, DC Holdings was selected as one of the key technology service providers for multiple big data infrastructure projects in China. The projects involved designing and establishing an overall data security system for data collection, storage and sharing, thereby improving the traceability and confirmation process for data access and sharing to prevent any data leakage. The system could effectively address the concern about data security from government, and encourage data and information sharing across departments.

Financial data is part of China's national assets and a matter of national security. With the accelerating growth of digital transformation in financial institutions, it is crucial to ensure a proper IT system is in place to improve cyber security and operational efficiency. With our advanced technologies, DC Holdings has provided an one stop solution to various banks for their system infrastructure, including upgrading the IT security system, establishing data integration loops and online banking systems, working together with the industry to create financial security through the construction of a financial ecosystem and to equip market participants with best secure options to continuously improve the service quality to end-customers.

- **Project execution & data security**

For the project execution, the Group paid great attention to data security and user privacy. We have standardized and upgraded the control procedures and technologies in terms of personal security, physical security, network security, application security, log management, etc. to ensure the confidentiality, integrity and utility of customers information.

- In the research phase of customers' need, we clarify the safety requirement and summarize to a research report during the preparation phase of design specification and based on the outcome of the research report, we make corresponding adjustments obtain further approval to proceed.
- In the execution stage, we follow the safety coding standards and go through safety audits, regular backups, and any changes will be reviewed and confirmed with customers.
- For the testing stage, other than the satisfaction of statutory testing requirements, we also conduct additional testing on access control, defect monitoring and vulnerability scanning.
- At the trail stage, we focus on the performance of the system and go through the detailed check-up and verification with customers to ensure the system serves the purposes and needs.
- For maintenance stage, after the system is launched, we will regularly upgrade and debug the system, and also perform antivirus check and backup creation.

- **Safety control qualification**

One of the subsidiaries of DC Holdings holds multiple top-ranking certifications including ISO27001 Information security management certification, information security service qualification, Level I security engineering enterprises qualification, Level 1 Information security engineering qualification, Level 1 information risk assessment qualification, etc. These certifications and qualifications demonstrate DC Holdings is both qualified and capable to fulfill the nation's highest safety regulatory standards and ensure our customers are receiving the best quality service in the market and that their data and assets are in good hands with various layers of control procedures to minimize the risk exposure. In addition, the Group will perform annual internal audits on information security, and engage third-party professionals to conduct external audits in order to make sure all systems and control procedures are effective and functioning.

OUR PEOPLE

- **Diversity & inclusion**

Talent is of paramount importance for the success of any organization. At DC Holdings, we believe our people play a vital role in shaping our culture and driving organization development. The knowledge and professionalism of our people, over 14,000, are indispensable for the continuous success of the organization. We always execute our corporate culture to build our talent selection and reward mechanisms while appreciating the diversity of our people. We are committed to building a workplace where our people could be fully recognized and rewarded for their exceptional contributions to DC Holdings' continued success. We aim to make a difference and to attract more people who share the same vision with us to join us and let them reach their full potential as we strive to improve the quality of the working environment for more than 14,000 employees.

DC Holdings treats all colleagues and job applicants fairly. As outlined in our Diversity & Inclusion Policy, we will not be affected by factors such as the age, gender, physical health, marital status, family status, race, color, nationality and disregard all factors deemed inappropriate by local law and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, including its core labor conventions for the elimination of forced or compulsory labor in respect of employment, training, promotion, transfer, salary and benefits management, etc. We prohibit the use of child labor in our business and supply chain. All employees must be above the legal age in the locations where we operate. We also eliminate discriminations in respect of employment and occupation, and respect for freedom of associations and the rights of collective bargaining.

We adopt different recruitment channels to attract talents. We also encourage talent referral, and we believe in creating an environment where our people feel comfortable at work and able to exercise their full potential.

Visit our website to download our DC Holdings Diversity & Inclusion Policy and DC Holdings Human Rights Policy.

- **General employment**

For employees in China, DC Holdings enters into employment contracts with its people in strict compliance with the requirements of the Labour Law and other pertinent laws and regulations in China, and makes contributions to social insurance funds, including pension, medical, unemployment, work injury and maternity funds, and the housing provident fund for the benefit of its employees in accordance with the requirements of the national policies. The Group also provides employees with one free physical examination benefit every year and those people with outstanding performance as shown in their performance targets will be awarded with annual bonuses.

For employees in Hong Kong, Macau, Taiwan or oversea areas, the Group also abides by all local laws and the international standards to ensure fair treatment of all our employees.

- **Compensation & benefits**

We foster a performance-oriented corporate culture. To attract and retain outstanding talents and ensure the sustainable development of the organization, the Group has established a mechanism where we recognize our people based on their performance along with our fixed pay and variable pay compensations for different positions.

Our remuneration is tied to our "3P Compensation Approach" in which our employees' pay is developed according to Position, Person and Performance. We aim at offering fair and competitive pay to our employees. Fixed and variable pay would be regularly reviewed to support gender equity, change of working environment, and comply with ever changing laws and regulations. To cope with the evolving talent and organization needs, we would also optimize our benefits portfolio to ensure it stays competitive and comprehensive.

We believe that non-financial rewards could also attract, engage and retain our employees. Cash and benefits are generally intrinsic to our employees, and we offer a wealth of learning and development opportunities to help employees' career development.

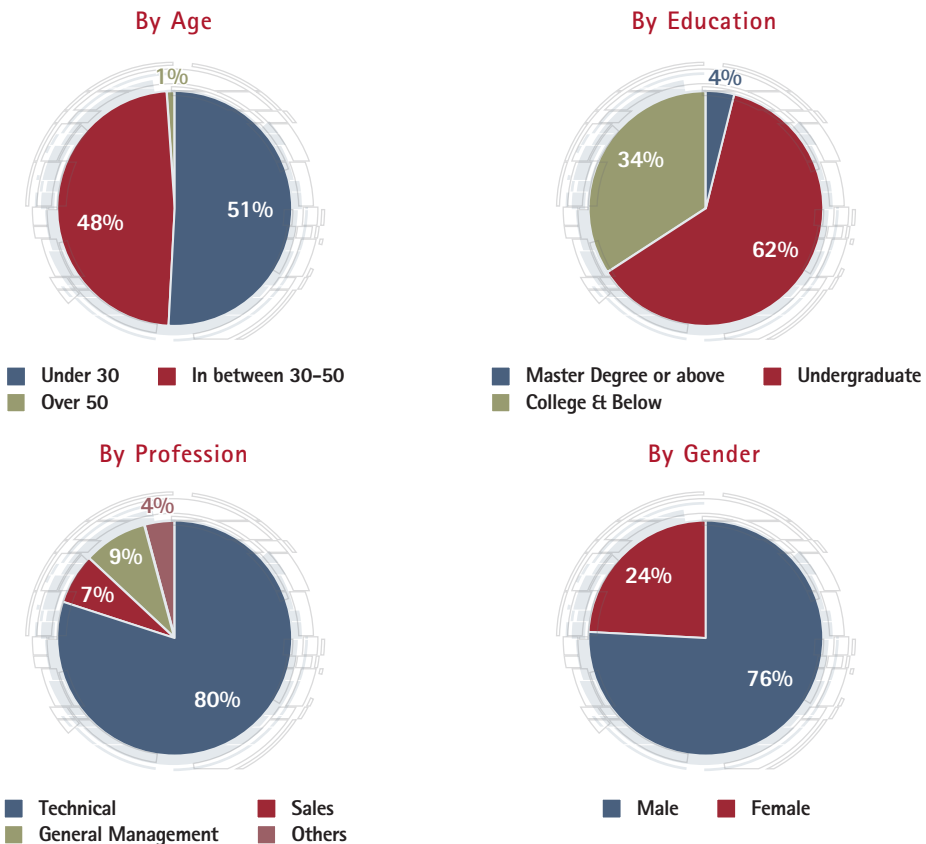
In addition to offering professional growth opportunities, we also regularly recognize our employees who have made contributions to the organization. For example, the Group has established awards such as "Outstanding Contribution Award", "Innovation Award", "Teamwork Award", and "Master Award", etc. We would arrange open recognition to the teams and individuals who receive awards for their outstanding effort and excellent performance. We would also organize "Employees Open Day", and we believe this kind of gathering could enable us to build a stronger sense of belonging and engagement among our employees.

• **Employees overview**

Talent is a key force that drives our organization development. In the past year, to recruit excellent talents, the Group continued to expand and optimize its talent acquisition channels and assessment mechanisms with a view to attract and gather more competent talent to join our organization. We sincerely welcome talents of different nationalities, races, genders and regions to join us while appreciating their diversities.

As of the end of 2020, the total number of employees of DC Holdings was 14,399, with an increase of approximately 22% from 11,803 employees as of the end of 2019. The significant increase in the number of employees of DC Holdings in 2020 was mainly due to the business expansion of its affiliated companies under DC Holdings, which increased manpower demand.

In 2020, the employees of DC Holdings are divided by Age, Education, Profession and Gender as follows:



Remarks: All of the above are full-time employees. The Group will cooperate with external Human Resources vendor to engage contractors in handling any temporary work assignment.

- **Development and training**

As an organization that always strives for innovation, DC Holdings ensures that adequate resources are set aside each year for staff training. Our training system has been designed to match our employees' career development paths within the Group. The purpose of all our training courses is intended to enhance the competence level of employees for the roles they undertake at different career stages, aiming to accelerate our employees' performance for better career development. We organize induction training for new employees, which focuses on the current business situations and strategic objectives, history and corporate culture of the Group so as to enhance employees' sense of corporate identity. The business units will design and organize specific business training according to their needs. The online learning center provides general training that effectively helps employees to enhance their competence and efficiency in work and improve their professional aptitude. At the same time, employees can take the initiative to take part in training for specialized skills, management skills or examinations for professional qualifications provided by external training organizations.

In 2019, to build a high-potential talent pool for our management team and professional groups, the Group established the "DC Elite" talent training platform project to stimulate organizational vitality and build a driving force for continuous development within the organization. In 2020, the Group created the "DC Geek" aiming at developing technical talent. Through the "Dual DC" training organizations of "DC Elite" and "DC Geek", we establish talent training and development ecosystems for DC Holdings.

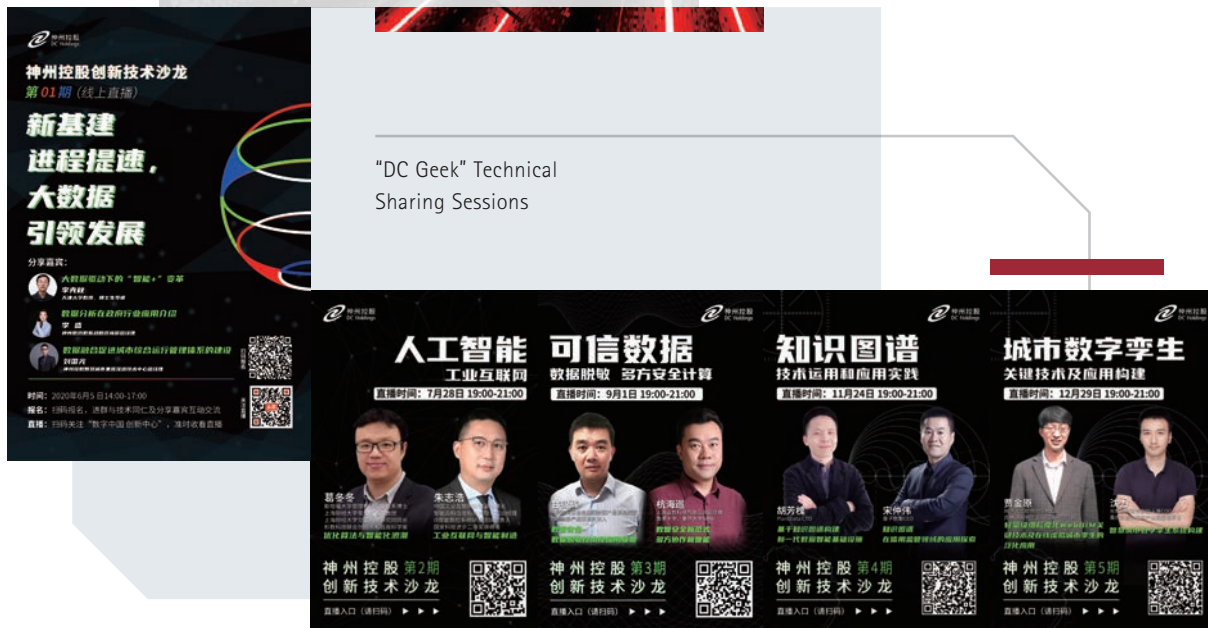
"DC Elite" is committed to selecting and developing management talents for DC Holdings. During the first year of implementation, DC Holdings' exclusive talent training system has continuously excelled and improved, from the selection models to the upgrading of training approaches, and then the actual execution has made every member truly feel their own improvement. The members of "DC Elite", as one of the Group's management talent pipelines and outstanding employee representatives, had the courage to step out of their positions, give full attention to the spirit of ownership, overcome each issue, meet challenges continuously, and get closer to the Group's strategy, business layout, and development planning, etc. They continue to explore and innovate, and use accountability, passion, innovation and creating shared value to jointly promote the Group's innovation and change as they build up a rich talent resource for DC Holdings.

"DC Elite" Discussion and Sharing Forum



"DC Geek" is committed to selecting and developing technology "gurus" for DC Holdings. As a big data services leader, the application of big data technology is key to the Group's ability to expand its service scope, and it is also the driver to achieve the Group's strategy and maintain its leadership position in the industry. The members of "DC Geek" have devoted themselves to the implementation of technology strategy in addition to performing their original roles. They actively promoted the establishment of the Group's technology infrastructure, and invited external experts to understand the technical expertise of external networks with an open mind, and fully understand the latest practice and trends of the market by successfully organizing a number of important technology sharing seminars. The members of "DC Geek" insist on technology advancement as our corporate strategy, adhering to the "geek" culture, and constantly exploring, innovating and making breakthroughs themselves in new technology that has enabled the Group to achieve milestone after milestone consistently.

"DC Geek" Technical Sharing Sessions



In 2020, the Group further increased the investment in training resources, with the learning time of our employees exceeding 137,000 hours and the number of participations exceeding 18,000 times. The training programs covered generic trainings for general staff, leadership development, contract logistics management, new employee induction, rules and regulations, customer management, and financial management, etc. In 2020, with the impact of the pandemic, the Group's average training time was approximately 10.32 hours, which is still an 8.6% increase compared with the 9.5 hours average training time in 2019. The major reason is that the Group took the pandemic as an opportunity to vigorously develop online training channels. We strengthened the flexibility of training, and let our employees access their training anywhere at their own pace. We could effectively measure the training completion rate and track the effectiveness of training.

The average training hours of employees at different job levels during the year based on the records of HR training system, online learning center, cloud courses, etc. are as follows. Our group Senior Manager to General Manager receives more external training and in-house professional training in addition to the regular certification trainings.

By Job Level	Average Training Hours
Senior Manager to General Manager	75.43
President & Vice President	46.70
Manager	8.64
General Staff	5.53

The average training hours of employees by gender during the year are as follows. The average training resources received by male and female employees were basically the same, with no significant differences.

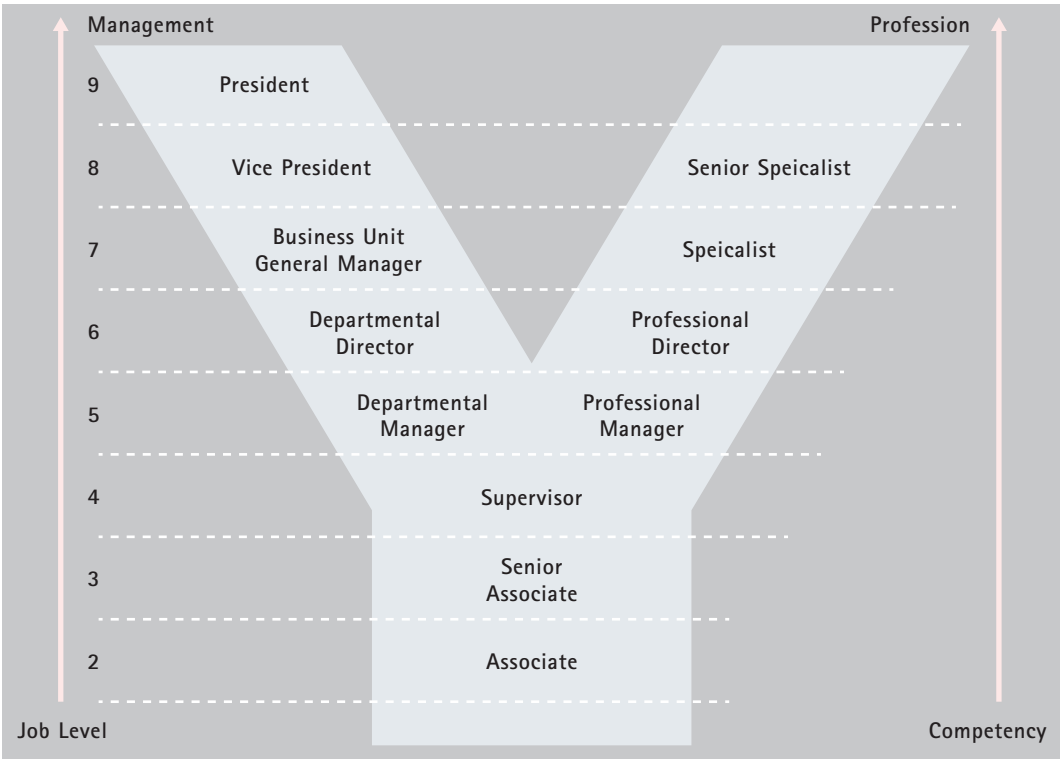
By Gender	Average Training Hours
Female	10.83
Male	10.14

The average number of training hours for employees receiving various training programs during the year are as follows. We offer more professional training programs compared to different types of trainings. In addition, the new process and system training in 2020 helped all employees have a clearer understanding of the Group's rules and regulations and related processes and enhance employees' awareness and understanding of the Group's internal control mechanism.

By Training Program	Average Training Hours
Professional Training	5.84
Corporate Culture	1.63
Management Development	1.58
Anti-Corruption	0.75
Generic Training	0.29
Process & System Training	0.23

- Promotion and career development**

At DC Holdings, employees can take up more job accountabilities and reach senior positions with better remuneration through promotion. The Group has implemented a structured management mechanism to offer an equal and fair platform in managing the promotion and development of our employees. Under our structured career framework, we offer career development opportunities either under management path or professional development path. This unique dual-channel career development mechanism breaks the traditional career development journey, and we establish a career framework unique to DC Holdings.



2020 DC Holdings Career Development Framework

When we consider a promotion, we generally have the following considerations.

- The nominee has proven track record of performance exceeding and beyond the normal job expectations/scope.
- The nominee will assume significant expansion of job scope, and has high potential to be successful in the new role.
- The nominee has demonstrated efforts taken to gain new skills and continue to grow and perform the bigger role.
- The nominee has personal motivation and willingness for an increase in job level and responsibility.

The Group officially treats "creating shared value" as one of the Group's core values. In the future, we will establish a new path for employees' career development through our "DC Holdings Partnership Program". We encourage every "partner" to become an owner and enable them to participate more deeply in the Group's business management. Each partner can share the dividends of the Group's growth and achieve development, management and sharing altogether.

Through our unique talent career development framework, we provide employees who share the same vision with us a platform where they can unlock their full potential so that outstanding talents can fully be realised. The talent career development framework introduced by the Group provides the above-mentioned development paths, and we encourage employees to choose their own career development, promotion paths and realizes our theme of "Achieve Your Own Future" by each individual employee. We hope that on the platform of DC Holdings, every employee can achieve their own dreams and act as one of the pillars to form "Digital China" in the future.

- **Resignation and separation**

DC Holdings is committed to providing continuous and secure employment opportunities to our employees, and we understand there are various subjective and objective reasons for the resignation and turnover of employees. We are committed to ensuring that all resignations are handled in a fair, non-discriminatory and consistent manner. When handling any resignation, we respect the rights of both the Group and employees and we fully comply with the requirements of local laws and regulations.

The Group will try its best to retain and reduce the turnover rate of our talents. If an individual employee's work behaviour violates our established rules and/or local laws and regulations, the Group will take disciplinary action, dismiss and/or take corrective measures, or even transfer it to the judicial authority, as and when appropriate. In 2020, the employee turnover rate of DC Holdings according to profession, gender, age group and region is as follows:

Category		Turnover Rate
By Profession	Technical	22.76%
	Sales	24.62%
	General Management	21.08%
	Others	25.21%

Category		Turnover Rate
By Gender	Male	23.65%
	Female	8.69%

Category		Turnover Rate
By Age	Age under 30	25.81%
	Age 30-50	19.32%
	Age over 50	24.16%

Category		Turnover Rate
By Region	China	22.84%
	Hong Kong, Macau, Taiwan & Overseas	21.31%

In 2020, the overall staff turnover rate of the Group was 22.84%, which was a decrease from 24.47% in 2019. By comparing the turnover rates under different categories, it can be seen that the turnover of sales and other general management group of employees is relatively high, and the mobility of employees under 30 years age group is relatively high, and the mobility of male employees is relatively high.

Remarks:

1. In this report, the employee turnover rate = the number of turnover employees/(the number of employees at the end of the year + the number of turnover employees in the current year) * 100%;
2. In the 2019 ESG Report and before, the employee turnover rate disclosed = the number of resignations/((the number of employees at the beginning of the year + the number of employees at the end of the year)/2)*100%;
3. As mentioned above, the employee turnover rate of 24.47% in 2019 has been recalculated according to the new calculation method, which is comparable to the employee turnover rate in 2020.

The Group will abide by all local laws and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work to ensure fair treatment of our employees.

Visit our website to download our "DC Holdings Code of Conduct and Business Ethics Policy".

- **Work-life balance**

We believe excessive work pressure can affect employees' emotional, physical health as well as their family life. In a diversified cultural environment, we encourage a culture of work-life balance. The Group put great emphasis on employee cultural activities and regards the development and enrichment of employee cultural and sports activities as an important part of supporting the Group's cultural development. We established employee swimming fitness clubs, badminton and basketball fitness clubs, and choirs, etc.

In 2020, the Group's labour union and other organizations carried out employee swimming and badminton fitness club activities, with a total of more than 840 participants. We encourage employees to stay fit and release stress during the pandemic. At the same time, they organized events such as badminton competition and more than 100 employees participated in it. They formed teams and played with much enjoyment, surpassing their own expectations, enjoying the activity and sharing a healthy life together.



Group photo of 2020
Badminton Match

Since the outbreak of the pandemic, the Group has managed to retain our full manpower resources and has not implemented any measures such as redundancy, salary cuts or requiring employees to apply for any no pay leave. We hope to work together with our employees to overcome the difficulties and to further enhance the engagement within the organization.

- **Occupational health and safety**

The day-to-day operations of DC Holdings largely involve the use of computer applications and paperwork documentation conducted in the office. While such activities do not involve significant risks against occupational safety and health, we are nevertheless committed to the protection of the occupational health and safety of employees. We have formulated an occupational health and safety policy, with a view to giving effective protection to staff health and safety. An affiliated company of DC Holdings has obtained the "ISO45001 Occupational Health and Safety Management System Certification".

According to the "Social Insurance Law of the People's Republic of China", the Group provides employees and their families with various health and safety-related insurance benefits, namely medical insurance, commercial insurance, accident insurance, life insurance, etc. We cooperate with professional medical institutions and provide employees with online consultation services for private doctors, and provide special insurance coverage for COVID-19 for employees who worked overseas during the pandemic. It better protects the health of employees and improves their ability to cover risks. Only by improving and guaranteeing the occupational health and safety of employees, can productivity be effectively improved, so as to achieve a win-win situation for both the organization and the employees.

With the establishment of Employee Mutual Aid Fund, the Group will continue to offer support to those employees in need. We foster to construct a harmonious working environment, and aim at raising the happiness level of our employees. With the strong support and participation of employees, the number of Employee Mutual Aid Fund members in 2020 was 6,912 and we collected membership fees of RMB829,400, including donations from some of the Group's senior executives. The Group put great emphasis on discipline, and the senior management strictly observes the regulations and takes the lead. In the event of any late attendance by senior management on meetings of the Group, the voluntary donation mechanism will be triggered for them, and the donated funds into the mutual aid fund from the senior management individual(s) will be used for employee assistance. In 2020, the Group's employee mutual aid fund completed a total of 7 cases of assistance to injured and sick employees, with a total support of RMB303,200. From 2018 to 2020, we have one employee casualty case due to work injury. In 2020, a total of 4 employees were injured at work, and 3,656 working hours were reported.

We strictly abide by the laws and regulations pertaining to occupational health and safety at the place we operate. At our work premises, necessary health and safety guides are provided to all staff, while regulations and measures for the administration of contingencies in occupational health and safety have also been formulated. Employees are provided with high-quality working environment.

- 2017 onwards, the Group installed new ventilation and fresh air purification systems to ensure the high-quality air in the office and protect the health of its employees. The administration department of the Group is responsible for coordinating the day and night security of the Digital Technology Plaza, maintenance of fire-fighting equipment and first-aid kits, and fire drills.
- In 2018, the Group carried out a comprehensive upgrade and refurbishment of the fitness center in the building. Improvements were made to the facilities with the addition of rowing machines, spin bikes sets, table football and other fitness facilities, which are open to all employees of the Group free of charge. These facilities have been provided to encourage staff to pay attention to their health and fitness amidst hard work and dedication.
- 2019 onwards, in order to maximize the safety and quality of drinking water for our employees and protect them from secondary pollution, we changed the bottled pure water in the office to nano-filtered drinking water from the leading suppliers in China.
- In 2020, to prevent and combat the sudden pandemic, we took a series of measures to protect the health and safety of employees. We distribute masks to employees; regularly organize key disinfection and cleaning of office areas; implement access management where personnel entry requires temperature measurement, and work card inspection registration; arrange employees to decentralized offices where conference rooms are adjusted, and daily pandemic prevention and protection work are carried out to protect the safety of employees in the office area during the pandemic. In addition, under the premise of full protection of our employees in the pandemic, restaurant tables and chairs have been completely replaced, and leisure meeting rooms have been set up to enable employees to utilize a clean, tidy, relaxing and pleasant environment.

Visit our website to download our DC Holdings Occupational Health and Safety Policy.

- **Communication channels**

DC Holdings encourages dialogue on an equal footing between superiors and subordinates. This kind of positive, harmonious and candid interpersonal relationship and communication maintains a mutually trusted working atmosphere to form the foundation of efficient collaboration, and we could achieve progressive development together within the Group. The Group has established comprehensive communication channels. The employees' direct superiors, departments, and human resources department provide assistance to employees in terms of job satisfaction, labor protection, career psychological counseling and grievance handling. The Human Resources Department is responsible for collecting suggestions from employees, and they would evaluate and follow up in a timely manner.

In 2019, we decided to hold staff meetings quarterly, through which the management could share with all employees updated corporate strategies and business performance. Our employees took an active part in the communication and expressed their interests about the Group's future development, and treated staff meeting as an effective channel to understand the Group's strategy and business conditions. The Group also followed up and gave feedback on the questions and suggestions raised by our employees, such as changing the format of the staff meeting and establishing a key talent pool. Through staff meetings, the Group could effectively cascade corporate goals and allow employees to better understand the Group's core values and mission, and employees could further review and develop their careers within the organization. During the 2020 pandemic, the Group introduced online staff gathering. Employees actively participated and raised lots of questions online, and we could ensure continuous communication within the Group during pandemic.



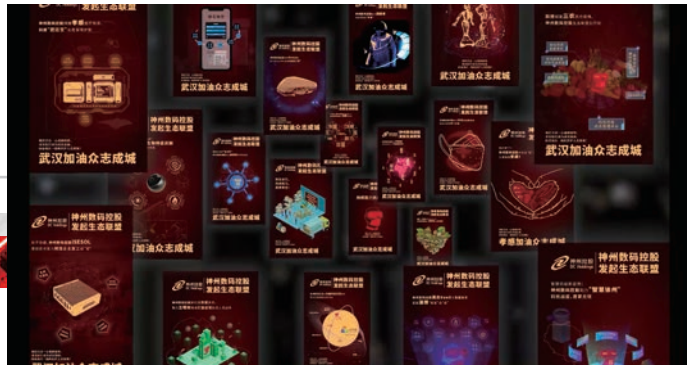
Online Staff Meeting

In 2020, DC Holdings celebrated the 19th anniversary, and we organized online staff gathering during pandemic. Employees across the country participated in the event to celebrate and share the happy moments altogether.

COMMUNITY

• Anti-pandemic with technology

Right after the outbreak of COVID-19, DC Holdings immediately initiated the establishment of an anti-pandemic alliance. With the alliance and smart supply chain model, we achieved zero confirmed cases in the team and ensured the safety of our staff. At the same time, we continued to fight against the pandemic and collaborated with our business partners, including Huawei, Cisco, Tread, Laiyifen, China Mobile, Gulf Security Technology, CloudMinds, and 360 Charity Foundation to support the first line of the pandemic areas with medical supplies, equipment, and funding. In addition, we dedicated our existing business resources into the anti-pandemic alliance, such as providing logistic, and warehouse support with our leading big data solution. As a result, the anti-pandemic alliance and its members were awarded the title of "Advanced Private Enterprise in Anti-pandemic" issued by All-China Federation of Industry and Commerce.

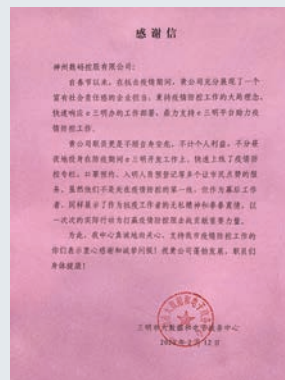


DC Holdings-led anti-pandemic alliance

On the other hand, with "Yan Cloud DaaS", the technology which awarded the first prize for National Technology Invention Award, DC Holdings was able to quickly collect data, medical history and other relevant information from patient, and connect and share such information on multiple databases and big data platforms. The government was able to have a full view of the situation and enhance decision making capabilities on a real time basis. We applied our leading technologies, such as big data, cloud computing and artificial intelligence, into the battle against the pandemic and encouraged sharing and collaboration among cities and provinces, including Sanming, Zhangshou and Longyan city in Fujian Province, Weihai City in Shandong Province, Wuhan City in Hubei Province, Xiaogan City, Yanqing District in Beijing, Nankai District in Tianjin, Tangshan City in Hebei Province, Xuzhou City of Jiangsu Province and many more. After winning over the pandemic, we assisted in resumption of function for those previously affected areas. We had received many thank you letters from governments and institutions.



Thank you letter from hospital and government



In Sanming City, the government collaborated with DC Holdings to develop the "e-Sanming" platform using our leading big data solution Yan Cloud DaaS, in order to improve the efficiency and react quickly during the pandemic. Thus, the city was able to resume to work and production relatively quickly. During the pandemic, "e-Sanming" platform spread the knowledge and information of COVID-19 prevention to public, handled their inquiries and offered free consultation services, so the public could be informed immediately when there is any update of the pandemic. The platform also offered the mask reservation services with 1.35 million masks supplying to the citizens. In addition, the platform allows the public to perform more transactions and applications via the systems, to avoid physical contact and prevent further breakout of the virus. The system played a key role for the battle of pandemic and led the city back into function.

In Zhangzhou city, with our big data solution Yan Cloud DaaS, the government and DC Holdings built up an online public service platforms "Zhangzhoutong" together, to help with the economy recovery after the pandemic in many ways: launched "travel code" with the support of big data solutions to gather the travel history from the public to prevent further outbreak of COVID-19; launched events "Invoice Lottery" and "Passenger Car Subsidiary" to stimulate public consumption and recovery of the post-COVID economy; handled more public services through online platform to reduce physical contact and encouraged instant inquiries and reports from public and social awareness.

In Weihai City, DC Holdings provided the government technical support on data integration with our solution Yan Cloud DaaS in order to solve the matters on pandemic monitoring, pandemic prevention and control, command control, business coordination, work and production monitoring, etc. The government then was able to have instant, accurate and precise data and information and reached a better decision making ultimately.

At the "2020 China-Europe Green Smart City Summit", with the outstanding tracking records in Saming, Zhangzhou and Weihai City, DC Holdings was selected out of a large number of global cities and awarded "2020's highlight of combating the pandemic with digitalization" to serve as an example for others. The efforts made by DC Holdings during the pandemic was once again recognized by the government locally and globally.



Trophy of "2020
Digital Anti-pandemic
Outstanding Cases"

• **Public charity**

Our mission is "Digital China", and this comes along with a strong sense of responsibility and the pursuit of innovation. In our daily activities, we adhere to the social responsibility and ensure all our decisions are aligned with our mission and two beliefs. DC Holdings and all its staff act on behalf of our mission and beliefs. We established DC Holdings Charity Foundation, and donated thousands of funding, supplies and digitalization services, with a total amount of over RMB49 million, into social welfare activities in the past decade, such as earthquake relief, education and poverty relief and etc. This showcases that DC Holdings acts on its word and puts our mission and belief into action with positive corporate culture and social responsibilities. The main charity donations made by the Group in 2020 are listed as below:

- Supplies and service donation to anti-pandemic efforts worth RMB30 million: During the pandemic, DC Holdings offered our supplies and digitalization services for free which were worth approximately RMB30 million and also led to the donations from members of the afore mentioned alliance with a total amount of over RMB200 million.
- Capital donation to Hebei for anti-pandemic efforts worth RMB1 million: After the COVID-19 outbreak, we donated RMB1 million to Hubei Province, the most affected province, through one of our subsidiaries to the Hubei Provincial Poverty Alleviation Foundation in order to help the battle against the pandemic and recovery of Hubei during and after the pandemic.
- Capital donation to support youth education worth RMB500,000: In order to support our next generation and let children in poorer areas receive better education, our Group donated RMB500,000 to Dongrun Charity Foundation in November 2020. With this, we hope to let the children obtain fair education opportunities and offer them chances to get out of poverty.
- Capital donation to Nanjing for flood relief worth RMB200,000: In 2020, affected by heavy precipitation and tides, the Gaochun district in Nanjing City and its surrounding areas suffered from severe losses. Although the post-disaster reconstruction were carried out in an orderly manner, the community in the areas faced serious damage and losses. The Group donated RMB200,000 to Charity Federation of Nanjing Gaochun to boost progress of flood relief.



The above statements have fulfilled the corresponding control procedures and requirement of information disclosure. For details, please refer to the publication on "Securities Times" and CNINFO. The titles of such articles are "Announcement on External Donations to Help Hubei Poverty Alleviation after the Pandemic", "Announcement of the Donation to Dongrun Charity Foundation" and "Announcement of Donation on Flood Relief Fund to the Charity Federation of Gaochun District in Nanjing City".

DC Holdings will continue to advocate corporate and social responsibility to encourage the development and harmony of society. Through the platform of Aixin Fund, we encourage employees to interact more often with charitable organizations, participate in public welfare and give back to the society.

- **Educational support**

Since 2002, the Group has led employees in the fund-raising campaign for education support of youth generation. With the funds raised, we had established a total of ten "DC Holdings Hope Primary School" located within Sichuan, Hubei and Hebei provinces. The fund-raising campaign has been on-going for more than 19 years, with accumulated donation amounting to RMB3.7 million. As at the end of 2020, the DC Holdings Hope Primary Schools located in Chengdu and Xi'an respectively had been merged to other school systems according to the instruction from the local government. The remaining 8 DC Holdings Hope Primary Schools are under normal operation.

In addition, the Group also proactively contributed to online education. Since the outbreak of COVID-19, the demand of online education increased dramatically. As one of the key market players in supply chain industry, the Group accelerated the trend of online education with our leading big data technology. Until now, we have collaborated with the top 3 online education platforms in the industry to provide supply chain service to them.

- **Public welfare and poverty alleviation**

DC Holdings has contributed to the society and offered more assistance and care to people who need help. Actions included the following:

Caring for Beijing Sun Village

Beijing Sun Village is located Zhaoquanying town of Shunyi District. It is a non-profit organization registered under the government. Zhang Shuqin, the founder of Sun Village, gathered resources from the public to help prisoners take care of their unaccompanied minor children free of charge. To provide the best environment for the next generation, DC Holdings have been proactively involved in such social welfare activity since 2008 and have also donated learning and living supplies and cares to children.

Poverty Alleviation in Longyan with big data support – Longyan City

In Longyan City of Fujian Province, DC Holdings was engaged by the government to set up an information platform for the purpose of poverty alleviation. The platform provides services across government departments, enterprises and individuals. From government departments, we consolidated the data among data sources in different departments with our own big data solutions and provided the government an overall picture for decision making, especially in the field of fighting poverty. From enterprises, we created a platform for the program "Helping 10000 villages with 10000 enterprise" and connected more than 60,000 private entities into the program. On the individual level, we built up a platform "i-Help" and allowed the public and citizens to participate in poverty alleviation, including helping impoverished college students or the poor suffering from illnesses. With our support, students with college admission opportunities will no longer need to bear the burden of unaffordable tuition fee.

- **Volunteering**

During the operation of DC Holding Hope Primary School, our employees, who are enthusiastic about charity, actively volunteered in the scheme, including participating in the teaching session and various of group activities. Our Aixin fund in our Group will organize and offer more volunteer opportunities to our employees.

- **Rural development**

In an era of digitalization, even poverty alleviation begins to align with technology. With technology, we are able to pinpoint the causes more precisely and accurately and solve the elements of poverty efficiently and effectively. Luochuan County in Shaanxi Province, also known as the "Hometown of apples in China", is responsible for approximately of 80% of total supply of apples in China and 95% of the local populace in the local county are involved in the production of apples. To fight against poverty and bring prosperity to the county, the county government collaborated with DC Holdings and established an online platform to gather millions of different data sources from the production line of apples, including farmlands, farmers, stores, fruit banks, orchards, employers and other players in the value chain across the county. With all the data, the county was able to extract accurate data out from the platform, gather and utilize the resources available in a more efficient manner in order to increase the profit margin and earning income for the county and its citizens, and also encourage the development of the wider industry.

In addition to data-usage in the agricultural scenario, DC Holdings worked with domestic financial institutions to offer more financial aid and services to the industry with the technology solution input from our side, in order to reduce the cost and increase the margin for each party involved. One of the key obstacles rural areas are facing is that the information and resources are completely unorganized such that a system could not be implemented effectively (for example a credit rating system). Therefore, it was difficult for financial institutions to provide financial aid or services to parties like farmers. DC Holdings cooperated with Luochuan Commercial Bank to offer financial services to farmers and merchants based on the data from our supply chain management to assist credit assessment for loan pledge information (warehouse receipt, purchase invoices, etc.)

- **Innovation Center**

The Group continues to enhance the innovation center by bringing in more usage cases, latest technologies, R&D equipment and talent to the platform, and promoting our mission "Digital China" as well as technology innovation for the country.

As a key platform for companies and talent to showcase their ideas and products, we have constantly promoted the innovation center via various channels and upgraded the market branding and thus attracted more resources to the platform. On the other hand, we also educated the public on our mission, beliefs and our enhanced ecosystem capabilities.

Picture of Innovation Center



Currently, we are collaborating with multiple cities on setting up new innovation hubs and incubators in their district in order to empower the development and creation an ecosystem for technology innovation. This aligns with the trend of smart city development and digital transformation and form connection between cities.

- Integration of technology and art**

DC Holdings pays attention to development and integration of technology and art. We are actively supporting young artists and we promote art and culture. We have worked with domestic and foreign art academies to bring in more resources for art and creative talents, in order to provide them a better environment to practice and develop their talents and specialties through participating in more exhibitions, forums, salons and public events. On the other hand, we enable the world to get in touch with more Chinese contemporary art and cutting-edge technology together with it.



Picture Collection of Art & Science Design Exhibition

Up to the moment, the Group has organized over 100 events with more than 80 artists. Moreover, we have been involved and provided one-stop IT solution to multiple projects for infrastructure and establishment of smart city, innovation lab and exhibition center. The Group strives to coordinate arts, humanities, science and technology, and develop a new environment for cross-border teaching and interactions, and thus to lead the society into creation and harmonious integration.

INTELLECTUAL PROPERTY RIGHTS

Innovation represents a core competitive edge in the business development of the Group and one of our underlying values. Proprietary intellectual property rights are not only important tools, investment capital and the source of future core products that enhance our business capabilities and income, but also a powerful driver to promote the progress of standardization of national new infrastructure construction, big data, smart city, fintech and other core industries.

In terms of intellectual property rights, the Group's legal department and dedicated personnel in each business unit are responsible for the daily management of legal matters involving trademarks, patents, software copyrights and other intellectual property rights. In 2020, the Group improved the intellectual property rights management measures, further regulated the management of intellectual property rights of various business units, safeguarded the Group's intellectual property rights, and protected them from infringement.

As of the end of 2020, the Group owned 1,846 intellectual property rights, including 1,483 software copyrights, 99 patents, and 264 trademarks.

In the field of urban big data, we have independent research and development, global unique deep web mining data technology, "Yan Cloud DaaS" national invention patent and software copyrights of related products. This technology was awarded the first prize of National Technology Invention Award in 2018. For our clients without the source code and without the cooperation of their original product/service vendor, our technology is applied to quickly break isolated data sources, saving users more than 90% of project communication and coordination time, and shortening more than 50% of the project implementation cycle. In addition, we also own numerous software products and related software copyrights in various fields such as citizen services, urban management, and industrial convergence, assisting cooperative cities to build an urban database, link cities, enterprises and citizens, open up urban digital ecosystem networks and rapidly promote the construction of a new type of smart city centered on the city brain and city digital twins.

In the field of industry big data, we continue to build collaborative management software for the entire life cycle of the supply chain to enhance the efficiency of upstream and downstream collaboration in the supply chain. We own the software copyrights of supply chain big data tools and our "Treasure Vault" series products, and have also completed the comprehensive upgrade of our product suite, and the technical architecture reconstruction of core products OMS, WMS, TMS, and BMS. Focus was put on building three new systems i.e. human resources, asset management, and supplier management, all which provided a solid technical base for the Group to create a new record in the industry of 4.5 million orders on a single warehouse basis during the Double Eleven Shopping Festival. At the same time, in order to improve the shortcomings of the traditional AGV (automated guided vehicle) sorting solution method, we innovatively proposed a new robot intelligent sorting solution, which can cope with the business scenarios of ultra-high flexibility and has uniqueness and leadership in industry application. Among them, the "Human + Robot" series technologies have obtained national invention patents.

In the future, we will continue to advance the management of intellectual property rights by optimizing online protection to facilitate continuous efficient operation, with a special focus on trials in the capitalization and commercialization of intellectual property rights in search of new business growth pockets for DC Holdings. We will continue to actively encourage innovation and increase our effort in the R&D and design of our proprietary intellectual property rights. Efforts to protect intellectual property rights will be strengthened and infringements will be rigorously dealt with. We will seek to increase the influence and value of our proprietary intellectual property rights and actively participate in the formulation of national standards for relevant industries to make positive contributions to the development of new technologies in China.

SUPPLY CHAIN & ANTI-FRAUD

- **Supplier and procurement management**

In terms of procurement management, the Group actively establishes good partnerships with suppliers, always insists on treating suppliers with integrity, and has established a fair and impartial evaluation system to ensure the control of procurement costs and quality, thereby enhancing customer satisfaction. At present, the Group has established a long-term stable cooperative relationship with more than 2,000 well-known IT equipment and service vendors, including 5 overseas suppliers. Through strategic cooperation and alliance, the Group actively explores ways of industrial development and ecological construction, brings overseas and domestic advanced technologies and products to users, provides users with comprehensive solutions and high-quality and efficient services, and jointly enhances the overall influence of the enterprises on economy, society and environment.

To protect the respective legal rights and interests of the Group and its suppliers in business dealings, and to fully embody the fairness and justice of the cooperation spirit, the Group has established a comprehensive supplier management plan and process supervision mechanism. In the selection of qualified suppliers, we usually make inquiries with at least three suppliers, and comprehensively consider various factors such as cost, lead time, and supplier's technical capabilities etc. The Group strictly implements supplier access standards, checks supplier credit and qualifications based on the duration of cooperation, order volume, and nature of demand, and strengthens the management of intellectual property rights. For new suppliers, they are required to provide the necessary qualification documents, the copyright of the corresponding products and the certification documents of the intellectual property rights. The Group will also pay close attention to the performance of cooperative suppliers in related media and stop the cooperation with tainted suppliers.

The Group pays great attention to risk prevention and control in the procurement process, has formulated an open and transparent procurement and bidding process, has developed a relatively comprehensive procurement management system, and has taken necessary management and control measures to meet the relevant requirements of the ISO quality management system, internal control and compliance of listed companies. In the procurement process, information on the supplier's supply quality, delivery date, technical support and after-sales service and other key aspects is collected, tracked and evaluated so as to comply with the procurement process and the quality control of the procured goods.

The Group has always advocated the cooperation concept of "Work together for a win-win situation and create a better future", and actively signed cooperation clauses on "Environmental Protection and Occupational Health and Safety Maintenance Initiative" with suppliers. Factors such as environment, business integrity and ethics, work standards and practices (such as the prohibition of child labor, etc.), occupational health and safety, etc. are incorporated into the consideration of supplier selection procedures and procurement decisions. In the process of cooperation with suppliers, we promote the resources and energy conservation, protect the ecological environment, ensure the health and safety of employees, and contribute to the sustainable development of society.

Visit our website to download our DC Holdings Supplier Policy and DC Holdings Sustainable Procurement Policy.

- **Fighting fraud and emphasizing integrity**

The "People's Republic of China Anti-Unfair Competition Law" stipulates that business operators must not use property or other means to bribe specific units or individuals to seek trading opportunities or competitive advantages. The "Criminal Law of the People's Republic of China" stipulates that the use of the convenience of their position by the personnel of a unit to occupy the property of the unit illegally as their own may constitute the crime of embezzlement. In addition, with regard to money laundering, the "Anti-Money Laundering Law of the People's Republic of China" stipulates that any unit or individual who discovers money laundering activities shall have the right to report to the anti-money laundering administrative department or the public security agency.

DC Holdings passionately believes that fairness, honesty, and integrity are the most important business assets of the Group. We strictly abide by the anti-corruption laws and regulations, and promote the values of integrity, enterprising, collaboration and creativity. We have formulated systematic anti-corruption systems and measures to check and prevent corruption, bribery or any other fraudulent behaviors, and continue to carry out internal audit on risk management and risk monitoring. The Group is a non-financial institution, but the risk management and internal control departments keep a close watch on possible criminal activities such as money laundering in daily operation, and do not overlook any suspicious transactions.

- **Risk management and internal control policies**

Since 2016, we have updated our risk management and internal control policies and established a three-line protection system. The first line of protection is the Group's functional and business departments at various levels. The second line of protection is the risk management and internal control departments of business units, and the Internal Audit department acts as the third line of protection. The policy clarifies the roles and responsibilities of different stakeholders in risk management and internal control, and emphasizes that the management of each business unit is mainly responsible for the risk management and internal control of the department. Once any fraud is discovered, the management of the relevant department should immediately improve the monitoring procedures to prevent the recurrence of such incidents. The risk management and internal control department has a designated team to provide internal control and risk management support for each business unit. The internal audit department also conducts continuous audits of major businesses, timely and systematically inspects violations, identifies risks, and improves the effectiveness of fraud risk management and internal control.

In 2020, the Group's risk management evaluation project team also organized a comprehensive evaluation of the Group's principal related risks. The main procedures of risk assessment include: risk identification, risk assessment and risk countering. Among them, the assessment of corruption risks covers all the main businesses of the Group, and no major corruption risks have been identified or assessed in the current period.

In 2020, the Group further strengthened the construction of the fraud detection system and the promotion of integrity and improved the construction of the anti-corruption and integrity promotion system from multiple perspectives such as system construction, audit supervision, and industry integrity alliance.

- **Fighting fraud and whistleblowing system**

The Group has published the "DC Holdings Anti-corruption Policy" and "DC Holdings Whistleblowing Policy" to convey the message of zero tolerance of fraud to all employees, suppliers, and business partners. The "DC Holdings Anti-corruption Policy" promotes the integrity and self-discipline of employees and clarifies the code of conduct for employees. The "DC Holdings Whistleblowing Policy" encourages all employees, suppliers, and business partners to report about any existing or potential fraud and violations. The Whistleblowing Policy clearly states that employees, suppliers, and business partners can report all kinds of fraud and violations through the reporting mailbox: (dcaudit@dcholdings.com). If the Group recovers losses due to reporting in a timely manner, the whistleblower will be rewarded for reporting. The Group's audit department will investigate the reported matter, and the whistleblower's information will be kept strictly confidential.

Visit our website to download our DC Holdings Anti-corruption Policy and DC Holdings Whistleblowing Policy.

- **Fraud inspection and prevention**

When receiving a report of suspected fraud, the audit department will be assigned to conduct the investigation independently. After the investigation is completed, if any employee is found to have received any form of rebate or other benefits, he will be dismissed immediately. If the circumstances are serious, the Group will pursue his/her legal liabilities; if any supplier or other business partner is found to be fraudulent in the cooperation or has other violations, the Group will blacklist it and terminate cooperation. If the circumstances are serious, the Group will pursue and recover its legal liabilities. At the same time, with the assistance of the risk management and internal control departments, the relevant business department will take corrective actions to deal with business risks or loopholes discovered during the investigation process.

In order to nurture a fair and healthy business environment, build a good ecosystem of supplier cooperation, and communicate our determination to combat fraud, during the year ended December 31, 2020, the Group has signed the "Partner Integrity Agreement" with all new suppliers to promote the cooperation with integrity and honesty, oppose commercial bribery, and build mutual cooperation under the premise of trust, honesty, frankness and integrity. We are not aware that our suppliers have involved in any commercial bribery. In daily operation, the Group also continuously strengthens anti-commercial bribery laws and regulation education, carries out occupational ethics publicity, establishes uprightness within the Group, resolutely resists unhealthy practices, and strengthens the ideological and moral defense of employees. The Group has established a strict supplier evaluation system and process, and regularly evaluates suppliers. Suppliers who fail in the evaluation will be blacklisted and the cooperation will be terminated. The Group's good partnership ecosystem over the years has been recognized and trusted by many suppliers.

- **Fighting fraud publicity training**

To popularize anti-corruption publicity, all employees of the Group will receive anti-corruption training upon entry. In 2020, in order to further extend the anti-corruption publicity efforts, the Group's Audit Department, together with the Legal Department and the Human Resources Department, convened a total of 4 seminars on Integrity and Honesty, covering all business units of the Group internally, and employees joined the seminars online and offline with full participation, 100% coverage. It also radiated to external suppliers of some businesses. These seminars not only carried out a vivid anti-corruption publicity to the Group's employees, but also expressed the requirements of integrity and honesty to the Group's suppliers and the long-term cooperation expectation to the suppliers of the Group, which created a positive publicity impact both internally and externally.

Fighting fraud
publicity training



- **Fraud investigation case**

In addition to the fighting fraud publicity efforts, the Group's audit department does not give up any potential leads to fraudulent practice, vigorously carries out fraud investigations, and severely deals with it in accordance with laws and regulations. In 2020, 1 fraud case or violation of laws and regulations was investigated. It involved 1 employee, Mr. Zhang, a warehouse worker, who was suspected of stealing goods in the warehouse with a total amount of RMB2,543. In accordance with the provisions of the "DC Holdings Anti-corruption Policy", Mr. Zhang was dismissed and transferred to the judiciary. In November 2020, the first instance of the judiciary judged Mr. Zhang to be imprisoned for nine months and fined RMB5,000.

- **Industry integrity alliance**

In the first half of 2019, the Group joined the Trust and Integrity Enterprise Alliance. The Trust and Integrity Enterprise Alliance was initiated and established by well-known enterprises in the industry with the mission of operating with integrity, self-discipline, and compliance, together to create a business environment for honest operation and safe consumption, and jointly build the security wall for anti-corruption, anti-fraud and anti-counterfeiting and jointly enhance the performance of the internal control departments and the construction of the occupational ethics of employees. At present, the Trust and Integrity Enterprise Alliance has more than 500 member companies, including Baidu, JD, Meituan, Procter & Gamble, Tencent, Xiaomi, Didi and many other well-known companies.

As a member company of the Trust and Integrity Enterprise Alliance, the Group shares data and information with the alliance in anti-corruption and other related aspects, and jointly creates a trust and integrity business environment: through the data exchange platform showing anti-brushing to fabricate sales, anti-posting fake positive reviews and anti-fraud as common examples, we gather the Alliance's efforts to combat corrupt industry chain, establish a brand protection cooperation mechanism; through information security sharing mechanism, exchange and share information security investigation experience, and jointly combat information security crimes. The Alliance of Untrustworthy Information Sharing System is open to the Group's human resources, realizes the information sharing of employees who violated laws, automatically recognizes the offenders and gives out early warning, increases the cost of violations of laws, and builds a corporate integrity environment of "the trustworthy people gain access, the untrustworthy people are restricted everywhere".

ENVIRONMENT

Protecting the environment and conserving natural resources is one of our fundamental national policies. The Law of the People's Republic of China on Energy Conservation stipulates that any unit or individual should fulfil the obligation to conserve energy in accordance with the law. The Law of the People's Republic of China on Environmental Protection stipulates that all units and individuals have the obligation to protect the environment and that enterprises should reduce their waste emissions and ecological impact. We recognize the importance of environmental protection and conservation of natural resources, and we conduct our daily operations and business operations in accordance with the principles of environmental protection and sustainable development. In 2020, the Group complied with all applicable laws and regulations on the protection and conservation of the environment.

The Group has strict management standards for environmental management and its subsidiaries have certificated ISO14001 Environmental Management System (《ISO14001環境管理體系認證證書》). We focus on implementing energy conservation and environmental protection in our day-to-day operations to create a low-carbon, green and environmentally friendly working model. At the same time, we have taken a number of actions to improve energy efficiency, reduce energy consumption and reduce harmful emissions and waste. In addition, we are committed to using technology and innovation to drive urban ecology and environmental protection. Through these various actions, we minimize the negative impact on the environment and climate change.

- **Helping to protect the environment**

DC Holdings is committed to using innovative technology to help urban ecology and environmental protection. In Yanqing District, Beijing, DC Holdings has joined with the Yanqing District Government to build an international first-class ecological civilization demonstration zone, which is the strategic goal of Yanqing District, and make full use of advanced technologies such as Internet of Things, big data and cloud computing to establish a Yanqing intelligent environmental protection system which can collaborate and share information. The system will provide high-quality environmental protection for the International Horticultural Exhibition and Winter Olympic Games, and help Yanqing to achieve world-class ecological quality. Yanqing District, Beijing, also received the 2019 Sino-European Green and Sm@rt City – Technology Innovation City Award.

Yanqing Smart Environmental System Map



In the implementation of the project, DC Holdings has applied the Yan Cloud DaaS platform, which won the First Prize National Technology Invention Award, to achieve data interconnection and business collaboration between the Ministry of Environmental Protection and other agencies, to measure the impact of multiple factors on the regional environment, and to realize online and offline collaboration of environmental enforcement through the grid-based platform and applications, enhancing the timeliness and efficiency of environmental enforcement, and providing effective data support and solution reference for the Ministry of Environmental Protection's decision making in environmental business.

- **Energy saving**

Energy saving and consumption reduction actions implemented in the Group's major office buildings, data centers and warehouses include:

- *Electricity saving*

1. *Central air-conditioning main systems*

On the premise of meeting staff needs and office comfort, the start and stop times of equipment are strictly controlled according to changes in ambient temperature, and the energy saving target is achieved by adjusting the hot and cold water outlet temperature of the central air-conditioning mainframe.

2. *Elevator transport systems*

Adjusting the operation and management of lifts to achieve greater energy efficiency through decentralized control, rational repair and maintenance and scientific day-to-day management.

3. *Lighting systems*

New energy-efficient LED lamps are being used in the major office and warehouse buildings. At the same time, the lighting and equipment in all public areas are switched on and off at agreed times, and the responsible departments and persons are assigned to strictly enforce the lighting hours so as to achieve the goal of reducing consumption. Outdoor lighting in roads and car parks is adjusted according to seasonal changes.

4. *Drainage systems*

The water supply uses frequency conversion technology to control the operation of the pumps and the drainage operates automatically by level control to achieve energy saving targets.

5. *Ventilation systems*

The fresh air units are switched on with the outdoor temperature, for example, 10:00 – 15:00 in spring, 8:00 – 18:00 in summer, 10:00 – 17:00 in autumn and not in winter; in order to achieve energy saving targets.

6. *Data Center*

The Group's data center uses multiple micro-module enclosed cold channels and precision air conditioning for cooling, with constant temperature and humidity and high cooling efficiency. By reducing the number of physical servers through virtualization technology, the energy consumption of computing equipment is reduced while the energy consumption of air conditioning is also reduced due to the decrease in heat generation, resulting in an overall PUE of less than 1.5.

In recent years, the Group has been committed to building high-density virtualized clusters in the data center, migrating systems from the existing old physical servers to virtualized clusters and replacing a large number of existing physical servers with clusters consisting of only a small number of high-performance servers. In FY20, a total of 264 physical servers were offloaded from the data center, reducing the electricity consumption of servers alone by 700,000 kWh per year.

- ***Water conservation***

1. At the same time, we regularly check the water supply facilities and arrange for repairs to be carried out in a timely manner if we find any issues of dripping or leaking water.
2. For pipes for air-conditioning water and drainage, the Group's duty staff will make regular inspections and resolve any problems promptly.

- ***Conserve paper and maximize the use of renewable resources***

1. Promote paperless office: the Group unifies the construction of information systems, realizes office automation, promotes conference solutions such as teleconferencing, video conferencing and web conferencing, and promotes paperless reimbursement of electronic invoices to minimize the use of paper
2. Discarded single-sided papers are recycled for secondary use if permitted.

Visit our website to download our DC Holdings Energy Policy.

- **Emissions reduction**

The actions adopted for the Group's major office and warehouse buildings include:

- Directly reducing carbon emissions: Smart industry chain business has taken actions to reduce exhaust emissions from logistics vehicles, such as replacing vehicles in Beijing in accordance with the National VI Vehicle Emission Standards, while encouraging partner carriers to use electric energy vehicles for delivery in urban areas.
- Indirectly reducing carbon emissions: Encourage less frequent travel and indirect carbon reduction through video conferencing, online communication, etc.
- Ensuring qualified air quality in office: In 2020, the building's centralized air-conditioning ventilation system was cleaned and tested for fresh air volume, the amount of respirable particulates and harmful germs in the supply air to ensure qualified air quality in office premises.
- Ensuring the waste water disposal from the building meets the standards: In FY2020, the catering effluent discharge was retrofitted with oil-water separation and purification devices, and the chemical oxygen demand, ammonia nitrogen, suspended solids and PH value of the catering effluent were tested to meet the national effluent discharge standards.
- Ensuring the building's fume emissions comply with standards: In FY2020, fume purification devices were retrofitted to catering fume emissions, and fixed source exhaust gases were tested for particulate matter, catering fumes and non-methane total hydrocarbons to meet national emission standards.

- **Environment protection**

The actions adopted for the Group's major office buildings, data centers, warehouses include:

- Environmentally friendly furniture is used in the office and dining room to avoid air pollution.
- We actively respond to the policy of waste separation by placing different types of bins in offices and other areas, collecting and treating each type of waste separately to minimize environmental pollution.
- Waste generated at work and in life is treatment separately: Solid waste and hazardous waste generated at offices are cleaned and collected by each department at all times and delivered to designated locations. Kitchen waste and used oils are collected by designated disposal units of the sanitation department and treated centrally. Solid waste generated during logistics services is collected by workplace personnel before the end of each day and placed in designated bins according to classification markings.

Visit our website to download our DC Holdings Environmental Policy.

- **Climate change response**

The Group understands the importance of acting on climate change. To ensure the normal operation of our business, in addition to daily summer heat protection, winter cold protection, spring and autumn fire protection, we have also made contingency plans for the possible impact of flooding, winter snowstorms and other disasters on lives, and the Group will issue early warnings and respond in advance to minimize climate change and its impact on business operations. We also strive to use big data software and other technologies to help government departments and other users actively respond to the impacts of climate change, such as the use of intelligent transportation systems to make timely evacuation decisions in the event of disaster and weather conditions.

Looking to the future, we are committed to achieving the Group's "Carbon Limits, Carbon Neutral" targets and to making carbon emissions reduction one of our key sustainability objectives to better response climate change. Related measures include:

- Reducing greenhouse gas emissions and carbon footprint.
- Considering and adopting the best initiatives to improve the efficiency of the energy used in business operations.
- Using renewable energy, low-carbon and energy-efficient products and materials wherever possible
- Increasing the green area of properties where feasible to mitigate climate change risks.
- Monitoring and reacting to the latest developments in markets, technologies and policies related to climate change in a timely manner.

Visit our website to download our DC Holdings Climate Change Policy.

• Environmental Performance Indicators

Here are some of the Group's environmental performance indicators, prepared in accordance with the ESG Reporting Guide. Unless otherwise stated, the data below covers the Group's major office buildings and data centers in Mainland China.

As shown in the table below, the Group's greenhouse gas emissions from the direct use of gasoline, diesel and natural gas in FY2020 decreased from 62.94 tonnes in 2019 to 44.19 tonnes in 2020, a decrease of 29.8%, due to a further reduction in the use of the Group's own vehicles.

Emissions & Waste Type	For the year ended 31 December	
	FY2020	FY2019
Total greenhouse gas emissions (tonnes)	1,326.97	1,280.89
Direct greenhouse gas emissions (tonnes)	44.19	62.94
Of which: Petrol (tonnes)	6.00	13.65
Diesel (tonnes)	12.25	22.48
Natural gas (tonnes)	25.94	26.81
Total Indirect greenhouse gas Emissions (tonnes)	1,282.78	1,217.95
Of which: Purchased Electricity (tonnes)	1,282.78	1,217.95
Greenhouse gas emissions per capita (tonnes/employee)	0.09	0.09
Volume of hazardous waste (tonnes)	1.00	
Hazardous waste per capita (tonnes/employee)	0.00007	This data is not counted in FY2019
Volume of non-hazardous waste (tonnes)	1,200.00	
Non-hazardous waste per capita (tonnes/employee)	0.08	

Remarks:

1. Due to the nature of its business, the Group's major gas emissions are greenhouse gas emissions, which arise from the use of fuels and purchased electricity converted from fossil fuels.
2. The Group's greenhouse gas inventory is dominated by carbon dioxide. The greenhouse gas emission data for the years ended 31 December 2020 and 31 December 2019 are presented in carbon dioxide equivalent and are based on the 2017 Emission Factors for the China Regional Grid Baseline for Emission Reduction Projects (《年度減排項目中國區域電網基準線排放因子》) published by the Ministry of Ecology and Environment of the People's Republic of China, and the 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories (IPCC) Guidelines for National Greenhouse Gas Inventories (《2006年IPCC (政府間氣候變化專門委員會) 國家溫室氣體清單指南》). Total carbon emissions in FY20 increased by 46.08 tonnes or 3.6% over FY19, mainly due to the increase in electricity consumption as a result of the expansion of the IT Logistics, a subsidiary of DC Holdings business and the increase in warehouses.
3. Consumption of petrol and diesel is mainly from the Group's own vehicles.
4. Consumption of natural gas, mainly for equipment such as heating of the Group's buildings
5. The types of hazardous waste involved in the operations of the Group's office building mainly include waste toner cartridges and ink cartridges generated from printing equipment and waste batteries generated from some electrical equipment. These hazardous wastes are centrally managed and placed in qualified recycling units for recycling.
6. The types of non-hazardous waste involved in the operation of the Group's office buildings mainly include domestic waste and non-hazardous office waste. Domestic waste is handled by property management companies and food waste recyclers and cannot be measured separately. We have estimated the domestic waste generated by office buildings according to the "Handbook of Urban Domestic Source Production and Discharge Coefficients for the First National Pollution Source Census" (《第一次全國污染源普查城鎮生活源產排污係數手》) issued by the General Office of the State Council of the People's Republic of China. Non-hazardous office waste is collected and disposed centrally by recyclers, including all the Group's office buildings in Mainland China.

Use of resources Type	For the year ended 31 December	
	FY2020	FY2019
Total energy consumption (MWh)	16,202.98	16,271.69
Direct energy consumption (MWh)	1,905.96	2,683.82
Of which: petrol (MWh)	310.40	705.93
Diesel (MWh)	409.60	751.95
Natural gas (MWh)	1,185.96	1,225.94
Indirect energy consumption (MWh)	14,297.02	13,587.88
Of which: purchased power (MWh)	14,297.02	13,587.88
Total energy consumption per capita (MWh/staff)	1.13	1.13
Tap water usage (tonnes)	80,497.53	56,017.12
Tap water usage per capita (tonnes/staff)	5.59	3.89
Steam usage (tonnes)	718.10	967.48
Steam usage per capita (tonnes/staff)	0.05	0.07
Total package usage (tonnes)	25,996.87	21,391.70
Average consumption per order (tonnes/order)	0.000250	0.000246

Remarks:

1. The water used by the Group is sourced from municipal tap water supply. Tap water consumption in 2010 increased by 24,480.41 tonnes, representing a growth rate of 43.7%, as compared with that in 2019, mainly due to the increase in water consumption as a result of the expansion of the IT Logistics, a subsidiary of DC Holdings business and the increase in warehouses.
2. The steam used by the Group is sourced from municipal heating units.
3. Energy consumption, calculated based on the consumption of purchased electricity and fuel and the conversion factors in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (《2006年IPCC國家溫室氣體清單指南》) and the General Rules for Calculating Integrated Energy Consumption (《綜合能耗計算通則》).
4. The packaging materials used by the Group are mostly packaging cartons used by the Smart Industry Chain business. Wooden boxes are not counted because of minimal usage.

Report of the Directors

The Directors of the Company have pleasure in presenting their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries are set out in note 49 to the financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2020 and the Group's financial position at that date are set out in the financial statements on pages 102 to 243 of this annual report.

The board of directors recommends the payment of a final dividend of HK10 cents per ordinary share for the year ended 31 December 2020.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2020 is set out in the section headed "Management Discussion and Analysis" on pages 16 to 26 of this annual report. Description of the risks and uncertainties facing the Company can be found throughout this annual report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 245 of this annual report. The five-year financial summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and the Company during the year ended 31 December 2020 are set out in note 14 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year ended 31 December 2020 are set out in note 15 to the financial statements.

SHARE CAPITAL

Details of movements, together with the reasons therefore, in the share capital of the Company during the year ended 31 December 2020 are set out in note 37 to the financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2020, the Company's reserves available for distribution, calculated in accordance with the Companies Act of Bermuda, amounted to HK\$1,116,919,000. In addition, the Company's share premium account, in the amount of HK\$4,651,977,000, may be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the new bye-laws of the Company ("New Bye-Laws") or the laws of Bermuda although there are no restrictions against such rights under the laws of Bermuda.

PERMITTED INDEMNITY PROVISION

As permitted by the New Bye-Laws, every Director shall be indemnified out of the Company's assets against any liability incurred by the Director, to the extent permitted by Bermuda law. Such permitted indemnity provision has been in force throughout the financial year and is currently in force at the time of approval of this report. The Company has arranged appropriate directors' and officers' liability coverage for the directors and officers of the Group.

DIRECTORS

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

Executive Directors

Mr. GUO Wei (*Chairman and Chief Executive Officer*)

Mr. LIN Yang (*Vice Chairman*)

Non-executive Directors

Mr. PENG Jing

Mr. ZENG Shuigen (*Note 1*)

Mr. YU Ziping (*Note 2*)

Independent Non-executive Directors

Mr. WONG Man Chung, Francis

Ms. NI Hong (Hope)

Dr. LIU Yun, John

Ms. YAN Xiaoyan

Mr. KING William

Notes:

1. Mr. ZENG Shuigen was appointed as the Non-executive Director of the Company with effect from the conclusion of the annual general meeting of the Company held on 30 June 2020.
2. Mr. YU Ziping retired as the Non-executive Director of the Company with effect from the conclusion of the annual general meeting of the Company held on 30 June 2020.

In accordance with Bye-Law 99 of the New Bye-Laws, Dr. LIU Yun, John, Ms. YAN Xiaoyan and Mr. KING William will retire from office by rotation. In accordance with Bye-Law 102(A) of the New Bye-Laws, Mr. ZENG Shuigen who was appointed as director with effect from the conclusion of the annual general meeting on 30 June 2020 of the Company will hold office until the forthcoming annual general meeting of the Company. All of the retiring directors are eligible for re-election at the forthcoming annual general meeting of the Company.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Changes in the information of Directors required to be disclosed under Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rule(s)") are set out below:

Name of Director	Details of Changes
Dr. LIU Yun, John	<ul style="list-style-type: none">Appointed as the board member of dormakaba Holdings AG (whose shares are listed in the SIX Swiss Exchange) since October 2020Appointed as the CEO of Shenzhen Afiniti Technology Co. Ltd. since 1 October 2020
ZENG Shuigen	<ul style="list-style-type: none">Appointed as the director of Guangzhou Broadband Backbone Network Co. Ltd. since December 2020

DIRECTORS' SERVICE AGREEMENTS

Each of the Executive Directors of the Company entered into a service agreement with the Company which shall continue in force unless and until terminated by (i) either the Company or the Director serving on each other of not less than three months' notice; or (ii) his retirement as a Director without being re-elected as a Director by the shareholders of the Company ("Shareholder(s)") in an annual general meeting in accordance with the New Bye-Laws; or (iii) in the event of the Director's default under the terms of the said service agreement.

Save as disclosed above, none of the Directors of the Company proposed for re-election at the forthcoming annual general meeting of the Company has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation (other than the statutory compensation).

MANAGEMENT CONTRACTS

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

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT

No transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at 31 December 2020 or at any time during the year ended 31 December 2020.

SHARE OPTION SCHEME

The Company's share option scheme was adopted on 15 August 2011 (the "2011 Share Option Scheme"), with life span of ten years. Details of the 2011 Share Option Scheme as well as movements in the share options during the year ended 31 December 2020 are set out in note 39 to the financial statements.

RESTRICTED SHARE AWARD SCHEME

The Company adopted a restricted share award scheme (the "RSA Scheme") on 28 March 2011 for the purpose of rewarding and motivating, among others, Directors (including executive and non-executive) and employees of the Company and its subsidiaries with the shares of the Company. Details of the RSA Scheme are set out in note 39 to the financial statements.

EQUITY INCENTIVE SCHEMES OF DIGITAL CHINA INFORMATION SERVICE COMPANY LTD.

SHARE OPTION INCENTIVE SCHEME OF DIGITAL CHINA INFORMATION SERVICE COMPANY LTD.

The shareholders of the Company and Digital China Information Service Company Ltd. ("DCITS") approved the adoption of a share option incentive scheme (the "Share Option Incentive Scheme") on 10 September 2019 and 16 September 2019 respectively. The major terms of the Share Option Incentive Scheme are as follows:

- (1) The purpose of the Share Option Incentive Scheme is to further promote the establishment and improvement of DCITS's long term incentive mechanism, attract and retain high caliber talents, encourage the initiative of directors, senior management and key employees of DCITS and its subsidiaries, so as to effectively align the interest of shareholders, DCITS and individual interests of core management, and cause all parties to focus on the long-term development of DCITS.
- (2) The incentive participants of the Share Option Incentive Scheme comprise the directors, senior management and key employees of DCITS and its subsidiaries, but shall exclude the independent directors and supervisors of DCITS, as well as shareholders, individually or in aggregate, holding 5% or more of the shares in DCITS or the de facto controllers and their spouses, parents or children. All incentive participants of the Share Option Incentive Scheme must have employment, labour or service relationships with DCITS within the validity period of the Share Option Incentive Scheme.
- (3) According to the Share Option Incentive Scheme:
 - (a) the total number of underlying shares involved in all effective incentive schemes of DCITS shall not in aggregate exceed 10% of the total share capital of DCITS as at the time when the Share Option Incentive Scheme was submitted to the shareholders' meeting of DCITS for approval;
 - (b) the total number of shares of DCITS which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Incentive Scheme and any other scheme of DCITS shall not in any event exceed 30% of the total A ordinary shares in issue of DCITS from time to time; and
 - (c) the total number of shares of DCITS issued pursuant to all effective equity incentive schemes of DCITS to any incentive participant shall not in aggregate exceed 1% of the total shares in issue of DCITS.
- (4) The underlying shares of the Share Option Incentive Scheme shall be the A ordinary shares to be issued by DCITS to the participants of the Share Option Incentive Scheme.
- (5) The minimum period for which share options granted under the Share Option Incentive Scheme must be held before they can be exercised is 12 months from the completion date of registration of the grant of share options pursuant to the Share Option Incentive Scheme ("Option Registration Date").

- (6) Subject to the fulfillment of the conditions for exercising the share options under the Share Option Incentive Scheme, grantees may exercise their share options within 24 months after the expiry of 12 months from the Option Registration Date in two tranches as follows:

Tranche	Exercise period	Percentage of share option exercisable
First tranche	From the first trading day after the expiry of 12 months from the Option Registration Date to the last trading day within 24 months from the Option Registration Date	50%
Second tranche	From the first trading day after the expiry of 24 months from the Option Registration Date to the last trading day within 36 months from the Option Registration Date	50%

- (7) The exercise price of the share options to be granted under the Share Option Incentive Scheme shall be RMB12.76 per share.
- (8) The effective term of the Share Option Incentive Scheme shall commence from the Option Registration Date to the date on which all share options granted to grantees under the Share Option Incentive Scheme have been exercised or cancelled, provided that the term shall not exceed 36 months.
- (9) During the exercise period of the Share Option Incentive Scheme, a number of conditions must be satisfied before the grantees can exercise their share options, including:
- (a) None of the following events having occurred on the part of DCITS:
 - (i) issue of an accountants' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the accountants' report of DCITS for its latest financial year;
 - (ii) issue of an accountants' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to internal control for the latest financial year;
 - (iii) failure to conduct profit distribution in accordance with the laws and regulations, the articles of association of DCITS and public undertakings during the most recent 36 months after the listing;
 - (iv) prohibition from implementation of an equity incentive scheme by laws and regulations or applicable Listing Rules; and
 - (v) any other circumstances as determined by the China Securities Regulatory Commission ("CSRC") or relevant regulatory authorities.
 - (b) None of the following events having occurred on the part of the grantee of the Share Option Incentive Scheme:
 - (i) being identified as an ineligible personnel by the Shenzhen Stock Exchange in the last 12 months;
 - (ii) being identified as an ineligible personnel by the CSRC and its resident agencies in the last 12 months;
 - (iii) imposition of administrative penalties or measures prohibiting the grantee from entering into the market by the CSRC and its resident agencies in the last 12 months due to material non-compliance of laws or regulations;

- (iv) being prohibited from acting as a director or senior management personnel of DCITS under the Company Law of the PRC (中華人民共和國公司法);
 - (v) being prohibited from participating in an equity incentive scheme of a listed company under relevant laws and regulations; and
 - (vi) any other circumstances as determined by the CSRC or relevant regulatory authorities.
- (c) DCITS achieving the following financial performance targets:

Tranche	Financial performance targets
First Tranche	the net profit of DCITS for the year of 2019 being not less than RMB360 million
Second Tranche	the net profit of DCITS for the year of 2020 being not less than RMB435 million

Note: The above net profit refers to the net profit attributable to DCITS shareholders.

- (d) Subject to DCITS achieving the relevant annual financial performance targets, the results of the annual assessment to be conducted by the remuneration and appraisal committee of DCITS against the grantee being 80 points or above or graded at "A".

In the event that any of the above exercise conditions cannot be fulfilled within the relevant exercise period, share options granted under the Share Option Incentive Scheme shall be cancelled by DCITS. In the event that the above exercise conditions have been fulfilled but share options granted under the Share Option Incentive Scheme have not been exercised upon expiry of the relevant exercise period, such share options shall be cancelled by DCITS.

Since the adoption of the Share Option Incentive Scheme, DCITS granted 22,470,000 share options under the Share Option Incentive Scheme.

The following table shows the movements in the share options under DCITS Share Option Incentive Scheme during the year and the share options outstanding at the beginning and end of the year:

Grantee	Number of the share options				Outstanding as at 31/12/2020	Exercise price per share	Date of grant	Exercisable period
	Outstanding as at 1/1/2020	Granted during the year	Exercised during the year	Lapsed during the year				
DCITS director	-	-	-	-	-	-	-	-
DCITS other employees	22,270,000	-	(5,687,554)	(950,000)	15,632,446	12.76	17/9/2019	Grantees may exercise their share options with reference to the Option Registration Date (i.e. 30/10/2019) in two tranches. (Note)

Note: Please refer to note (6) of the major terms of the Share Option Incentive Scheme

RESTRICTED SHARE INCENTIVE SCHEME OF DCITS

The shareholders of DCITS approved the adoption of a restricted share incentive scheme (the "Restricted Share Incentive Scheme") on 16 September 2019. The purpose of the Restricted Share Incentive Scheme is to further promote the establishment and improvement of DCITS's long term incentive mechanism, attract and retain high caliber talents, encourage the initiative of directors, senior management and key employees of DCITS and its subsidiaries, so as to effectively align the interest of shareholders, DCITS and individual interests of core management, and cause all parties to focus on the long-term development of DCITS.

The incentive participants of the Restricted Share Incentive Scheme comprise the directors, senior management and key employees of DCITS and its subsidiaries, but shall exclude the independent directors and supervisors of DCITS, as well as shareholders, individually or in aggregate, holding 5% or more of the shares in DCITS or the de facto controllers and their spouses, parents or children. All incentive participants of the Restricted Share Incentive Scheme must have employment, labour or service relationships with DCITS within the validity period of the Restricted Share Incentive Scheme.

The underlying shares of the Restricted Share Incentive Scheme shall be the A ordinary shares to be issued by DCITS to the participants of the Restricted Share Incentive Scheme.

No restricted shares can be granted to the incentive participants if any one of the conditions cannot be satisfied.

- (a) None of the following events having occurred on the part of DCITS:
- (i) issue of an accountants' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the accountants' report of DCITS for its latest financial year;
 - (ii) issue of an accountants' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to internal control for the latest financial year;
 - (iii) failure to conduct profit distribution in accordance with the laws and regulations, the articles of association of DCITS and public undertakings during the most recent 36 months after the listing;
 - (iv) prohibition from implementation of an equity incentive scheme by laws and regulations; and
 - (v) any other circumstances as determined by the CSRC.
- (b) None of the following events having occurred on the part of the grantee of the Restricted Share Incentive Scheme:
- (i) being identified as an ineligible personnel by the Shenzhen Stock Exchange in the last 12 months;
 - (ii) being identified as an ineligible personnel by the CSRC and its resident agencies in the last 12 months;
 - (iii) imposition of administrative penalties or measures prohibiting the grantee from entering into the market by the CSRC and its resident agencies in the last 12 months due to material non-compliance of laws or regulations;
 - (iv) being prohibited from acting as a director or senior management personnel of DCITS under the Company Law of the PRC (中華人民共和國公司法);
 - (v) being prohibited from participating in an equity incentive scheme of a listed company under relevant laws and regulations; and
 - (vi) any other circumstances as determined by the CSRC.

(c) DCITS achieving the following financial performance targets:

Tranche	Financial performance targets
First Tranche	the net profit of DCITS for the year of 2019 being not less than RMB360 million
Second Tranche	the net profit of DCITS for the year of 2020 being not less than RMB435 million

Note: The above net profit refers to the net profit attributable to DCITS shareholders.

(d) Subject to DCITS achieving the relevant annual financial performance targets, the results of the annual assessment to be conducted by the remuneration and appraisal committee of DCITS against the grantee being 80 points or above or graded at "A".

According to the provisions of the Restricted Share Incentive Scheme of DCITS, the grant price of such restricted shares was adjusted from RMB6.38 per share to RMB6.345 per share (due to DCITS's dividends).

The following shows the movements in the restricted shares under the Restricted Share Incentive Scheme during the year:

Grantee	Number of Restricted Shares				
	Outstanding as at 1/1/2020	Granted during the year	Buyback and cancelled during the year	Vested during the year	Outstanding as at 31/12/2020
DCITS Director	1,000,000	–	–	(500,000)	500,000
DCITS other employees	5,950,000	–	(300,000)	(2,825,000)	2,825,000

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Option Scheme", "Restricted Share Award Scheme", "Share Option Incentive Scheme of Digital China Information Service Company Ltd." and "Restricted Share Incentive Scheme of DCITS" of this report, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Share Option Scheme" and "Restricted Share Award Scheme" of this report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

At 31 December 2020, the interests and short positions of each Director and chief executive of the Company and their associates in the shares of the Company ("Share(s)"), underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have taken under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" adopted by the Company (the "Model Code") were as follows:

Name of Directors	Capacity	Shares held under personal interests	Corporate interests	Number of outstanding share options	Total (Note 1)	Approximate percentage of aggregate interests (%) (Note 6)
GUO Wei	Beneficial owner and interests of a controlled corporation	95,328,707	86,767,857 (Note 2)	94,116,974 (Note 3 & 4)	276,213,538	16.52
LIN Yang	Beneficial owner	3,571,734	-	15,116,974 (Note 3 & 4)	18,688,708	1.12
WONG Man Chung, Francis	Beneficial owner	100,000 (Note 5)	-	2,000,000 (Note 4)	2,100,000	0.13
NI Hong (Hope)	Beneficial owner	100,000 (Note 5)	-	2,000,000 (Note 4)	2,100,000	0.13
LIU Yun, John	Beneficial owner	100,000 (Note 5)	-	2,000,000 (Note 4)	2,100,000	0.13
YAN Xiaoyan	Beneficial owner	-	-	2,000,000 (Note 4)	2,000,000	0.12
KING William	Beneficial owner	100,000 (Note 5)	-	2,000,000 (Note 4)	2,100,000	0.13

Notes:

- All of the interests disclosed herein represent long position in the Shares.
- These 86,767,857 Shares were beneficially held by Kosalaki Investments Limited ("KIL"), of which Mr. GUO Wei is the controlling shareholder and also a director of KIL, therefore, Mr. GUO Wei was deemed to be interested in such Shares in which KIL was interested.
- On 25 January 2017, 12,500,000 share options were granted to each of Mr. GUO Wei and Mr. LIN Yang, which was each adjusted to 13,116,974 share options as a result of the completion of rights issue on 18 September 2017. These share options are exercisable from 25 January 2017 to 24 January 2025 at an exercise price of HK\$6.394 per Share for subscription of ordinary shares of the Company.
- On 13 July 2020, 81,000,000 share options were granted to Mr. GUO Wei and 2,000,000 share options were granted to each of Mr. LIN Yang, Mr. WONG Man Chung, Francis, Ms. NI Hong (Hope), Dr. LIU Yun, John, Ms. YAN Xiaoyan and Mr. KING William. These share options are exercisable from 13 July 2020 to 12 July 2028 at an exercise price of HK\$6.60 per Share for subscription of ordinary shares of the Company.
- On 2 June 2020, these shares were granted under the Restricted Share Award Scheme, and was vested in 2021 pursuant to the terms and conditions of the Scheme.
- The approximate percentage of interests is based on the aggregate nominal value of the Shares/underlying shares comprising the interests held as a percentage of the aggregate nominal value of all the issued share capital of the Company of the same class immediately after the relevant event and as recorded in the register maintained under Section 352 of the SFO.

Save as disclosed above, at 31 December 2020, none of the Directors and chief executive of the Company or their associates 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) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and chief executive of the Company were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2020, to the best knowledge of the Directors, the following persons or corporations, not being a Director or chief executive of the Company, had the following interests and short positions in the Shares and underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name	Capacity	Number of Shares (Note 1)	Approximate percentage of aggregate interests (%) (Note 6)
Kosalaki Investments Limited (Note 2)	Beneficial owner	86,767,857	5.17
Dragon City International Investment Limited	Beneficial owner	187,578,500 (Note 3)	11.23
Yip Chi Yu (Note 3)	Interests of a controlled corporation/ Interest of spouse	187,578,500/ 2,325	11.23
Huang Shaokang (Note 3)	Beneficial owner/ Interest of spouse	2,325/ 187,578,500	11.23
Guangzhou City Infrastructure Investment Group Limited* (廣州市城市建設投資集團有限公司) ("GZ Infrastructure")	Interests of controlled corporations	394,433,928 (Note 4(a))	23.58
Guangzhou City Investment Co., Ltd.* (廣州市城投資有限公司) ("GZ Investment")	Interests of a controlled corporation	394,433,928 (Note 4(b))	23.58
Guangzhou City Investment Jiapeng Industry Investment Fund Management Co., Ltd.* (廣州城投佳朋產業投資基金管理有限公司) ("GZ Jiapeng")	Interests of a controlled corporation	362,992,000 (Note 4(c))	21.70
Guangzhou City Investment Jiazi Investment Partnership (Limited Partnership)* (廣州城投甲子投資合夥企業(有限合夥)) ("GZ Jiazi")	Beneficial owner	362,992,000 (Note 4(d))	21.70
Guangzhou Radio Group Co., Ltd.* (廣州無線電集團有限公司)("Guangzhou Radio Group")	Interests of a controlled corporation	212,966,250 (Note 5)	12.73
GRG Banking Equipment Co., Ltd.* (廣州廣電運通金融電子股份有限公司) ("GRG Banking Corp")	Beneficial owner	212,966,250 (Note 5)	12.73
BOCI-Prudential Trustee Limited as Trustee of Digital China Holdings Limited Restricted Share Award Scheme Trust	Trustee	100,418,250	6.00
Allianz SE	Interests of a controlled corporation	83,679,750	5.00

Notes:

1. All of the interests disclosed herein represent long position in the Shares.
2. KIL is controlled by Mr. GUO Wei who is a director of the Company and KIL.
3. The interest includes (i) 133,361,633 Shares held directly by Dragon City International Investment Limited ("**Dragon City**"), which is controlled by Ms. YIP Chi Yu; (ii) 54,216,867 underlying Shares held directly by Dragon City in respect of an unlisted equity derivative instrument; and (iii) 2,325 shares held directly by Mr. HUANG Shaokang, a spouse of Ms. YIP Chi Yu.
4.
 - (a) Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GZ Infrastructure on 21 December 2020, GZ Infrastructure was interested in 394,433,928 Shares in aggregate, of which, 362,992,000 Shares were held by GZ Jiazi and 31,441,928 shares were held by Suitong Hong Kong Company Limited* (穗通(香港)有限公司) ("**Suitong HK**"). GZ Jiazi is owned as to 99.96% by GZ Investment and 0.04% by GZ Jiapeng, which is in turn wholly-owned by GZ Investment. Suitong HK is also wholly-owned by GZ Investment. GZ Investment is owned as to 80% by GZ Infrastructure and 20% by Guangzhou Industry Investment Fund Management Co. Ltd.* (廣州產業投資基金管理有限公司) ("**GZ Industry Fund**") which is wholly-owned by GZ Infrastructure. GZ Infrastructure was deemed to be interested in 394,433,928 Shares.
 - (b) Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GZ Investment on 21 December 2020, GZ Investment was interested in 394,433,928 Shares in aggregate, of which, 362,992,000 Shares were held by GZ Jiazi and 31,441,928 Shares were held by Suitong HK.
 - (c) Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GZ Jiapeng on 21 December 2020, GZ Jiapeng was interested in 362,992,000 Shares.
 - (d) Pursuant to a Form 2 – Corporate Substantial Shareholders Notice filed by GZ Jiapeng on 21 December 2020, GZ Jiazi was interested in 362,992,000 Shares.
5. These 212,966,250 Shares were beneficially held by GRG Banking Equipment Co., Ltd.* (廣州廣電運通金融電子股份有限公司) (listed on The Shenzhen Stock Exchange), in which Guangzhou Radio Group Co., Ltd.* (廣州無線電集團有限公司) is a 52.96% controlling shareholder.
6. The approximate percentage of interests is based on the aggregate nominal value of the Shares/underlying shares comprising the interests held as a percentage of the aggregate nominal value of all the issued share capital of the Company of the same class immediately after the relevant event and as recorded in the register maintained under Section 336 of the SFO.

Save as disclosed above, as at 31 December 2020, the Company had not been notified by any persons and corporations who had interests or short positions in Shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

DONATIONS

During the year ended 31 December 2020, the Group made donation of HK\$1,954,000 (for the year ended 31 December 2019: HK\$2,208,000).

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentage of revenue attributable to the Group's five largest customers was less than 30% (for the year ended 31 December 2019: less than 30%) of the Group's total revenue for the year ended 31 December 2020.

The aggregate percentage of purchases attributable to the Group's five largest suppliers was approximately 53% (for the year ended 31 December 2019: approximately 45%) of the Group's total purchases and the percentage of purchases attributable to the Group's largest supplier was approximately 20% (for the year ended 31 December 2019: approximately 14%) for the year ended 31 December 2020.

During the year ended 31 December 2020, none of the Directors, any of their close associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest major customers or five largest suppliers.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

AUDITOR

In the year 2018, Ernst & Young resigned as the auditor of the Company and SHINEWING (HK) CPA Limited was appointed as the auditor of the Company on 21 December 2018 to fill the casual vacancy following the resignation of Ernst & Young. Please refer to the Company's announcement dated 21 December 2018 for more details regarding the change of auditor.

The consolidated financial statements of the Group for the year ended 31 December 2020 was audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float during the year ended 31 December 2020 and up to the date of this report as required under the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

No significant event of the Group occurred after the Reporting Period and up to the date of this report.

Approved by the Board on 30 March 2021

GUO Wei
Chairman

Independent Auditor's Report



SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF DIGITAL CHINA HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Digital China Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 102 to 243, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

IMPAIRMENT ASSESSMENT OF GOODWILL

Refer to note 18 to the consolidated financial statements and the accounting policies on page 116.

The key audit matter

As at 31 December 2020, the carrying amount of the Group's goodwill was approximately HK\$1,877,561,000. During the year ended 31 December 2020, an impairment of goodwill approximately HK\$141,324,000 was recognised.

The management assessed goodwill for impairment by comparing the carrying amount of cash-generating units ("CGUs") to which goodwill has been allocated with the recoverable amount determined by assessing the value in use. Preparing a discounted cash flow forecast involves the exercise of significant management judgement, in particular in forecasting revenue growth and operating profit and in determining an appropriate discount rate.

We have identified the impairment assessment of goodwill as a key audit matter because of its significance to the consolidated financial statements and the selection of valuation model, adoption of key assumptions and input data may be subject to management bias and changes in these assumptions and input to the valuation model may result in significant financial impact.

How the matter was addressed in our audit

We performed the following audit procedures on the impairment assessment of goodwill:

- evaluated management's impairment assessment on the reasonableness of the selection of valuation model, adoption of key assumptions and input data;
- evaluated the appropriateness of the assumptions, including the revenue growth rates and gross margin, against latest market expectation;
- evaluated the appropriateness of the discount rate employed in the calculation of value in use by reviewing its basis of calculation and comparing its input data to market sources; and
- performed sensitivity analysis in relation to the key inputs to the impairment assessment which included changes in revenue growth rate, gross margin and discount rate employed.

ESTIMATE OF EXPECTED CREDIT LOSSES ("ECL") OF ACCOUNTS AND BILLS RECEIVABLES AND CONTRACT ASSETS

Refer to note 30 and 32 to the consolidated financial statements and the accounting policies on pages 133 to 134.

The key audit matter

As at 31 December 2020, the carrying amount of the Group's accounts and bills receivables was approximately HK\$3,762,356,000, net of loss allowance of approximately HK\$682,352,000 and contract assets of HK\$2,405,241,000, net of loss allowance of approximately HK\$292,700,000.

The Group has adopted ECL model to estimate the loss allowance of accounts and bills receivables and contract assets. Management performed periodic assessment on the sufficiency of loss allowance based on provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Management also considered forward looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the ECL.

The measurement of ECL requires the application of significant judgement and increased complexity which include the identification of exposures with a significant deterioration in credit quality, and assumptions used in the ECL models (for exposures assessed individually or collectively), such as probability of default and forward looking information.

We have identified the estimate of ECL of accounts and bills receivables and contract assets as a key audit matter because of its significance to the consolidated financial statements and the corresponding uncertainty inherent in such estimates.

How the matter was addressed in our audit

We performed the following audit procedures on assessing the loss allowance of accounts and bills receivables and contract assets:

- evaluated the design and implementation of key internal controls which govern credit control, debt collection and estimation of ECL;
- assessed, on a sample basis, whether items in the ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with the relevant sales invoices;
- evaluated techniques and methodology in the ECL model against the requirement of HKFRS 9;
- reviewed and assessed the application of the Group's policy for calculating the ECL; and
- assessed the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluated whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowance.

REVENUE RECOGNITION FROM CONTRACTS WITH CUSTOMERS

Refer to note 6 to the consolidated financial statements and the accounting policies on pages 119 to 120.

The key audit matter

The Group's revenue from sales of goods is recognised at the point when the control of the goods is transferred to the customers while revenue from system integration and software development and technology services are recognised over time with reference to the progress towards complete satisfaction of a performance obligation in accordance with input method in accounting for its contract revenue. Significant management judgement is involved in using input method as based on the Group's efforts or inputs to the satisfaction of a performance obligation, by reference to the actual costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

During the year, the Group recognised revenue over time and at a point in time amounted to approximately HK\$7,790,204,000 and HK\$11,648,044,000 respectively.

We have identified revenue recognition from contracts with customers as a key audit matter because it is quantitatively significant to the consolidated financial statements as a whole, combined with judgement involved in determining the appropriate point to recognise revenue from the above types of revenues.

How our audit addressed the key audit matter

We performed the following audit procedures on the revenue recognition from contracts with customers using input method:

- evaluated the design, implementation and operating effectiveness of key internal controls over revenue recognition;
- assessed the appropriateness of the Group's revenue recognition policy under the requirements of HKFRS 15 by inspecting a sample of representative contracts with customers;
- selected a sample of incomplete contracts as at year end and checked calculation of significant components of budgeted contract costs to supporting documents such as purchase orders of equipment and contracts with subcontractors;
- selected a sample of completed contracts during the year and checked the historical reliability of the budgeted contract costs; and
- re-performed on a sample basis the calculation of revenue recognised during the year based on the input method.

VALUATION OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Refer to notes 23 and 24 to the consolidated financial statements and the accounting policies on pages 130 to 132.

The key audit matter

As at 31 December 2020, the carrying amounts of the Group's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income were approximately HK\$1,122,414,000 and HK\$714,300,000 respectively.

During the year, the Group recognised fair value loss on financial assets at fair value through profit or loss of approximately HK\$10,071,000 and fair value gain on financial assets at fair value through other comprehensive income of approximately HK\$114,406,000.

The Group engaged an external valuation specialist to perform valuation of significant investments where quoted market prices are not available.

We have identified the valuation of these financial assets as a key audit matter because the carrying amounts of these financial assets are significant to the consolidated financial statements and significant management's judgements were involved in the choice of valuation methods and inputs in the fair value measurement of these financial assets.

How the matter was addressed in our audit

We performed the following audit procedures on the valuation of financial assets at fair value through profit or loss and at fair value through other comprehensive income for which quoted market prices are not available:

- assessed the competence, capability and objectivity of the relevant independent valuers;
- assessed the appropriateness of the valuation methodologies performed by management;
- involved valuation specialist to evaluate and assess the appropriateness of the valuation methodologies and the reasonableness of the key assumptions used in the valuations performed by the relevant independent valuers; and
- tested, on a sample basis, the accuracy and relevance of input data used by the relevant independent valuers based on the subscription price of latest round of financing of the equity interests and disposal value with the transactions of similar assets.

VALUATION OF INVESTMENT PROPERTIES

Refer to note 15 to the consolidated financial statements and the accounting policies on pages 128 to 129.

The key audit matter

As at 31 December 2020, the fair value of the Group's investment properties was approximately HK\$5,126,601,000, with a net fair value gain of approximately HK\$701,000 recognised in the consolidated statement of profit or loss for the year ended 31 December 2020.

The Group had engaged independent valuers as management's experts to perform valuations of these investment properties at the end of the reporting period.

We have identified valuation of investment properties as a key audit matter because the carrying amounts of these investment properties are significant to the consolidated financial statements and significant management's judgements were involved in the choice of valuation methods and inputs in the fair value measurement of these investment properties.

How the matter was addressed in our audit

We performed the following audit procedures on the valuation of investment properties:

- assessed the competence, capabilities and objectivity of the independent valuers;
- obtained an understanding of the valuation process and techniques adopted by the independent valuers to assess if they are consistent with the industry norms;
- obtained the valuation reports and involved our valuation specialist to evaluate and assessing the reasonableness of the significant unobservable inputs and the accuracy of the source data used by the management and the independent valuers by comparing them, on a sampling basis, to where relevant, existing tenancy profiles, publicly available information of similar comparable properties; and
- tested, on a sample basis, the arithmetical accuracy of calculations.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of 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 DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act and our agreed terms of engagement, 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 HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

From the matters communicated with 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 Lau Kai Wong.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Lau Kai Wong

Practising Certificate Number: P06623

Hong Kong

30 March 2021

Consolidated Statement of Profit or Loss

For the year ended 31 December 2020

	NOTES	2020 HK\$'000	2019 HK\$'000
Revenue	6	19,819,527	17,727,429
Cost of sales and services		(16,460,691)	(14,572,646)
Gross profit		3,358,836	3,154,783
Other income and gains	6	235,050	178,101
(Loss) gain on deemed partial disposal of equity interests in associates	21	(142,941)	143,311
Gain on disposal/partial disposal of equity interests in associates	21	982,080	233,358
Gain on disposal of equity interests in joint ventures	20	106,961	-
Selling and distribution expenses		(1,348,040)	(1,315,401)
Administrative expenses		(573,842)	(527,781)
Other expenses, net		(1,056,187)	(810,709)
Finance costs	8	(148,456)	(227,506)
Impairment of goodwill	18	(141,324)	(201,787)
Share of loss of associates		(113,866)	(55,895)
Share of loss of joint ventures		(11,401)	(23,774)
Profit before tax	7	1,146,870	546,700
Income tax expense	11	(181,518)	(96,524)
Profit for the year		965,352	450,176
Attributable to:			
Equity holders of the parent		612,970	301,844
Non-controlling interests		352,382	148,332
		965,352	450,176
Earnings per share attributable to equity holders of the parent	13		
Basic (HK cents)		37.74	18.31
Diluted (HK cents)		37.59	18.31

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December 2020

	<i>NOTES</i>	2020 HK\$'000	2019 HK\$'000
Profit for the year		965,352	450,176
Other comprehensive income (expense)			
Other comprehensive income (expense) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation of financial statements of foreign operations		715,512	(197,450)
Share of other comprehensive income of associates		2,361	11,269
Net other comprehensive income (expense) that may be reclassified to profit or loss in subsequent periods		717,873	(186,181)
Other comprehensive income (expense) that will not be reclassified to profit or loss in subsequent periods:			
Net fair value changes on financial assets measured at fair value through other comprehensive income		114,406	(3,696)
Gain on property revaluation	15	6,379	20,597
Income tax effect	26	(17,334)	(10,814)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		103,451	6,087
Other comprehensive income (expense) for the year, net of tax		821,324	(180,094)
Total comprehensive income for the year		1,786,676	270,082
Attributable to:			
Equity holders of the parent		1,206,660	184,948
Non-controlling interests		580,016	85,134
		1,786,676	270,082

Consolidated Statement of Financial Position

At 31 December 2020

	NOTES	2020 HK\$'000	2019 HK\$'000
Non-current assets			
Property, plant and equipment	14	992,378	1,027,562
Right-of-use assets	16	202,970	233,656
Investment properties	15	5,126,601	4,598,840
Goodwill	18	1,877,561	1,887,695
Other intangible assets	19	195,700	157,765
Interests in joint ventures	20	73,725	185,890
Interests in associates	21	2,430,714	3,150,086
Financial assets at fair value through other comprehensive income	23	714,300	408,572
Finance lease receivables	25	788	2,310
Accounts receivables	30	130,513	-
Other receivables	31	883,936	908,780
Deferred tax assets	26	225,211	173,125
		12,854,397	12,734,281
Current assets			
Inventories	27	2,614,291	1,848,844
Properties under development	28	-	-
Completed properties held for sale	29	694,716	24,722
Accounts and bills receivables	30	3,631,843	5,362,493
Prepayments, deposits and other receivables	31	1,339,906	1,499,292
Contract assets	32a	2,405,241	527,073
Financial assets at fair value through profit or loss	24	1,122,414	929,091
Finance lease receivables	25	53,154	54,528
Restricted bank balances	33	228,286	115,488
Cash and cash equivalents	33	3,076,717	1,890,171
		15,166,568	12,251,702
Assets classified as held for sale	22	-	565,118
		15,166,568	12,816,820
Current liabilities			
Accounts and bills payables	34	3,620,499	3,832,793
Other payables and accruals	35	2,517,610	2,046,205
Lease liabilities	17	83,215	103,070
Contract liabilities	32b	2,407,732	1,396,496
Tax payables		120,216	66,455
Interest-bearing bank and other borrowings	36	2,077,309	3,468,959
		10,826,581	10,913,978
Net current assets		4,339,987	1,902,842
Total assets less current liabilities		17,194,384	14,637,123

Consolidated Statement of Financial Position

At 31 December 2020

	<i>NOTES</i>	2020 HK\$'000	2019 HK\$'000
Non-current liabilities			
Interest-bearing bank and other borrowings	36	2,301,295	1,625,741
Deferred tax liabilities	26	465,878	350,261
Deferred income	47	25,888	37,033
Lease liabilities	17	50,547	60,616
Other financial liability	48	586,144	-
		3,429,752	2,073,651
Net assets		13,764,632	12,563,472
Capital and reserves			
Share capital	37	167,250	167,098
Reserves	38	9,262,477	8,769,325
Equity attributable to equity holders of the parent		9,429,727	8,936,423
Non-controlling interests		4,334,905	3,627,049
Total equity		13,764,632	12,563,472

The consolidated financial statements on pages 102 to 243 were approved and authorised for issue by the board of directors on 30 March 2021 and are signed on its behalf by:

GUO Wei
Director

LIN Yang
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Attributable to equity holders of the parent												
	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Employee share trust HK\$'000	Employee share-based compensation reserve HK\$'000	Asset revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Reserve funds HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2020	167,098	4,643,858	1,893,085	(60,867)	67,028	496,428	42,506	476,557	(347,914)	1,558,644	8,936,423	3,627,049	12,563,472
Profit for the year	-	-	-	-	-	-	-	-	-	612,970	612,970	352,382	965,352
Changes in fair value on financial assets measured at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	69,015	-	-	-	69,015	29,652	98,667
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	509,566	-	509,566	205,946	715,512
Share of other comprehensive income of associates	-	-	-	-	-	-	9,924	-	401	-	10,325	(7,964)	2,361
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(6,466)	-	-	6,466	-	-	-
Gain on property revaluation, net of tax	-	-	-	-	-	4,784	-	-	-	-	4,784	-	4,784
Total comprehensive income for the year	-	-	-	-	-	4,784	72,473	-	509,967	619,436	1,206,660	580,016	1,786,676
Share-based compensation	-	-	-	-	63,101	-	-	-	-	-	63,101	20,654	83,755
Capital contribution from non-controlling shareholders of subsidiaries (note 42(f))	-	-	(84,111)	-	-	-	-	-	-	-	(84,111)	251,991	167,880
Deemed acquisition of additional interests in non-wholly-owned subsidiaries (note 42(d))	-	-	(42,015)	-	-	-	-	-	-	-	(42,015)	(122,547)	(164,562)
Contribution to employee shares trusts	-	-	-	(493,623)	-	-	-	-	-	-	(493,623)	-	(493,623)
Exercise of share options	152	8,119	-	-	(1,640)	-	-	-	-	-	6,631	-	6,631
Acquisition of additional interests in non-wholly-owned subsidiaries (note 42(c))	-	-	(510)	-	-	-	-	-	-	-	(510)	448	(62)
Partial disposal of subsidiaries (note 42(b))	-	-	-	-	-	-	-	-	-	-	-	(1,967)	(1,967)
Disposal of subsidiaries (note 42(e))	-	-	-	-	-	-	-	-	-	-	-	8,000	8,000
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(28,739)	(28,739)
Transfer to reserve funds	-	-	-	-	-	-	-	85,137	-	(85,137)	-	-	-
Dividends paid (note 12)	-	-	-	-	-	-	-	-	-	(162,829)	(162,829)	-	(162,829)
At 31 December 2020	167,250	4,651,977	1,766,449	(554,490)	128,489	501,212	114,979	561,694	162,053	1,930,114	9,429,727	4,334,905	13,764,632

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Attributable to equity holders of the parent													Total equity HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Employee share trust HK\$'000	Employee share-based compensation reserve HK\$'000	Asset revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Other reserve HK\$'000	Reserve funds HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2019	167,726	4,665,095	1,893,117	(21,571)	54,917	480,980	43,078	(1,326)	426,875	(212,913)	1,354,365	8,850,343	3,546,353	12,396,696
Profit for the year	-	-	-	-	-	-	-	-	-	-	301,844	301,844	148,332	450,176
Changes in fair value on financial assets measured at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(4,197)	-	-	-	-	(4,197)	(5,164)	(9,361)
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	(139,233)	-	(139,233)	(139,233)	(58,217)	(197,450)
Share of other comprehensive income of associates	-	-	-	-	-	-	6,854	-	4,232	-	-	11,086	183	11,269
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(3,229)	-	-	-	3,229	-	-	-
Gain on property revaluation, net of tax	-	-	-	-	-	15,448	-	-	-	-	-	15,448	-	15,448
Total comprehensive income (expense) for the year	-	-	-	-	-	15,448	(572)	-	-	(135,001)	305,073	184,948	85,134	270,082
Share-based compensation	-	-	-	-	12,111	-	-	-	-	-	-	12,111	6,258	18,369
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	20,959	20,959
Capital reduction by a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(3,495)	(3,495)
Contribution to employee shares trusts	-	-	-	(39,296)	-	-	-	-	-	-	-	(39,296)	-	(39,296)
Shares buy back (note 27)	(628)	(21,237)	-	-	-	-	-	1,326	-	-	-	(20,539)	-	(20,539)
Acquisition of additional interests in non-wholly-owned subsidiaries (note 42(c))	-	-	(32)	-	-	-	-	-	-	-	-	(32)	(47)	(79)
Disposal of subsidiaries (note 42(e))	-	-	-	-	-	-	-	-	-	-	-	-	(5,224)	(5,224)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(22,889)	(22,889)
Transfer to reserve funds	-	-	-	-	-	-	-	-	49,682	-	(49,682)	-	-	-
Dividends paid (note 12)	-	-	-	-	-	-	-	-	-	-	(51,112)	(51,112)	-	(51,112)
At 31 December 2019	167,098	4,643,858	1,893,085	(60,867)	67,028	496,428	42,506	-	476,557	(347,914)	1,558,644	8,936,423	3,627,049	12,563,472

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	2020 HK\$'000	2019 HK\$'000
OPERATING ACTIVITIES		
Profit before tax:	1,146,870	546,700
Adjustments for:		
Finance costs	148,456	227,506
Share of loss of associates	113,866	55,895
Share of loss of joint ventures	11,401	23,774
Interest on bank deposits	(10,759)	(10,284)
Income from wealth management products	(23,544)	(32,209)
Deferred income recognised	(44,800)	(20,902)
Dividends income from financial assets at fair value through profit or loss	-	(475)
Dividends income from financial assets at fair value through other comprehensive income	(6,396)	(232)
Impairment of goodwill	141,324	201,787
Impairment of accounts and bills receivables, other receivables and contract assets	273,186	94,635
Reversal of impairment of finance lease receivables	(1,695)	(6,829)
Impairment of properties under development	-	12,394
Impairment of interests in associates	-	2,286
Loss on disposal of property, plant and equipment	2,293	4,022
Loss on write-off of other intangible assets	1,777	4,882
Fair value gain on investment properties	(701)	(32,532)
Fair value loss on financial assets at fair value through profit or loss	10,071	3,263
Fair value gain on transfer to investment properties from completed properties held for sale	(6,969)	-
Gain on partial disposal of equity interest in a subsidiary	(12,346)	-
Gain on disposal/partial disposal of equity interests in associates	(982,080)	(233,358)
Gain on disposal of equity interests in joint ventures	(106,961)	-
Gain on disposal of financial assets at fair value through profit or loss	-	(4,371)
Gain on disposal of equity interests in subsidiaries	(16,161)	(890)
Loss (gain) on deemed partial disposal of equity interests in associates	142,941	(143,311)
Depreciation of property, plant and equipment	126,886	135,754
Depreciation of right-of-use assets	121,200	108,278
Amortisation of other intangible assets	51,369	47,050
Provisions for and write-off of obsolete inventories	109,038	87,554
Share-based compensation	82,831	18,369
	1,271,097	1,088,756
Increase in inventories	(859,273)	(884,300)
Decrease in completed properties held for sale	7,771	-
Decrease (increase) in accounts and bills receivables	1,668,636	(569,711)
Increase in prepayments, deposits and other receivables	(30,824)	(66,798)
Decrease in finance lease receivables	4,591	118,792
(Decrease) increase in accounts and bills payables	(173,542)	622,178
Increase in other payables and accruals and deferred income	569,111	412,310
(Increase) decrease in contract assets	(2,153,913)	624,396
Increase (decrease) in contract liabilities	915,603	(229,339)
Increase in restricted bank balances	(112,798)	(45,871)
Effect of foreign exchange rate changes, net	119,520	(29,849)
	1,225,979	1,040,564
Cash generated from operations	1,225,979	1,040,564
Interest received	15,320	19,594
Hong Kong profits tax paid	-	(263)
Mainland China income tax paid	(95,625)	(70,666)
	1,145,674	989,229
NET CASH FROM OPERATING ACTIVITIES	1,145,674	989,229

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	2020 HK\$'000	2019 HK\$'000
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(60,043)	(199,135)
Proceeds from disposal of property, plant and equipment	1,528	6,968
Additions to other intangible assets	(70,052)	(50,164)
Acquisition of subsidiaries	(414,844)	(42,587)
Disposal of subsidiaries	7,914	(2,850)
Proceeds from disposal of investment properties	117,386	-
Proceeds from disposal of investment in joint ventures	113,093	-
Proceeds from disposal of investment in associates	1,642,194	115,049
Proceeds from partial disposal of investment in a subsidiary	5,575	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	40,196	7,886
Proceeds from disposal of financial assets at fair value through profit or loss	1,160,782	1,190,212
Dividend income from financial assets at fair value through profit or loss	-	475
Dividend income from financial assets at fair value through other comprehensive income	6,396	232
Dividends received from joint ventures	93,294	-
Dividends received from associates	26,473	31,571
Investments in joint ventures	-	(23,981)
Investments in associates	(35,041)	(41,486)
Purchase of financial assets at fair value through profit or loss	(1,125,061)	(799,646)
NET CASH FROM INVESTING ACTIVITIES	1,509,790	192,544
FINANCING ACTIVITIES		
Exercise of shares options	6,631	-
Shares buy back	-	(20,539)
New bank borrowings	2,925,161	3,630,668
Repayment of bank borrowings	(4,018,992)	(4,111,711)
Repayment of lease liabilities	(118,803)	(106,240)
Proceeds from issue of corporate bonds	-	1,949
Repayment of corporate bonds	(2,439)	(569,854)
Interest paid	(142,123)	(227,506)
Dividends paid	(162,829)	(51,112)
Dividends paid to non-controlling shareholders	(28,739)	(22,889)
Purchase of shares under the restricted share award scheme	(493,623)	(39,296)
Payments to acquire additional interests in non-wholly-owned subsidiaries	(62)	(79)
Repurchase of shares of a subsidiary	(164,562)	-
Contribution from non-controlling shareholders of subsidiaries	664,124	20,959
Capital reduction by a non-controlling shareholder of a subsidiary	-	(3,495)
NET CASH USED IN FINANCING ACTIVITIES	(1,536,256)	(1,499,145)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,119,208	(317,372)
Cash and cash equivalents at beginning of year	1,890,171	2,204,872
Effect of foreign exchange rate changes, net	67,338	2,671
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	3,076,717	1,890,171
Analysis of components of cash and cash Equivalents		
Bank balances and cash	3,051,467	1,885,691
Non-pledged time deposits	25,250	4,480
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of the cash flows	3,076,717	1,890,171

Notes to Financial Statements

For the year ended 31 December 2020

1. GENERAL

Digital China Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to this annual report.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- provision of information technology ("IT") services, including systems integration, software development and technical services business, etc.
- provision of supply chain services, including e-commerce supply chain services and logistics services.
- provision of all-encompassing Sm@rt City services, including internet based integrated IT platform construction and operation and institutional financial services, including micro-credit loan, leasing, factoring, etc.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"). Other than the Group's subsidiaries operated in the People's Republic of China (the "PRC") whose functional currencies are Renminbi ("RMB"), the functional currencies of the Company and other subsidiaries are HK\$.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in HKFRSs and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning 1 January 2020:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 7, HKFRS 9 and HKAS 39	Interest Rate Benchmark Reform

In addition, the Group has early applied Amendment to HKFRS 16, COVID-19-Related Rent Concessions, which is effective for annual periods beginning on or after 1 June 2020.

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The application of these amendments in the current year had no impact on the consolidated financial statements.

Amendments to HKFRS 3 Definition of a Business

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

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020. These amendments had no impact on the consolidated financial statements in the current year.

Amendments to HKFRS 7, HKFRS 9 and HKAS 39 Interest Rate Benchmark Reform

Amendments to HKFRS 7, HKFRS 9 and HKAS 39 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Early application of Amendment to HKFRS 16 COVID-19-Related Rent Concessions

The amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease.

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

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the year. During the current year, the COVID-19-related rent concessions recognised in the profit or loss amounted to HK\$850,000. There is no impact on the opening balance of equity at 1 January 2020.

Notes to Financial Statements

For the year ended 31 December 2020

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17	Insurance Contracts and related Amendment ⁴
Amendments to HKFRS 3	Reference to Conceptual Framework ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020)
	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴
Amendments to HKAS 16	Property, plant and Equipment: Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ³
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase ²
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle ³

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

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for annual periods beginning on or after 1 January 2023

The directors of the Company anticipate that, except as described below, the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

Amendments to HKFRS 3 – Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

Amendments to HKAS 1 – Classification of liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments to HKAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Hong Kong Interpretation 5 was revised as a consequence of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current to align the corresponding wordings with no change in conclusion.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Based on the Group's outstanding liabilities as at 31 December 2020, the application of the amendments will not result in change in the classification of the Group's liabilities.

Amendments to HKAS 37 – Onerous Contracts— Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Notes to Financial Statements

For the year ended 31 December 2020

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

Amendments to HKAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with HKAS 2 Inventories.

The amendments also clarify the meaning of "testing whether an asset is functioning properly". HKAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets measured at fair value, at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; (iv) any additional facts and circumstances that indicate that the Group has the current ability to direct the relevant activities at the time that decision need to be made, including voting patterns at previous shareholders' meeting; or (v) a combination of the above, based on all relevant facts and circumstances.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets and liabilities of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Business combinations

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities arising from the assets acquired and liabilities assumed in the business combination are recognised and measured in accordance with HKAS 12 Income Taxes.

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

Non-controlling interests, unless as required by another standards, are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU (or groups of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of CGU). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The Group's policy for goodwill relating to an associate or a joint venture that included in the carrying amount of the investment is set out in "interests in associates and joint ventures" below.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

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

The Group's investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method, except for the investments classified as held for sale in which case it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in associates and joint ventures are initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the associates and joint ventures are recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

If an associate or a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's or joint venture's accounting policies conform to those of the Group when the associate's or joint venture's financial statements are used by the Group in applying the equity method.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is recognised as goodwill and is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired.

After application of the equity method, including recognising the associate's or joint venture's losses (if any), the Group determines whether there is an objective evidence that the net investment in the associate or joint venture is impaired. Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not separately recognised. The requirements of HKAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the net investment in the associate or joint venture. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

When the investment ceases to be an associate or a joint venture upon the Group losing significant influence over the associate or joint control over the joint venture, the Group discontinues to apply equity method and any retained interest is measured at its fair value at that date which is regarded as its fair value on initial recognition as a financial asset in accordance with the applicable standard. Any difference between the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss. Any amount previously recognised in other comprehensive income in relation to that investment is reclassified to profit or loss or retained earnings on the same basis as it would have been required if the investee had directly disposed of the related assets or liabilities.

When the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate or joint venture are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. The Group's share in the associate's or joint venture's gains or losses resulting from these transactions is eliminated.

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. In applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such classification requires the asset or the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint control over the joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with the applicable standard unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets held for sale (Continued)

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal, except for financial assets within the scope of HKFRS 9, investment properties, which continue to be measured in accordance with the relevant accounting policies.

Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

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

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

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

Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

The Group recognised revenue from the following major sources:

- System integration
- Software development and technical services business
- Logistics services
- E-commerce supply chain services

Revenue from system integration is recognised over time, except for contracts comprised sales of goods and provision of services in which the performance obligations are separately identifiable. Revenue from sales of goods is recognised at the point when the control of the goods is transferred to the customers while revenue from provision of services is recognised over time.

Revenue from software development and technical services business is recognised over time.

The Group recognised revenue over time by measuring the progress towards complete satisfaction of a performance obligation in accordance with output or input method.

Output method is applied to recognise revenue on the basis of direct measurements of the value of goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Input method is applied to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation, by reference to the actual costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract. In some circumstances when the outcome of a performance obligation could not be reasonably measured, the Group shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Revenue from logistics services is recognised at the point when the services are provided to the customers.

Revenue from e-commerce supply chain services include provision of supply chain services and sales of goods, which is recognised at the point when the services are provided to the customers or when the control of the goods is transferred to the customers, generally on delivery of goods to customers.

Contract assets and contract liabilities

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payments and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For contracts where the Group transferred the associated goods or services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognises interest income during the period between the payment from customers and the transfer of the associated goods or services, and adjusting related receivables.

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing

Definition of a lease

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

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Except for the right-of-use assets classified as investment properties and measured under fair value model, right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents, if any, that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

When the Group obtains ownership of the underlying leased assets at the end of the lease term upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, HKFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient for all leases.

Lease modification

The Group accounts for a lease modification as a separate lease if:

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

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

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

COVID-19-Related Rent Concessions

For rental concessions relating to lease contracts that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether a COVID-19-Related Rent Concession for lease contracts is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

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

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

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties and certain equipment. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 to allocate the consideration under the contract to each component.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term except for investment properties under fair value model.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases, measured using the interest rate implicit in the respective leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint arrangement that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

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

Any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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

Government grants

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

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

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

Taxation

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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

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

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

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the general principles above.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

For payments of ownership interest of properties which includes both leasehold land and building elements, the entire property is presented as buildings and included in property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements, except for those that are classified and accounted for as investment properties under fair value model.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates used for this purpose are as follows:

Buildings	Over the lease terms or 2% to 5%, whichever is shorter
Leasehold improvements	Over the lease terms or 20% to 33%, whichever is shorter
Fixtures and office equipment	10% to 33%
Motor vehicles	10% to 20%

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purpose. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties (Continued)

If an item of property, plant and equipment and right-of-use assets becomes an investment property when there is a change in use, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in asset revaluation reserve. The asset revaluation reserve in respect of that item will be transferred directly to retained profits when it is derecognised.

If a property held for sale becomes an investment property when there is a change in use, as supported by observable evidence, any difference between the carrying amount and the fair value of that property at the date of transfer is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of five years.

Research and development costs

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

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production.

Systems software

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

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at the fair value at the acquisition date (which is regarded as their cost).

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

Intangible assets acquired in a business combination (Continued)

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost and net realisable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period. Net realisable value is estimated by the directors of the Company based on the prevailing market prices, less applicable variable selling expenses and the anticipated costs to completion.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and buildings costs attributable to unsold properties. Net realisable value is estimated by the directors of the Company based on the prevailing market prices, on an individual property basis.

Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI, and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Interest income is recognised in profit or loss and is included in the "Other income and gains" line item (note 6).

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained profits.

Dividends from investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income and gains' line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other income and gains" and "Other expenses" line items. Fair value is determined in the manner described in note 51.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and bill receivables, contract assets and finance lease receivables. The ECL on these financial assets are estimated using a provision matrix or individually based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

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

- internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial assets to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

Credit-impaired financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables and bill receivables, when the amounts are over 30 months past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

The Group's financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Redemption liability

The obligation of the Group to purchase the equity instruments of a group entity at discretion of a third party (written put option) upon it become unconditional is classified as a financial liability (i.e. redemption liability).

The redemption liability is recognised initially at the present value of the redemption price. It is subsequently measured at amortised cost using the effective interest rate method.

The carrying amount of the redemption liability is reclassified as equity if the contract (written put option) expires without delivery.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity-settled share based payment transactions

Share options and share awards granted to employees

The fair value of services received determined by reference to the fair value of equity instruments granted at the date of grant is expensed on a straight line basis over the vesting period with a corresponding increase in equity (employee share-based compensation reserve).

Service and non-market performance conditions are not taken into account when determining the grant date fair value of equity instruments, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an equity instrument, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of the equity instrument and lead to an immediate expensing of an equity instrument unless there are also service and/or performance conditions.

At the end of the reporting period, the Group revises its estimates of the number of equity instruments that are expected to ultimately vest based on assessment of a relevant non-market vesting conditions. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to employee share-based compensation reserve.

When share options are exercised, the amount previously recognised in employee share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in employee share-based compensation reserve will continue to be held in employee share-based compensation reserve.

For RSA Scheme (as explained in note 39(b)), the considerations paid (including any related transaction costs) by the Company to purchase shares of the Company are deducted from equity as an employee share trust. The administrator of the employee share trust purchases the Company's shares in the open market as award shares to employees. At the time when the award shares are vested, the corresponding amount in the employee share trust will be transferred to the employee share-based compensation reserve.

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme (defined contribution scheme) operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories/properties under development/completed properties for sale and value in use of goodwill for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Notes to Financial Statements

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (Continued)

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distributions of dividends. No deferred tax liability on undistributed earnings had been provided at 31 December 2020 (2019: nil).

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group has reviewed the Group's investment properties and concluded that the Group's investment properties, except for those classified as held for sale in accordance with HKFRS 5, are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that investment properties measured using the fair value model are recovered through sale is rebutted.

Accordingly, the Group recognises deferred tax in respect of the changes in fair value of the investment properties based on management's best estimate assuming future tax consequences through usage of such properties of rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed of by the Group, rather than all of the economic benefits embodied in the investment properties are consumed substantially by leasing over time. In the event the investment properties are being disposed of, the Group may be liable to higher tax upon disposal considering the impact of enterprise income tax ("EIT") and land appreciation tax ("LAT").

Consolidation of entities in which the Group holds less than a majority of voting rights

The Group considers that it controls Digital China Information Service Company Ltd. (神州數碼信息服務股份有限公司) ("DCITS") even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of DCITS with a 40.28% (2019: 40.14%) equity interest. Although the Group does not own a majority of the equity interests in DCITS, taking into account the Group's power to participate in the operational and financial activities of DCITS, distribution of key shareholders and their beneficial shareholders as well as historical voting patterns, and the existence of any contractual arrangement among the shareholders and/or their beneficial shareholders, if any, the directors of the Company are of the view that the equity holdings in DCITS are dispersed in a way that other shareholders have not organised and the practical risk to organise their holdings to outvote the Group in the shareholders' meetings of DCITS is remote so that the Group's voting rights are sufficient to give it the practical ability to direct the relevant activities of DCITS unilaterally. Therefore, the directors of the Company are of the view that the Company has de facto control over DCITS.

Significant influence over associates

DigiWin Software Co. Ltd. ("DWS")

In 2019 and up to the date of disposal of DWS in 2020 as disclosed in note 21, the Group considers that it has significant influence even though it owns 19.26% (2019: 19.26%) (15.44% (2019:15.44%) was held through DCITS while 3.82% (2019: 3.82%) was held through its wholly-owned subsidiary) ownership interest and voting power of DWS taking into account 1) the Group is the single major shareholder of DWS and such ownership interest is significant relative to other shareholders due to the wide dispersion of shareholding interests; and 2) the representation on the board of directors of DWS. There is no change in representation and composition of the board of directors during 2020 and 2019.

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For the year ended 31 December 2020

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies (Continued)

Significant influence over associates (Continued)

HC Group Inc. ("HCI")

The Group considers that it has significant influence in HCI even though it owns 19.37% (2019: 22.64%) ownership interest and voting power taking into account 1) the Group is the single largest shareholder and such ownership interest is significant relative to other shareholders due to the wide dispersion of shareholding interests; 2) the representation on the board of directors; 3) right to participate in the policy-making process, including dividends and other distribution; and 4) the representative of the Group is a member of significant committees of HCI. There is no change in representation and composition of the board of directors during 2020 and 2019.

Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Limited ("Jingu")

The Group considers that it has significant influence in Jingu even though it owns 9.78% (2019: 9.71%) ownership interest and voting power taking into account 1) the Group is one of the largest shareholders and such ownership interest is significant relative to other shareholders due to the wide dispersion of shareholding interests; 2) the representation on the board of directors; 3) right to participate in the policy-making process, including dividends and other distribution; and 4) the representative of the Group is a member of significant committees of Jingu. There is no change in representation and composition of the board of directors during 2020 and 2019.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recognition of share-based compensation expense

The Group operates share-based incentive schemes as detailed in note 39 for the purpose of providing incentives and rewards to employees. The fair values of these equity instruments were valued by an independent valuer using the binomial model. These valuations require the Company to make estimates about certain key inputs, including the dividend yield, expected volatility, risk-free interest rate and expected life of options, and hence they are subject to uncertainty.

Besides, the grant of these equity instruments is conditional upon the satisfaction of specified vesting conditions, including service periods and performance conditions linked to financial performance measure. Judgement is required to take into account the vesting conditions and adjust the number of the equity instruments included in the measurement of share-based compensation expense.

The cumulative expense recognised for share-based incentive schemes at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. The future cash flow is estimated based on past performance and expectation for market development, including but not limited to the impacts of COVID-19 pandemic. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2020, the carrying amount of goodwill is approximately HK\$1,877,561,000 (2019: HK\$1,887,695,000). An impairment loss of approximately HK\$141,324,000 was recognised during the year ended 31 December 2020 (2019: HK\$201,787,000). Details of the accumulated impairment and recoverable amount calculations are disclosed in note 18.

Fair value of financial assets measured at FVTPL and FVTOCI

As described in note 51, the directors of the Company use their judgements in selecting appropriate valuation techniques for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of unlisted equity instruments includes some assumptions not supported by observable market prices or rates. As at 31 December 2020, the carrying amount of the unlisted equity instruments classified as FVTOCI was approximately HK\$714,300,000 (2019: HK\$408,572,000). As at 31 December 2020, the carrying amount of the unlisted investments classified as financial assets at FVTPL was approximately HK\$922,911,000 (2019: HK\$925,766,000). The directors of the Company believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of financial instruments.

Estimated useful lives of property, plant and equipment and intangible assets

At the end of each reporting period, the directors of the Company review the estimated useful lives of property, plant and equipment and intangible assets with finite useful life. The carrying amounts of property, plant and equipment and intangible assets with finite useful life as at 31 December 2020 is HK\$992,378,000 (2019: HK\$1,027,562,000) and HK\$195,700,000 (2019: HK\$157,765,000) respectively.

Fair values of investment properties

As at 31 December 2020, the Group's investment properties amounted to HK\$5,126,601,000 (2019: HK\$4,598,840,000). They are stated at estimated fair value, determined by directors, based on an independent external appraisal. The valuation of the Group's property portfolio is inherently subjective due to a number of factors including the individual nature of each property, its location, expectation of future rentals and the discount yield applied to those cash flows. This has been particularly relevant in light of the market uncertainty due to the COVID-19 pandemic. As a result, the valuations placed on the property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions that may not prove to be accurate, particularly in years of volatility or low transaction flow in the market.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Expected credit losses of accounts and bills receivables, other receivables and contract assets

The impairment provisions for accounts and bills receivables and other receivables and contract assets are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss.

During the year ended 31 December 2020, impairment loss of accounts and bills receivables of approximately HK\$86,734,000 was reversed (2019: HK\$90,722,000 was recognised) in the consolidated statement of profit and loss for the year. The carrying amount of accounts and bills receivables was approximately HK\$3,762,356,000 (2019: HK\$5,362,493,000), net of loss allowance of approximately HK\$682,352,000 (2019: HK\$750,029,000).

During the year ended 31 December 2020, impairment loss of other receivables of approximately HK\$84,175,000 (2019: HK\$3,645,000) was recognised in the consolidated statement of profit and loss for the year. The carrying amount of deposits and other receivables was approximately HK\$1,835,656,000 (2019: HK\$2,006,082,000), net of loss allowance of approximately HK\$225,607,000 (2019: HK\$133,045,000).

During the year ended 31 December 2020, impairment loss of contract assets of approximately HK\$275,745,000 (2019: HK\$268,000) was recognised in the consolidated statement of profit and loss for the year. The carrying amount of contract assets was approximately HK\$2,405,241,000 (2019: HK\$527,073,000), net of loss allowance of approximately HK\$292,700,000 (2019: HK\$2,054,000).

Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs.

The future cash flow is estimated based on past performance and expectation for market development, including but not limited to the impacts of COVID-19 pandemic. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2020, the carrying amounts of right-of-use assets, property, plant and equipment, and intangible assets were HK\$202,970,000, HK\$992,378,000 and HK\$195,700,000 (2019: HK\$233,656,000, HK\$1,027,562,000 and HK\$157,765,000) respectively. Details of the impairment of right-of-use assets, property, plant and equipment, and intangible assets are disclosed in Notes 16, 14 and 19, respectively. Further details are given in respective notes.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Revenue recognition

When the Group recognises revenue over time using the input method, based on the actual direct costs incurred to satisfy the performance obligation relative to the total expected costs incurred to satisfy the performance obligations of an individual contract. Total expected costs and their corresponding contract revenue require estimations from management based on understanding of the performance of the contract and quotations from suppliers and subcontractors, and the Group's historical experience. Due to the nature of the activity undertaken in the service contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than expected or actual contract costs are more than expected, a provision for onerous contract may arise.

For system integration and software development and technical services business, the Group either creates and enhances an asset that the customers controls or its customers simultaneously receives and consumes the benefits provided as the Group performs. Therefore, the directors of the Company have satisfied that the performance obligation is satisfied over time using input method.

Provision for obsolete inventories

Management reviews the ageing analysis of inventories of the Group and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sales. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. A considerable amount of judgement is required in assessing the ultimate realisation of these inventories. If the market conditions were to change, resulting in a change in provision for obsolete items, the difference will be recorded in the period it is identified. During the year ended 31 December 2020, provisions for and write-off of obsolete inventories of approximately HK\$109,038,000 (2019: HK\$87,554,000) was recognised in the consolidated statement of profit or loss. As at 31 December 2020, the carrying amount of inventories was approximately HK\$2,614,291,000 (2019: HK\$1,848,844,000).

Impairment assessment of interests in associates and joint ventures

At the end of the reporting period, the directors of the Company review the carrying amounts of its interests in associates and joint ventures of approximately HK\$2,430,714,000 (2019: HK\$3,150,086,000) and HK\$73,725,000 (2019: HK\$185,890,000) respectively, and identified if there is any indication that those assets may suffer an impairment loss. If an objective evidence of impairment exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss. The estimates of the recoverable amounts of the assets require the use of assumptions such as cash flow projections and discount rates. Based on the estimated recoverable amounts, no impairment loss of associates and joint ventures (2019: impairment loss of associates of HK\$2,286,000 and no impairment loss of joint ventures) has been recognised in the consolidated profit or loss.

Notes to Financial Statements

For the year ended 31 December 2020

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Deferred tax

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Certain entities of the Group were recognised as "High New Technology Enterprises" in Mainland China and entitled to a preferential corporate income tax rate of 15% for a three-year period. For the measurement of deferred tax assets and liabilities, judgement is required to determine whether these entities will continue to meet the criteria of "High New Technology Enterprises" and estimate the tax rates expected to be applied.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and amounts of future taxable profits together with future tax planning strategies. The carrying amounts of deferred tax assets and deferred tax liabilities at 31 December 2020 were approximately HK\$225,211,000 (2019: HK\$173,125,000) and HK\$465,878,000 (2019: HK\$350,261,000), respectively. The amount of unrecognised tax losses and certain deductible temporary differences at 31 December 2020 was approximately HK\$1,565,069,000 (2019: HK\$1,446,350,000). Further details are given in note 26.

EIT

The Group is subject to EIT in various regions. As a result of the fact that certain matters relating to the EIT have not been confirmed by the local tax bureaus, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision for EIT. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the EIT and tax provisions in the period in which the differences realise.

LAT

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculations and payments with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact the LAT expenses and the related provision in the period in which the differences realise.

5. SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

In view of the increased scale and business importance of new business investments made by the Group, and to help investors better understand the Group's business structure and financial performance, a new segment named "Investing Business" has been separated from "Other Business" segment from second half of 2020 onwards, both in the internal reports to the CODM and in the consolidated financial statements of the Group. The new "Investing Business" segment primarily consists of: (a) equity investment in information technology related business and (b) participation in, and co-investment with, investment funds that invest in companies operating in the development of new products or services, technological improvements and advancements in scientific research relating to, but not limited to, the areas of big data, fintech, automation and intelligent manufacturing. Prior year segment disclosures have been re-presented to conform with the current year's presentation. The Board believes that the above changes in segment information better reflect current market trends, as well as resource allocation and future business development of the Group.

Segment information of the five continuing business groups are summarised as follows:

- (a) The "DCITS" segment: primarily engaged in system integration, software development and technical service business, with core bank systems and enterprise service buses as its key products, provides services for customers in the banking industry such as system development, maintenance, industry cloud services and infrastructure development, and also provides technical services, application software development and cloud construction and operation services for key industries including government, enterprises and agriculture.
- (b) The "Smart Industry Chain Business" segment: primarily engaged in providing customers with one-stop end-to-end supply chain services through the implementation of a "Warehouse + Big Data + Artificial Intelligence" model, which generate big data insights into both the upstream and downstream supply chain process, enhance the overall efficiency in the industry supply chain and create a new intelligent form of supply chain management. The Group primarily generated revenue from logistics business and e-commerce supply chain services in this segment.
- (c) The "Sm@rt City Business" segment: primarily engaged in the "Smart City" sector, providing big data software and solutions to build comprehensive city-wide big data platforms for the city to solve issues including but not limited to medical, transportation, energy supply and social security issues. The Group primarily generated revenue from big data related system integration, software development and technical services business in this segment.
- (d) The "Investing Business" segment: primarily engaged in improving the Group's core products, services and capabilities of our supply chain offering, building the Group's sustainable development through continuous innovation and incubation through investment, and supporting the wider construction of a big data ecosystem through mergers and acquisitions, equity investment and specialised capital operations such as investment incubation.

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For the year ended 31 December 2020

5. SEGMENT INFORMATION (CONTINUED)

- (e) The "Other Business" segment: including property investment, sales of properties and "Smart Finance Business" which rely on its various financial licenses, integrates resources of financial institutions such as banking, insurance, securities and trusts, provision of financial services, such as micro-credit loan, leasing, factoring, etc. to internal and external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results are evaluated based on the reportable segment profit, which is a measure of adjusted profit before tax. The segment results is measured consistently with the Group's profit before tax except that certain interest income, certain finance costs, unallocated corporate income and gains and unallocated corporate expenses are excluded from such measurement. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments excluding certain deferred tax assets, certain cash and cash equivalents and other unallocated corporate assets as these assets are managed on a group basis.
- all liabilities are allocated to operating segments excluding certain tax payables, certain interest-bearing bank and other borrowings, certain deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

5. SEGMENT INFORMATION (CONTINUED)

The following tables present revenue, results and assets, liabilities and certain other information for the Group's operating and reportable segments for the years ended 31 December 2020 and 2019.

	DCITS		Smart Industry Chain Business		Sm@rt City Business		Investing Business		Other Business		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:														
External	11,455,143	11,503,811	7,359,282	5,373,826	337,571	242,917	-	-	667,531	606,875	-	-	19,819,527	17,727,429
Inter-segment	1,486	1,768	51,986	8,485	139,525	83,776	-	-	35,464	27,609	(228,461)	(121,638)	-	-
	11,456,629	11,505,579	7,411,268	5,382,311	477,096	326,693	-	-	702,995	634,484	(228,461)	(121,638)	19,819,527	17,727,429
Segment gross profit	2,059,221	2,101,791	875,016	689,845	129,509	74,689	-	-	295,090	288,458			3,358,836	3,154,783
Segment results	614,803	301,344	199,546	105,635	28,656	11,492	396,520	220,665	152,188	170,704			1,391,713	809,840
Unallocated														
Interest income													5,095	2,994
Income and gains													2,039	4,956
Unallocated expenses													(161,684)	(143,191)
Profit from operating activities													1,237,163	674,599
Finance costs													(90,293)	(127,899)
Profit before tax													1,146,870	546,700

	DCITS		Smart Industry Chain Business		Sm@rt City Business		Investing Business		Other Business		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities												
Segment assets	14,049,497	12,046,747	1,288,823	1,848,396	584,832	478,885	2,947,514	3,433,023	7,924,138	7,059,402	26,794,804	24,866,453
Unallocated assets											1,226,161	684,648
Total assets											28,020,965	25,551,101
Segment liabilities	6,996,144	5,985,510	1,515,173	1,762,663	335,261	171,375	3	161	599,021	543,936	9,445,602	8,463,645
Unallocated liabilities											4,810,731	4,523,984
Total liabilities											14,256,333	12,987,629

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5. SEGMENT INFORMATION (CONTINUED)

	DCITS		Smart Industry Chain Business		Sm@rt City Business		Investing Business		Other Business		Unallocated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information:														
Depreciation of property, plant and equipment	64,461	67,346	35,840	41,989	1,896	3,402	-	-	17,561	18,798	7,108	4,219	126,886	135,754
Depreciation of right-of-use assets	8,222	4,248	97,198	91,246	507	578	-	-	15,273	12,206	-	-	121,200	108,278
Amortisation of other intangible assets	46,301	47,050	3,307	-	1,761	-	-	-	-	-	-	-	51,369	47,050
Capital expenditure*	83,944	57,738	93,333	92,530	21,453	13,915	-	-	234,838	5,174	7,137	163,067	440,705	332,424
Impairment (reversal of impairment) of accounts and bills receivables, other receivables and contract assets	150,968	93,587	(6,911)	6,774	49,714	23,643	-	-	79,415	(29,369)	-	-	273,186	94,635
Reversal of impairment of finance lease receivables	-	-	-	-	-	-	-	-	(1,695)	(6,829)	-	-	(1,695)	(6,829)
Provision for and write-off of (reversal of provision for) obsolete inventories	106,284	86,072	2,106	1,640	-	-	-	-	648	(158)	-	-	109,038	87,554
Share of (loss) profit of associates	15,542	18,791	-	-	(3,080)	(1,822)	(126,328)	(72,864)	-	-	-	-	(113,866)	(55,895)
Share of (loss) profit of joint ventures	512	3,199	-	-	973	(227)	(10,293)	(26,911)	(2,593)	165	-	-	(11,401)	(23,774)
Government grants	65,330	62,120	9,117	11,948	29,140	8,648	-	-	2,629	1,916	1,319	1,580	107,535	86,212
(Loss) gain on deemed partial disposal of equity interests in associates	3,118	-	-	-	-	-	(146,059)	143,311	-	-	-	-	(142,941)	143,311
Fair value (loss) gain on investment properties	(4,733)	729	-	-	-	-	-	-	5,434	31,803	-	-	701	32,532
Gain on disposal of equity interests in joint ventures	4,234	-	-	-	266	-	-	-	102,461	-	-	-	106,961	-
Gain on disposal of financial assets at fair value through profit or loss	-	4,371	-	-	-	-	-	-	-	-	-	-	-	4,371
Gain on disposal/partial disposal of equity interests in subsidiaries	28,507	-	-	-	-	890	-	-	-	-	-	-	28,507	890
Gain on disposal/partial disposal of equity interests in associates	269,169	46,526	-	-	-	9,183	712,911	177,649	-	-	-	-	982,080	233,358
Impairment loss of goodwill	141,324	201,787	-	-	-	-	-	-	-	-	-	-	141,324	201,787
Interests in associates	192,863	528,076	-	-	103,110	101,897	2,134,741	2,520,113	-	-	-	-	2,430,714	3,150,086
Interests in joint ventures	-	8,695	-	-	28,262	26,795	45,463	53,621	-	96,779	-	-	73,725	185,890
Interest income on bank deposits	5,664	7,290	-	-	-	-	-	-	-	-	5,095	2,994	10,759	10,284
Finance costs	49,792	91,755	6,144	6,545	21	45	-	-	2,206	1,262	90,293	127,899	148,456	227,506
Income tax expense†	52,389	65,951	-	-	-	-	-	-	-	-	129,129	30,573	181,518	96,524

* Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, investment properties and other intangible assets (including assets from the acquisition of subsidiaries of approximately HK\$213,812,000 (2019: HK\$144,000).

† Income tax expense is regularly provided to the CODM but not included in the measurement of segment profit or loss.

Geographical information

Since over 90% of the Group's revenue from external customers is generated in Mainland China (based on location of customers) and over 90% of the non-current assets of the Group (except for interests in associates) are located in Mainland China (based on location of assets), no geographic information is presented.

Information about major customers

During the years ended 31 December 2020 and 2019, there was no revenue derived from transactions with a single external customer which individually contributed over 10% of the Group's revenue for the respective year.

6. REVENUE, OTHER INCOME AND GAINS

Revenue represents revenue arising on the sale of goods after allowances for returns and trade discounts; provision of services, net of value-added tax and government surcharges; and rental income received and receivable from investment properties for the year.

An analysis of the Group's revenue is as follows:

	2020 HK\$'000	2019 HK\$'000
Revenue from contracts with customers	19,438,248	17,334,793
Revenue from other sources	381,279	392,636
Total revenue	19,819,527	17,727,429

(i) Revenue from contract with customers

During the year ended 31 December 2020, the Group continues to generate revenue from contracts with customers from four major sources: (i) System integration, (ii) Software development and technical services, (iii) Logistics services and (iv) E-commerce supply chain services. In order to help investors better understand the Group's business structure and financial performance and to better reflect current market trends, the Board further disaggregated the Group's revenue from contracts with customers as follows:

- Big data income mainly represents income from software development, sale of digital products and tailor-made service on digital products in which related to the data aggregation, data collection, data sharing, data security and data governance.
- Service income mainly represents the income from provision of technical services and provision of logistics services.
- Solutions income mainly represents the income from system integration business and software development.
- Ecosystems income mainly represents the relevant income generated by the ecological layout of the upstream and downstream of the industrial chain in order to achieve the growth and stability of core business. For instance, the business flow, capital flow and information flow generated from the e-commerce platform can become the business support and drainage carrier of big data income and logistic service income.

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6. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(i) Revenue from contracts with customers (Continued)

Disaggregated by major products or services lines:

	Big data HK\$'000	Services HK\$'000	Solutions HK\$'000	Ecosystems HK\$'000	Total HK\$'000
2020					
System integration business	-	-	6,231,637	-	6,231,637
Software development and technical service business	58,424	3,878,511	1,617,473	-	5,554,408
Logistics business	101,401	2,134,395	-	-	2,235,796
E-commerce supply chain services business	71,462	10,992	-	4,805,082	4,887,536
	231,287	6,023,898	7,849,110	4,805,082	18,909,377
Others					528,871
Total revenue from contracts with customers					19,438,248
2019					
System integration business	-	-	5,442,136	-	5,442,136
Software development and technical service business	23,882	4,094,131	2,185,029	-	6,303,042
Logistics business	24,842	1,943,324	-	-	1,968,166
E-commerce supply chain services business	54,283	6,389	-	2,835,272	2,895,944
	103,007	6,043,844	7,627,165	2,835,272	16,609,288
Others					725,505
Total revenue from contracts with customers					17,334,793

6. REVENUE, OTHER INCOME AND GAINS (CONTINUED)**(i) Revenue from contracts with customers (Continued)**

Disaggregated of revenue by timing of recognition

	2020 HK\$'000	2019 HK\$'000
Timing of revenue recognition		
At a point in time	11,648,044	9,053,238
Over time	7,790,204	8,281,555
Total revenue from contracts with customers	19,438,248	17,334,793

(ii) Revenue from other sources

	2020 HK\$'000	2019 HK\$'000
Rental income from investment properties under operating lease	357,849	348,736
Financial services business	23,430	43,900
Total revenue from other sources	381,279	392,636

Transaction price allocated to the remaining performance obligations for contracts with customers

As at 31 December 2020, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK\$7,776,000,000 (2019: HK\$5,157,000,000). The amount represents revenue expected to be recognised from system integration business and software development and technical service business.

The Group will recognise this revenue as the service is completed, which is expected to occur within three years (2019: within three years).

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6. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

(iii) Other income and gains

	<i>Notes</i>	2020 HK\$'000	2019 HK\$'000
Other income			
Government grants	47	107,535	86,212
Interest on bank deposits		10,759	10,284
Income from wealth management products		23,544	32,209
Dividends income from financial assets at fair value through other comprehensive income		6,396	232
Dividends income from financial assets at fair value through profit or loss		–	475
Others		48,809	10,462
		197,043	139,874
Gains			
Net exchange gains		1,830	–
Fair value gain on investment properties	15	701	32,532
Fair value gain on transfer to investment properties from completed properties held for sale	15	6,969	–
Gain on partial disposal of equity interest in a subsidiary	42(b)	12,346	–
Gain on disposal of equity interests in subsidiaries	42(e)	16,161	890
Gain on disposal of financial assets at fair value through profit or loss	24	–	4,371
Others		–	434
		38,007	38,227
Total other income and gains		235,050	178,101

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging (crediting):

	2020 HK\$'000	2019 HK\$'000
Employee benefit expense (including directors' and chief executives' remuneration (note 9)):		
Salaries and allowances	2,288,735	2,015,157
Share-based compensation	82,831	18,369
Pension scheme contributions ¹	74,947	285,769
Other benefits	345,981	255,535
	2,792,494	2,574,830
Amount of inventories recognised as an expense	10,499,493	8,194,050
Auditor's remuneration	2,900	2,700
Depreciation of property, plant and equipment	126,886	135,754
Depreciation of right-of-use assets	121,200	108,278
Research and development costs ²	592,457	538,048
Amortisation of other intangible assets ²	51,369	47,050
Provisions for and write-off of obsolete inventories ²	109,038	87,554
Impairment of accounts and bills receivables, other receivables and contract assets ²	273,186	94,635
Reversal of impairment of finance lease receivables ²	(1,695)	(6,829)
Impairment of interests in associates ²	–	2,286
Impairment of properties under development ²	–	12,394
Loss on disposal of property, plant and equipment	2,293	4,022
Loss on write-off of intangible assets	1,777	4,882
Fair value loss on financial assets at fair value through profit or loss ²	10,071	3,263
Net exchange (gain) loss ²	(1,830)	11,926
COVID-19 related rent concessions ³	(850)	–
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties ⁴	24,313	31,949

¹ At 31 December 2020 and 2019, the Group had no material forfeited contributions available to reduce its contributions to the pension schemes in future years.

² The net amount of these income or expenses are included in "Other expenses, net" in the consolidated statement of profit or loss.

³ Due to the outbreak of COVID-19, the Group has received numerous forms of rent concessions from lessors including rent forgiveness and deferrals of rent. The Group has early adopted Amendment to HKFRS 16 and applied the practical expedient not to assess whether a rent concession occurring as a direct consequence of the covid-19 pandemic is a lease modification.

⁴ During the year ended 31 December 2020, the Group recognised rental income of approximately HK\$357,849,000 (2019: HK\$348,736,000).

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For the year ended 31 December 2020

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2020 HK\$'000	2019 HK\$'000
Interest on bank and other borrowings	114,645	177,663
Interest on corporate bonds	–	19,068
Interest on discounted bills	18,428	20,541
Interest on lease liabilities	9,050	10,234
Interest on other financial liabilities	6,333	–
	148,456	227,506

9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executives' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Group	
	2020 HK\$'000	2019 HK\$'000
Fees	1,200	1,200
Other emoluments:		
Salaries and allowances	7,792	3,590
Pension scheme contributions	870	510
Share-based compensation	37,306	–
	45,968	4,100
	47,168	5,300

9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2020			2019
	Fees HK\$'000	Share-based compensation HK\$'000	Total HK\$'000	Total HK\$'000
Mr. WONG Man Chung, Francis	300	1,209	1,509	300
Ms. NI Hong, Hope	300	1,209	1,509	300
Dr. LIU Yun, John	300	1,209	1,509	300
Ms. YAN Xiaoyan	–	764	764	–
Mr. KING William	300	1,209	1,509	300
	1,200	5,600	6,800	1,200

During the current year, there were 100,000 RSUs granted to each independent non-executive directors except Ms. YAN Xiaoyan and 2,000,000 share options at the exercise price of HK\$6.60 per share granted to each independent non-executive directors during the year (2019: Nil).

(b) Executive directors, non-executive directors and the chief executives

	Fees HK\$'000	Salaries and allowances HK\$'000	Performance related bonus HK\$'000	Share- based compensation HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
<i>(Note 39)</i>						
2020						
Executive directors:						
Mr. GUO Wei	–	4,222	–	30,942	422	35,586
Mr. LIN Yang	–	3,570	–	764	448	4,782
	–	7,792	–	31,706	870	40,368
Non-executive directors:						
Mr. PENG Jing	–	–	–	–	–	–
Mr. ZENG Shuigen ¹	–	–	–	–	–	–
Mr. YU Ziping ²	–	–	–	–	–	–
	–	–	–	–	–	–
	–	7,792	–	31,706	870	40,368

¹ Appointed on 30 June 2020

² Retired on 30 June 2020

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For the year ended 31 December 2020

9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and the chief executives (Continued)

	Fees HK\$'000	Salaries and allowances HK\$'000	Performance related bonus HK\$'000	Share- based compensation HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
<i>(Note 39)</i>						
2019						
Executive directors:						
Mr. GUO Wei	-	-	-	-	-	-
Mr. LIN Yang	-	3,590	-	-	510	4,100
	-	3,590	-	-	510	4,100
Non-executive directors:						
Mr. PENG Jing	-	-	-	-	-	-
Mr. YU Ziping	-	-	-	-	-	-
	-	-	-	-	-	-
	-	3,590	-	-	510	4,100

Mr. GUO Wei was re-appointed as the Chief Executive of the Company in June 2018 (Prior to re-appointment: Mr. LIN Yang) and their emoluments disclosed above include those for services rendered by them as the Chief Executive.

10. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2019: one) was director and the chief executive of the Company whose emoluments are included in the disclosures in note 9 above. The emoluments of the remaining four (2019: four) individuals were as follows:

	2020 HK\$'000	2019 HK\$'000
Salaries and allowances	5,746	8,224
Performance related bonuses	4,148	4,289
Share-based compensation	3,178	1,654
Pension scheme contributions	375	331
	13,447	14,498

Their emoluments were within the following bands:

	Number of employees	
	2020	2019
HK\$2,000,001 to HK\$2,500,000	–	2
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$3,000,001 to HK\$3,500,000	1	–
HK\$3,500,001 to HK\$4,000,000	1	–
HK\$4,000,001 to HK\$4,500,000	1	1
HK\$5,000,001 to HK\$5,500,000	–	1
	4	4

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11. INCOME TAX EXPENSE

	2020 HK\$'000	2019 HK\$'000
Current – PRC		
EIT		
Charge for the year	156,735	96,845
Over provision in prior years	(8,205)	(6,393)
LAT	29	187
	148,559	90,639
Current – Hong Kong		
Charge for the year	177	-
Under provision in prior years	95	17
	272	17
Deferred tax (<i>note 26</i>)	32,687	5,868
Total tax charge for the year	181,518	96,524

- (a) PRC EIT represents tax charged on the estimated assessable profits arising in Mainland China. In general, the Group's subsidiaries operating in Mainland China are subject to the PRC EIT rate of 25% except for certain subsidiaries which are entitled to preferential tax rates.
- (b) PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs and all property development expenditures.
- (c) Hong Kong Profits Tax is charged under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 December 2020 and 2019, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% of the estimated assessable profits.
- (d) The share of tax credit attributable to joint ventures of approximately HK\$2,311,000 (2019: tax charge of HK\$665,000) and the share of tax credit attributable to associates of approximately HK\$10,173,000 (2019: tax charge of HK\$39,050,000) are included in "Share of loss of joint ventures" and "Share of loss of associates", respectively, in the consolidated statement of profit or loss.

11. INCOME TAX EXPENSE (CONTINUED)

The tax charge for the year can be reconciled to the profit before tax per consolidated statement of profit or loss as follows:

	2020 HK\$'000	2019 HK\$'000
Profit before tax	1,146,870	546,700
Tax at the applicable tax rate	286,718	136,675
Income tax on concessionary rates	(138,850)	(59,383)
Adjustments in respect of current tax of previous periods	(8,110)	(6,376)
Profits and losses attributable to joint ventures and associates	31,317	19,917
Tax effect of unused tax losses not recognised	93,242	71,894
Tax effect of deductible temporary differences not recognised	64,261	14,893
Super-deduction of research and development expenses	(65,887)	(61,535)
Income not subject to tax	(24,486)	(514)
Expenses not deductible to tax	81,796	61,792
Tax losses utilised from previous periods	(138,512)	(81,026)
LAT	29	187
Tax charge at the Group's effective rate	181,518	96,524

12. DIVIDENDS

	2020 HK\$'000	2019 HK\$'000
Dividends paid during the year:		
2018 Final dividends (HK3.1 cents per ordinary share)	-	51,112
2019 Final dividends (HK6.4 cents per ordinary share)	104,283	-
2020 Interim dividends (HK3.6 cents per ordinary share)	58,546	-
	162,829	51,112

Subsequent to the end of the reporting period, the directors of the Company recommend the payment of a final dividend of HK10 cents per ordinary share, with a total amount of HK\$155,930,000 (2019: HK\$104,283,000) for the year ended 31 December 2020 (2019: HK6.4 cents per ordinary share) to the shareholders of the Company and is subject to the approval of the shareholders in the forthcoming annual general meeting. The date of the forthcoming annual general meeting of the Company, the date of book closure and the date of dividend payment will be announced in due course.

The final dividend proposed after the reporting period has not been recognised as liabilities in the consolidated financial statements.

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13. EARNINGS PER SHARE

The calculations of the basic earnings per share is based on the profit for the year attributable to equity holders of the parent, and the weighted average number of ordinary shares in issue less shares held under the RSA Scheme of 1,624,064,132 (2019: 1,648,397,272) during the year.

The calculation of the diluted earnings per share is based on the profit for the year attributable to equity holders of the parent with an adjustment on effect of dilutive potential ordinary shares of a subsidiary. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue less shares held under the RSA Scheme during the year as used in the basic earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all the dilutive potential ordinary shares related to the Group's share-based incentive schemes into ordinary shares.

The calculations of the basic and diluted earnings per share are based on the following data:

	2020 HK\$'000	2019 HK\$'000
Earnings		
Profit for the year attributable to equity holders of the parent, used in basic earnings per share calculation	612,970	301,844
Effect of dilutive potential ordinary shares of a subsidiary	(1,125)	-
Earnings for the purpose of diluted earnings per share	611,845	301,844
	Number of shares	
	2020	2019
Shares		
Weighted average number of shares in issue less shares held under the RSA Scheme during the year, used in the basic earnings per share calculation	1,624,064,132	1,648,397,272
Effect of dilutive potential ordinary shares: Share-based incentive schemes	3,501,087	-
Weighted average number of shares during the year used in the diluted earnings per share calculation	1,627,565,219	1,648,397,272

The diluted earnings per share for the year ended 31 December 2019 were the same as the basic earnings per share. The calculation of diluted earnings per share had not taken into account the outstanding share options as the exercise prices of those share options are higher than the average market price for the shares.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Leasehold improvements HK\$'000	Fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
At 31 December 2019 and at 1 January 2020:						
Cost	855,042	189,407	565,833	11,734	848	1,622,864
Accumulated depreciation	(91,295)	(145,090)	(348,947)	(9,970)	-	(595,302)
Net carrying amount	763,747	44,317	216,886	1,764	848	1,027,562
At 1 January 2020,						
net of accumulated depreciation	763,747	44,317	216,886	1,764	848	1,027,562
Additions	-	10,613	43,571	276	5,583	60,043
Disposals	-	(590)	(3,209)	(22)	-	(3,821)
Acquired on acquisition of subsidiaries (note 42(a))	-	-	347	736	-	1,083
Disposal of subsidiaries (note 42(b)&(e))	-	-	(1,039)	(8)	-	(1,047)
Surplus on revaluation upon transfer to investment properties	6,379	-	-	-	-	6,379
Transfers	-	1,694	826	-	(2,520)	-
Transfer to investment properties (note 15)	(14,588)	-	-	-	-	(14,588)
Depreciation provided for the year	(19,065)	(25,861)	(81,205)	(755)	-	(126,886)
Exchange realignment	33,066	1,595	8,702	103	187	43,653
At 31 December 2020,						
net of accumulated depreciation	769,539	31,768	184,879	2,094	4,098	992,378
At 31 December 2020:						
Cost	884,792	204,392	619,811	13,808	4,098	1,726,901
Accumulated depreciation	(115,253)	(172,624)	(434,932)	(11,714)	-	(734,523)
Net carrying amount	769,539	31,768	184,879	2,094	4,098	992,378

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings HK\$'000	Leasehold improvements HK\$'000	Fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
At 31 December 2018 and at 1 January 2019:						
Cost	731,707	187,195	625,782	13,739	4,543	1,562,966
Accumulated depreciation	(79,576)	(122,339)	(332,688)	(11,007)	-	(545,610)
Net carrying amount	652,131	64,856	293,094	2,732	4,543	1,017,356
At 1 January 2019,						
net of accumulated depreciation	652,131	64,856	293,094	2,732	4,543	1,017,356
Additions	161,485	11,714	23,387	943	1,606	199,135
Disposals	-	(2,284)	(7,789)	(552)	(365)	(10,990)
Acquired on acquisition of a subsidiary (note 42(a)(iii))	-	-	93	51	-	144
Disposal of a subsidiary (note 42(e))	-	(5)	(57)	-	-	(62)
Surplus on revaluation upon transfer to investment properties	20,597	-	-	-	-	20,597
Transfers	123	-	-	-	(123)	-
Transfer to investment properties (note 15)	(41,099)	-	-	-	-	(41,099)
Transfer to properties under development (note 28)	-	-	-	-	(253)	(253)
Transfer to assets held for sale (note 22)	-	-	-	-	(4,477)	(4,477)
Depreciation provided for the year	(17,291)	(29,102)	(87,933)	(1,428)	-	(135,754)
Exchange realignment	(12,199)	(862)	(3,909)	18	(83)	(17,035)
At 31 December 2019,	763,747	44,317	216,886	1,764	848	1,027,562
At 31 December 2019:						
Cost	855,042	189,407	565,833	11,734	848	1,622,864
Accumulated depreciation	(91,295)	(145,090)	(348,947)	(9,970)	-	(595,302)
Net carrying amount	763,747	44,317	216,886	1,764	848	1,027,562

At 31 December 2020, the Group's property, plant and equipment with net carrying amount of approximately HK\$299,619,000 (2019: HK\$136,226,000) were pledged to secure certain bank loans of the Group (note 36).

15. INVESTMENT PROPERTIES

The movements in the Group's investment properties and the reconciliation of level 3 fair value measurement on a recurring basis are as follows:

	2020		Completed investment properties HK\$'000	Investment properties under construction HK\$'000	Total HK\$'000
	Completed investment properties HK\$'000	Total HK\$'000			
Fair value					
As at 1 January	4,598,840	4,598,840	4,600,892	112,040	4,712,932
Acquired on acquisition of a subsidiary (note 42(a)(iii))	201,797	201,797	-	-	-
Transfer from owner-occupied properties and right-of-use assets (note 14 and 16)	16,865	16,865	42,795	-	42,795
Transfer from completed properties held for sale (note 29)	31,165	31,165	-	-	-
Transfer to assets classified as held for sale (note 22)	-	-	-	(108,170)	(108,170)
Net gain in fair value recognised in profit or loss	701	701	34,716	(2,184)	32,532
Exchange realignment	277,233	277,233	(79,563)	(1,686)	(81,249)
As at 31 December	5,126,601	5,126,601	4,598,840	-	4,598,840

The Group's investment properties are situated in Mainland China and are held under medium term operating leases to earn rentals or for capital appreciation.

The directors of the Company have determined that the investment properties consist of one class of asset, commercial properties, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2020 and 2019 and of the date of transfer based on valuations performed by Savills Valuation and Professional Services Limited, APAC Asset Valuation and Consulting Limited and PG Advisory, independent professionally qualified valuers not connected to the Group, at approximately HK\$5,126,601,000 (2019: HK\$4,598,840,000) on an open market, existing use basis. Each year, the Group's management decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Certain investment properties are leased to third parties under operating leases, further summary details of which are included in note 44.

At 31 December 2019, the Group had not yet obtained the real estate ownership certificates for the Group's investment properties with a net carrying amount of approximately HK\$138,130,000 from the relevant government authorities. The relevant real estate ownership certificates have been obtained during the year ended 31 December 2020.

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15. INVESTMENT PROPERTIES (CONTINUED)

At 31 December 2020, the Group's investment properties with a carrying value of HK\$3,937,103,000 (2019: HK\$3,576,944,000) were pledged to secure certain bank loans of the Group (note 36).

During the year ended 31 December 2020, certain owner-occupied properties of HK\$14,588,000 (2019: HK\$41,099,000) and related right-of-use assets of HK\$2,277,000 (2019: HK\$1,696,000) at aggregate fair value of HK\$16,865,000 (2019: HK\$42,795,000) are leased to tenants under operating leases and thus transferred to investment properties. The basis of fair value measurement at date of transfer is described above. A surplus on revaluation upon the transfer of HK\$6,379,000 (2019: HK\$20,597,000) is recognised in other comprehensive income and accumulated in assets revaluation reserve.

During the year ended 31 December 2020, certain completed properties held for sale at a fair value of HK\$31,165,000 are leased to tenants under operating leases and thus transferred to investment properties. The basis of fair value measurement at date of transfer is described above. A surplus on revaluation upon the transfer of HK\$6,969,000 is recognised in profit or loss.

An analysis of the Group's investment properties that are measured subsequent to initial recognition at fair value, grouped into fair value hierarchy Levels 1 to 3 based on the degree to which the inputs to fair value measurements is observable is as follows:

	(Level 1) HK\$'000	(Level 2) HK\$'000	(Level 3) HK\$'000	Fair value 2020 Total HK\$'000
Recurring fair value measurement for:				
Commercial properties	-	-	5,126,601	5,126,601

	(Level 1) HK\$'000	(Level 2) HK\$'000	(Level 3) HK\$'000	Fair value 2019 Total HK\$'000
Recurring fair value measurement for:				
Commercial properties	-	-	4,598,840	4,598,840

There were no transfers between levels of fair value hierarchy during the years ended 31 December 2020 and 2019.

15. INVESTMENT PROPERTIES (CONTINUED)

The following table gives information about how the fair values of the investment properties as at 31 December 2020 and 2019 are determined (in particular, the valuation techniques and inputs used):

	Valuation techniques and key inputs	Significant unobservable inputs	Range or weighted average	
			2020	2019
Completed investment properties -Commercial properties	Discounted cash flow method - by taking into account the current rents and the reversionary potential of the tenancies	Estimated rental value (per s.q.m. and per month)(HK\$)	From 24 to 395	From 19 to 330
		Long term vacancy rate	From 5% To 18%	From 5% to 15%
		Discount rate	From 6% To 8%	From 6% to 8%
	Market comparison approach - by reference to recent selling price of comparable properties and adjusted to reflect the time, size and location of the property	Discount on time, size and location of the properties	From 4% to 9%	From 4% to 9%

The Group has determined that the highest and best use of the commercial properties at the measurement date would be to convert those properties for residential purposes. For strategic reasons, the properties are not being used in this manner. There have been no other changes from the valuation technique used in the prior year.

A significant increase (decrease) in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the long term vacancy rate and the discount rate in isolation would result in a significant decrease (increase) in the fair value of the investment properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and the discount rate and an opposite change in the long term vacancy rate.

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16. RIGHT-OF USE ASSETS

Movement of the Group's right-of-use assets is as below:

	Land HK\$'000	Building HK\$'000	Total HK\$'000
At 1 January 2019	69,230	201,276	270,506
Additions	-	82,981	82,981
Transfer to investment properties	(1,696)	-	(1,696)
Transfer to assets held for sale (note 22)	(5,866)	-	(5,866)
Depreciation	(1,675)	(106,603)	(108,278)
Exchange realignment	(1,168)	(2,823)	(3,991)
At 31 December 2019 and 1 January 2020	58,825	174,831	233,656
Additions	-	96,798	96,798
Transfer to investment properties	(2,277)	-	(2,277)
Write-off	-	(14,593)	(14,593)
Depreciation	(1,529)	(119,671)	(121,200)
Exchange realignment	3,063	7,523	10,586
At 31 December 2020	58,082	144,888	202,970

As at 31 December 2020 and 2019, right-of-use assets of HK\$58,082,000 (2019:HK\$58,825,000) represent land use rights located in the PRC.

As at 31 December 2020, the Group's land use rights with a carrying value of approximately HK\$20,291,000 (2019: HK\$19,785,000) were pledged to secure certain bank loans of the Group (note 36).

The Group has lease arrangements for buildings (office properties and warehouse). The lease terms generally ranged from two to five years.

17. LEASES**(i) Lease liabilities**

	2020 HK\$'000	2019 HK\$'000
Non-current	50,547	60,616
Current	83,215	103,070
	133,762	163,686
Amounts payable under lease liabilities	2020 HK\$'000	2019 HK\$'000
Within one year	83,215	103,070
After one year but within two years	38,749	40,842
After two years but within five years	11,798	19,774
	133,762	163,686
Less: Amount due for settlement within 12 months (shown under current liabilities)	(83,215)	(103,070)
Amount due for settlement after 12 months	50,547	60,616

During the year ended 31 December 2020, the Group entered into a number of new lease agreements for building and recognised lease liability of HK\$96,798,000 (2019: HK\$82,981,000).

Rent concessions

During the year, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19.

The Group has early applied amendment to HKFRS 16 and the lease concession is a direct consequence of COVID-19.

These rent concessions occurred as a direct consequence of COVID-19 pandemic, which met of all of the conditions in HKFRS16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. Accordingly, during the current year, rent concessions totaling HK\$850,000 have been accounted for as negative variable lease payments and recognised in the profit or loss, with the corresponding adjustments made to the lease liabilities.

Notes to Financial Statements

For the year ended 31 December 2020

17. LEASES (CONTINUED)

(ii) Amounts recognised in profit or loss

	2020 HK\$'000	2019 HK\$'000
Expense relating to short-term leases	21,552	100,549
Depreciation of right-of-use assets	121,200	108,278
Rent concession related to COVID-19 (<i>note</i>)	850	–
Interest on lease liabilities	9,050	10,234

Note: As disclosed in note 3 and note 17 (i), the Group has early adopted the Amendment to HKFRS 16, COVID-19-Related Rent Concessions, and applies the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the year.

(iii) Others

At 31 December 2020 and 2019, the Group did not have committed lease agreements that were not yet commenced.

During the year ended 31 December 2020, the total cash outflow for leases amounted to HK\$149,405,000 (2019: HK\$217,023,000).

As at 31 December 2020, lease liabilities of HK\$133,762,000 are recognised with related right-of-use assets of HK\$144,888,000 (2019: lease liabilities of HK\$163,686,000 and related right-of-use assets of HK\$174,831,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. GOODWILL

The amount of goodwill capitalised as an asset, arising from the acquisition of subsidiaries, was as follows:

	2020 HK\$'000	2019 HK\$'000
At 1 January:		
Cost	2,306,392	2,278,632
Accumulated impairment	(418,697)	(220,695)
Net carrying amount	1,887,695	2,057,937
Cost at 1 January, net of accumulated impairment	1,887,695	2,057,937
Arising on acquisition of subsidiaries (note 42(a))	23,536	66,834
Impairment loss recognised for the year	(141,324)	(201,787)
Exchange realignment	107,654	(35,289)
Cost at 31 December, net of accumulated impairment	1,877,561	1,887,695
At 31 December:		
Cost	2,461,213	2,306,392
Accumulated impairment	(583,652)	(418,697)
Net carrying amount	1,877,561	1,887,695

For the purpose of impairment assessment, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGU.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	2020 HK\$'000	2019 HK\$'000
Rural information services	623,044	723,531
Mobile network optimisation and big data services for communications	1,032,203	977,059
Data integration and management software sales	83,863	79,382
Agricultural internet of things services	23,456	22,203
Technical services	19,740	18,686
Agricultural internet services	70,605	66,834
Cloud Services	24,650	-
Total	1,877,561	1,887,695

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18. GOODWILL (CONTINUED)

Impairment testing of goodwill

Rural information services CGU

During the year ended 31 December 2020, the Group recognised an impairment loss of HK\$141,324,000 (2019: HK\$201,787,000) in related to goodwill arising on acquisition of 北京中農信達信息技術有限公司 due to the slowdown of demand for rural information services.

The recoverable amount of the rural information services CGU is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 13.15% (2019: 13.83%) and cash flows beyond the five-year period are extrapolated using a growth rate of 2.3% (2019: 2.5%).

Mobile network optimisation and big data services for communications CGU

The recoverable amount of the mobile network optimisation and big data services for communications CGU is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 12.39% (2019: 13.07%) and cash flows beyond the five-year period are extrapolated using a growth rate of 2.5% (2019: 2.5%).

Data integration and management software sales CGU

The recoverable amount of the data integration and management software sales CGU is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 16% (2019: 16%) and cash flows beyond the five-year period are extrapolated using a growth rate of 3% (2019: 3%).

Agricultural internet of things services CGU

The recoverable amount of the agricultural internet of things services CGU is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 12.56% (2019: 12.85%) and cash flows beyond the five-year period are extrapolated using a growth rate of 2.5% (2019: 2.5%).

Technical services CGU

The Group has two CGUs related to technical services. The recoverable amount of the technical services CGU is determined based on value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rates applied to cash flow projections are ranging from 13.38% and 16.5% (2019: 14.04% and 16.5%) and cash flows beyond the five-year period are extrapolated using growth rate ranging of 2.5% and 3% (2019: 2.5% and 3%).

Agricultural internet services CGU

The recoverable amount of the agricultural internet services CGU is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 15.16% (2019: 14.70%) and cash flows beyond the five-year period are extrapolated using a growth rate of 2.5% (2019: 0%).

18. GOODWILL (CONTINUED)

Impairment testing of goodwill (Continued)

Cloud Services CGU

The recoverable amount of the Cloud Services CGU is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 13.55% and cash flows beyond the five-year period are extrapolated using a growth rate of 2.5%.

Key assumptions were used in the value in use calculations, the following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development. The increase in budgeted gross margin will increase the value in use of a CGU, vice versa.

Discount rate – The discount rate used reflects specific risks relating to the CGU. The increase in discount rate will decrease the value in use of a CGU, vice versa.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGUs to exceed the aggregate recoverable amount of the CGUs.

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19. OTHER INTANGIBLE ASSETS

	Patents and licences HK\$'000	Deferred development costs HK\$'000	Systems software HK\$'000	Total HK\$'000
31 December 2020				
At 1 January 2020:				
Cost	23,112	69,247	202,732	295,091
Accumulated amortisation and impairment	(18,599)	-	(118,727)	(137,326)
Net carrying amount	4,513	69,247	84,005	157,765
Cost at 1 January 2020, net of accumulated amortisation and impairment	4,513	69,247	84,005	157,765
Additions	720	59,067	10,265	70,052
Acquired on acquisition of a subsidiary (note 42 (a))	-	2,976	7,956	10,932
Write-off	-	(1,777)	-	(1,777)
Amortisation provided for the year	(114)	-	(51,255)	(51,369)
Transfers	-	(74,791)	74,791	-
Exchange realignment	297	5,182	4,618	10,097
At 31 December 2020	5,416	59,904	130,380	195,700
At 31 December 2020:				
Cost	24,129	59,904	302,744	386,777
Accumulated amortisation and impairment	(18,713)	-	(172,364)	(191,077)
Net carrying amount	5,416	59,904	130,380	195,700

19. OTHER INTANGIBLE ASSETS (CONTINUED)

	Patents and licences HK\$'000	Deferred development costs HK\$'000	Systems software HK\$'000	Total HK\$'000
31 December 2019				
At 1 January 2019:				
Cost	24,484	20,208	220,811	265,503
Accumulated amortisation and impairment	(16,180)	-	(87,803)	(103,983)
Net carrying amount	8,304	20,208	133,008	161,520
Cost at 1 January 2019, net of accumulated amortisation and impairment	8,304	20,208	133,008	161,520
Additions	-	49,385	779	50,164
Write-off	(429)	-	(4,453)	(4,882)
Amortisation provided for the year	(3,222)	-	(43,828)	(47,050)
Exchange realignment	(140)	(346)	(1,501)	(1,987)
At 31 December 2019	4,513	69,247	84,005	157,765
At 31 December 2019:				
Cost	23,112	69,247	202,732	295,091
Accumulated amortisation and impairment	(18,599)	-	(118,727)	(137,326)
Net carrying amount	4,513	69,247	84,005	157,765

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20. INTERESTS IN JOINT VENTURES

	2020 HK\$'000	2019 HK\$'000
Share of net assets	50,790	150,050
Goodwill on acquisition	22,935	35,840
	73,725	185,890

The details of the Group's loans to joint ventures included in the Group's prepayments, deposits and other receivables are disclosed in note 31. In the opinion of the directors of the Company, these loans are not considered as part of the Group's net investments in these joint ventures.

The details of the Group's accounts receivable balances due from joint ventures are disclosed in note 30.

All the joint ventures have been accounted for using the equity method in these consolidated financial statements.

During the year ended 31 December 2019, the Group invested HK\$23,981,000 in certain joint ventures. No investment was made in 2020.

As at 31 December 2020 and 2019, the Group had interest in the following principal joint venture:

Name	Form of entity	Class of capital held	Country of registration/ place of business	Carrying amount		Percentage of ownership interest attributable to the Group indirectly held		Proportion of voting power held		Principal activity
				2020 HK\$'000	2019 HK\$'000	2020	2019	2020	2019	
神州數碼科技產業投資有限責任公司	Incorporated	Paid-up capital	PRC/ Mainland China	-	96,780	-	49%	-	60%	Technology Industry project investment

As at 31 December 2019, the Group holds 60% of the voting power in 神州數碼科技產業投資有限責任公司 through a wholly-owned subsidiary and all decisions relating to its operating and financing activities requires unanimous consent between the Group and the other joint venture partner. During the year ended 31 December 2020, the Group disposed of the entire interest in 神州數碼科技產業投資有限責任公司 and certain insignificant joint ventures.

During the year ended 31 December 2020, the Group disposed of its entire equity interests in certain joint ventures with an aggregate carrying amount of approximately HK\$6,132,000 for an aggregate cash consideration of approximately HK\$113,093,000 and the gain on disposal of equity interests in joint ventures of approximately HK\$106,961,000 has been recognised in profit or loss.

In the opinion of the directors of the Company, all joint venture of the Group are not individually material. The above table lists the most significant joint venture of the Group. To give details of other joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length.

20. INTERESTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial information and carrying amount of the Group's interests in joint ventures that are not individually material and are accounted for using the equity method:

	2020 HK\$'000	2019 HK\$'000
Aggregate carrying amount of the Group's interests in joint ventures	73,725	185,890
Share of the joint ventures' loss for the year	(11,401)	(23,774)
Share of the joint ventures' total comprehensive expense for the year	(11,401)	(23,774)
Dividend received from joint ventures during the year	93,294	-

21. INTERESTS IN ASSOCIATES

	2020 HK\$'000	2019 HK\$'000
Share of net assets	1,918,276	2,485,080
Goodwill on acquisition	512,438	665,006
	2,430,714	3,150,086
Analysed into:		
Unlisted shares	1,350,703	1,338,598
Shares listed in Hong Kong	1,080,011	1,323,287
Shares listed in Mainland China	-	488,201
	2,430,714	3,150,086

The Group's interests in all the associates are held through the subsidiaries of the Company.

All the associates have been accounted for using the equity method in the consolidated financial statements.

The details of the Group's trading balances with associates are disclosed in notes 30 and 34, respectively.

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For the year ended 31 December 2020

21. INTERESTS IN ASSOCIATES (CONTINUED)

As at 31 December 2020 and 2019, particulars of the Group's material associates are as follows:

Name	Place of incorporation/ registration and business	Particular of issued share capital/ registered capital	Percentage of ownership interest attributable to the Group		Principal activities
			2020	2019	
DWS*	PRC/Mainland China	RMB266,254,353	note (ii)	10.02%	Provision of ERP software and related services
HCI**	Cayman Islands/ Mainland China	HK\$130,993,112	19.37%	22.64%	Provision of B-to-B e-commerce services

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affect the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

* Listed on the ChiNext of The Shenzhen Stock Exchange. The total market value of the Group's interests as at 31 December 2019 was approximately HK\$855,997,000. Goodwill relating to DWS included in the carrying amount of approximately HK\$488,201,000 was approximately HK\$183,253,000.

** Listed on the Main Board of The Stock Exchange of Hong Kong Limited. The total market value of the Group's interests as at 31 December 2020 was approximately HK\$281,576,000 (2019: HK\$588,519,000). The market value is lower than the carrying amount of interest in HCI, the management of the Group conducted a review on the recoverable amount of its interest in this associate by reference to the value in use of the associate and considered no impairment is necessary. Goodwill relating to HCI included in the carrying amount of approximately HK\$1,080,011,000 (2019: HK\$1,323,287,000) is approximately HK\$348,951,000 (2019: HK\$427,622,000).

Note: In the opinion of the Directors of the Company, the Group has significant influence over associates in which the Group owns less than 20% of voting right. The basis of judgement is disclosed in note 4.

During the year ended 31 December 2020, the Group invested HK\$35,041,000 (2019: HK\$41,486,000) in certain associates which are not individually material to the Group.

Significant changes in interest in associates

i. Digital China Health Technologies Co., Ltd ("Digital China Health")

During the year ended 31 December 2019, the Group partially disposed of its interests in Digital China Health with carrying amount of HK\$50,957,000 for cash consideration of approximately HK\$228,171,000, which was included in other receivables as at 31 December 2019 and has been fully received during 2020. The disposal resulted in gain on partial disposal of HK\$177,214,000.

On 14 January 2020, the Group entered into a sale and purchase agreement with an independent third party (the "Transferee 1") pursuant to which the Group has agreed to sell the entire equity interest in Beijing Lizhi Weixin Technology Co., Ltd, an indirect non-wholly-owned subsidiary of the Company, which in turn holds 32,720,636 shares in Digital China Health, representing approximately 14.05% of the entire issued share capital of Digital China Health. Under the agreement, the total consideration for the disposal payable by the Transferee 1 shall be the U.S. dollar equivalent of RMB500,000,000 (equivalent to approximately HK\$548,089,000). Details were set out in the Company's announcement dated 15 January 2020. The 14.05% equity interest in Digital China Health had been reclassified to assets classified as held for sale (note 22) during the year ended 31 December 2019.

21. INTERESTS IN ASSOCIATES (CONTINUED)**Significant changes in interest in associates (Continued)***i. Digital China Health Technologies Co., Ltd ("Digital China Health") (Continued)*

After completion of the disposal in 2020, the equity interests of the Group in Digital China Health decreased from 20.04% to 5.99%, and Digital China Health ceased to be an associate of the Company. The retained interest at fair value of HK\$191,935,000 has been accounted for a financial asset at FVTOCI for medium to long-term strategic purpose. Details of fair value measurement are set out in note 51. The resulted gain on disposal of interest in Digital China Health of approximately HK\$441,456,000 has been recognised in profit or loss and is calculated as follow:

	2020 HK\$'000
Proceeds from disposal	548,089
Plus: fair value of investment retained (5.99%)	191,935
Less: carrying amount of 20.04% investment on the date of loss of significant influence (including 14.05% investment in asset classified as held for sale (note 22))	(298,568)
Gain recognised	441,456

ii. DWS

In 2019 and up to the date of disposal of DWS in 2020, the Group owns 19.26% ownership interest in DWS (2019: 19.26%) (of which 15.44% (2019: 15.44%) was held through DCITS, a non-wholly-owned subsidiary, while 3.82% (2019: 3.82%) was held through its wholly-owned subsidiary).

During the year ended 31 December 2019, the Group partially disposed of its interests in DWS with carrying amount of HK\$51,021,000 for cash consideration of approximately HK\$96,785,000. Together with release of other comprehensive income recognised in the prior years, the disposal resulted in gain on partial disposal of HK\$46,525,000.

During the year ended 31 December 2020, the Group disposed of aggregate 16.94% of equity interest in DWS in at an aggregate consideration of RMB688,880,000 (equivalent to approximately HK\$809,685,000).

After completion of the series of disposals, the aggregate equity interests of the Group in DWS decreased from 19.26% to 2.32%, and DWS ceased to be an associate of the Company. The retained interest at fair value of HK\$199,431,000 has been accounted for a financial asset at fair value through profit or loss for trading purpose. Details of fair value measurement are set out in note 51. The resulted gain on disposals of interest in DWS of approximately HK\$474,748,000 has been recognised in profit or loss and is calculated as follow:

	2020 HK\$'000
Proceeds from disposal	809,685
Plus: fair value of investment retained (2.32%)	199,431
Less: carrying amount of 19.26% investment on the date of loss of significant influence	(534,368)
Gain recognised	474,748

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For the year ended 31 December 2020

21. INTERESTS IN ASSOCIATES (CONTINUED)

Significant changes in interest in associates (Continued)

iii. Deemed partial disposal of equity interests in associates

During the year ended 31 December 2020, the Group's interests in certain of its associates were diluted due to the capital injections by the other equity holders of the respective associates. Following the capital injections, the Group continues to exercise significant influence over these associates and therefore they remain as associates of the Group. The Group recorded a loss on deemed partial disposal of approximately HK\$142,941,000 (2019: gain on deemed partial disposal of approximately HK\$143,311,000) in profit or loss.

iv. Disposal of associates

During the year ended 31 December 2020, the Group disposed of its entire equity interests in certain associates with an aggregate carrying amount of approximately HK\$17,148,000 (2019: HK\$8,645,000) for an aggregate cash consideration of approximately HK\$83,024,000 (2019: HK\$18,264,000) and the resulted gain on disposal of equity interests in associates of approximately HK\$65,876,000 (2019: HK\$9,619,000) has been recognised in profit or loss.

v. Financial information of associates

The following table illustrates the summarised financial information in respect of DWS and HCI, that are material to the Group and are accounted for using equity method:

	DWS ¹		HCI	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Current assets	N/A	1,362,283	3,418,794	3,539,753
Non-current assets	N/A	1,179,882	4,071,687	5,246,701
Current liabilities	N/A	(953,506)	(2,649,853)	(2,964,443)
Non-current liabilities	N/A	(8,434)	(439,453)	(972,840)
Net assets	N/A	1,580,225	4,401,175	4,849,171
Less: Non-controlling interests	N/A	10,069	599,836	791,323
Net assets attributable to shareholders of the associates	N/A	1,570,156	3,801,339	4,057,848
Revenue	N/A	1,642,259	16,367,418	16,722,471
Loss for the year	N/A	117,962	(839,739)	(415,657)
Other comprehensive (expense) income for the year	N/A	(32,401)	2,479	(24,493)
Total comprehensive income(expense) for the year	N/A	85,561	(837,260)	(440,150)
Dividend received from associates during the year	N/A	5,857	-	-

¹ Summarised financial information of DWS for 2020 is not presented as it is no longer the group's associate since disposal.

21. INTERESTS IN ASSOCIATES (CONTINUED)*v. Financial information of associates (Continued)*

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2020 HK\$'000	2019 HK\$'000
Aggregate carrying amount of the Group's investments in associates that are not individually material	1,350,703	1,338,598
Share of the associates' profit for the year	53,879	15,490
Share of the associates' total comprehensive income for the year	53,879	15,490
Dividend received from associates during the year	26,473	25,714
Impairment loss recognised during the year	–	2,286

22. ASSETS CLASSIFIED AS HELD FOR SALE

The major classes of assets classified as held for sale are as follows:

	31/12/2019 HK\$'000
Interest in an associate (note (i))	214,565
Property, plant and equipment (note (ii))	4,477
Properties under development (note (ii))	232,040
Investment properties (note (ii))	108,170
Right-of-use assets (note (ii))	5,866
Total assets classified as held for sale	565,118

Notes:

- i. During the year ended 31 December 2019, the Group committed a plan to dispose of 32,720,636 shares in an associate, Digital China Health, representing approximately 14.05% of the entire issued share capital of Digital China Health. The disposal has been completed during the year ended 31 December 2020 (note 21(i)).
- ii. During the year ended 31 December 2019, the Group entered into an agreement with 南京市麒麟科技創新園開發建設委員會 to dispose of a group of assets, including property, plant and equipment, properties under development, investment properties and right-of-use assets, at an aggregate consideration of approximately HK\$350,553,000, in which approximately HK\$145,600,000 was received and included in other payables. Impairment loss recognised on properties under development (note 28) represents the difference between aggregate carrying amount of the group of assets and the consideration set out in the agreement. The disposal has been completed in 2020 and all remaining considerations have been received in 2020.

The fair value of the investment properties classified as held for sale is determined at level 3 of fair value hierarchy, based on income approach on valuations performed by Savills Valuation and Professional Services Limited, an independent professionally qualified valuer not connected to the Group.

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23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVTOCI comprise:

	2020 HK\$'000	2019 HK\$'000
Equity instruments designated as at FVTOCI		
Unlisted equity investments	714,300	408,572

The above unlisted equity investments represent investments in unlisted equity securities issued by private entities established in the PRC. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Details of the fair value of these investments are disclosed in note 51.

During the year ended 31 December 2020, certain unlisted equity investments with a fair value of approximately HK\$191,935,000 were reclassified from "interests in associates" to "financial assets at FVTOCI". Details are set out in note 21(i).

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL comprise:

	2020 HK\$'000	2019 HK\$'000
Financial assets measured at FVTPL		
Listed equity securities	199,503	3,325
Unlisted wealth management products (<i>Note</i>)	922,911	925,766
	1,122,414	929,091

There is no disposal of listed equity securities during the year ended 2020. During the year ended 31 December 2019, the Group disposed of certain of its listed equity securities with a carrying amount of approximately HK\$26,420,000 for a cash consideration of approximately HK\$30,791,000 and resulted in a gain on disposal of approximately HK\$4,371,000 had been recognised in profit or loss and included in other income and gains.

Details of the fair value of these investments are disclosed in note 51.

During the year ended 31 December 2020, certain listed equity investments with a fair value of approximately HK\$199,431,000 were reclassified from "interests in associates" to "financial assets at FVTPL". Details are set out in note 21(ii). During the years ended 31 December 2020 and 2019, the group did not acquire listed equity securities.

Note:

The wealth management products as at 31 December 2020 and 2019 were acquired from reputable banks or financial institutions in the PRC. These financial products are with short maturities ranging from 3 months to 6 months and thus are classified as current assets.

25. FINANCE LEASE RECEIVABLES

	2020 HK\$'000	2019 HK\$'000
Finance lease receivables	83,216	86,242
Less: loss allowance	(29,274)	(29,404)
	53,942	56,838
Analysis by:		
Current portion	53,154	54,528
Non-current portion	788	2,310
	53,942	56,838

The Group provides finance leasing services on certain equipment in Mainland China. These leases are classified as finance leases and have remaining lease terms ranging from one to three years. The Group's finance lease arrangements do not include variable payments.

	Minimum lease payments		Present value of minimum lease payments	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Net finance lease receivables:				
Due with one year	59,037	60,769	53,154	54,528
Due in one to two years	788	1,564	788	1,564
Due in two to three years	-	746	-	746
	59,825	63,079	53,942	56,838
Less: unearned finance income	(5,883)	(6,241)		
Present value of minimum lease payment receivables	53,942	56,838		

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25. FINANCE LEASE RECEIVABLES (CONTINUED)

The movement in the loss allowance of finance lease receivables is as follows:

	2020 HK\$'000	2019 HK\$'000
At the beginning of year	29,404	36,936
Reversal of impairment loss	(1,695)	(6,829)
Exchange realignment	1,565	(703)
At the end of the year	29,274	29,404

The directors of the Company estimate the loss allowance on finance lease receivables individually at the end of the reporting period at an amount equal to lifetime ECL under the simplified approach. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of the pledged equipment held over these finance lease receivables, the directors of the Company made allowance for impairment of finance lease receivables of approximately HK\$29,274,000 (2019: HK\$29,404,000).

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

As at 31 December 2020 and 2019, finance lease receivables were secured over the equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

26. DEFERRED TAX

The following is the analysis of the deferred tax assets and liabilities, after set off certain deferred tax assets against deferred tax liabilities of the same taxable entity, for financial reporting purposes:

	2020 HK\$'000	2019 HK\$'000
Deferred tax assets	225,211	173,125
Deferred tax liabilities	(465,878)	(350,261)
	(240,667)	(177,136)

26. DEFERRED TAX (CONTINUED)

The movements in deferred tax assets and liabilities during the year are as follows:

2020 Deferred tax assets movement

Deferred tax assets

	Asset provisions HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2020	117,585	85,983	203,568
Deferred tax credited (charged) to profit or loss	49,490	(20,577)	28,913
Deferred tax credited directly to equity	–	924	924
Exchange realignment	8,348	2,659	11,007
Gross deferred tax assets at 31 December 2020	175,423	68,989	244,412

Deferred tax liabilities

	Revaluation of properties HK\$'000	Assets revaluation HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2020	296,768	23,790	60,146	380,704
Acquisition of subsidiaries (<i>note 42(a)(i)</i>)	–	–	380	380
Deferred tax charged to profit or loss	1,917	34,918	24,765	61,600
Deferred tax charged to other comprehensive income	1,595	15,739	–	17,334
Exchange realignment	17,105	5,571	2,385	25,061
Gross deferred tax liabilities at 31 December 2020	317,385	80,018	87,676	485,079
Net deferred tax charged to the statement of profit or loss during the year (<i>note 11</i>)				(32,687)
Net deferred tax liabilities at 31 December 2020				(240,667)

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26. DEFERRED TAX (CONTINUED)

2019 Deferred tax assets movement

Deferred tax assets

	Asset provisions HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2019	121,786	61,847	183,633
Deferred tax (charged) credited to profit or loss	(1,656)	24,628	22,972
Exchange realignment	(2,545)	(492)	(3,037)
Gross deferred tax assets at 31 December 2019	117,585	85,983	203,568

Deferred tax liabilities

	Revaluation of properties HK\$'000	Assets revaluation HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2019	288,535	18,568	39,824	346,927
Deferred tax charged to profit or loss	8,133	265	20,442	28,840
Deferred tax charged to other comprehensive income	5,149	5,665	–	10,814
Exchange realignment	(5,049)	(708)	(120)	(5,877)
Gross deferred tax liabilities at 31 December 2019	296,768	23,790	60,146	380,704
Net deferred tax charged to the statement of profit or loss during the year (<i>note 11</i>)				(5,868)
Net deferred tax liabilities at 31 December 2019				(177,136)

The Group's tax losses arising in Mainland China of HK\$818,485,000 (2019: HK\$1,028,591,000) which are due to expire within five years for offsetting against future taxable profits of the subsidiaries in which the losses arose, have not been recognised as deferred tax assets. Certain deductible temporary differences of HK\$746,584,000 (2019: HK\$417,759,000) and the aforesaid tax losses have not been recognised as deferred tax assets since they have arisen in subsidiaries that have been making losses for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At the end of the reporting period, the deferred tax liabilities for undistributed earnings of subsidiaries which have not been recognised was HK\$57,145,000 (31 December 2019: HK\$44,477,000). No liability has been recognised in respect of the temporary differences associated with undistributed earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

27. INVENTORIES

	2020 HK\$'000	2019 HK\$'000
Trading stock	2,614,291	1,848,844

28. PROPERTIES UNDER DEVELOPMENT

	2020 HK\$'000	2019 HK\$'000
At 1 January	–	250,501
Transfer from property, plant and equipment (<i>note 14</i>)	–	253
Impairment loss	–	(12,394)
Transfer to assets held for sale (<i>note 22</i>)	–	(232,040)
Transfer to completed properties held for sale	–	(2,025)
Exchange realignment	–	(4,295)
At 31 December	–	–

The Group's properties under development were situated in Mainland China and stated at the lower of cost or net realisable value.

29. COMPLETED PROPERTIES HELD FOR SALE

The Group's completed properties held for sale are situated in Mainland China and are stated at lower of cost or net realisable value.

During the year ended 31 December 2020, certain completed properties held for sale of HK\$24,196,000 at a fair value of HK\$31,165,000 are leased to tenants under operating leases and thus transferred to investment properties. The basis of fair value measurement at date of transfer is described above. A surplus on revaluation upon the transfer of HK\$6,969,000 is recognised in profit or loss.

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30. ACCOUNTS AND BILLS RECEIVABLES

	2020 HK\$'000	2019 HK\$'000
Receivables at amortised cost comprise		
Accounts and bills receivables	4,444,708	6,112,522
Less: loss allowance	(682,352)	(750,029)
Total	3,762,356	5,362,493
Analysis by:		
Current portion	3,631,843	5,362,493
Non-current portion	130,513	-
	3,762,356	5,362,493

At as 31 December 2020, the gross amount of trade receivable arising from contracts with customers amounted to approximately HK\$4,444,708,000 (2019: HK\$6,112,522,000).

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 15 to 720 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's accounts and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. No customers represent more than 5% of the total accounts and bills receivables balance as at the end of the reporting periods. The Group does not hold any collateral or other credit enhancements over its accounts and bills receivables balances. Accounts and bills receivables are non-interest bearing.

Included in accounts and bills receivables is amount due from a customer of HK\$130,513,000 (2019: Nil), (net of loss allowance of HK\$2,664,000 (2019: Nil)), of which will be settled after 12 months from the end of the reporting period as per agreed repayment schedule.

The following is an aged analysis of accounts and bills receivables net of allowance for impairment of accounts and bills receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2020 HK\$'000	2019 HK\$'000
Within 30 days	1,369,718	3,249,133
31 to 60 days	610,916	318,493
61 to 90 days	115,855	89,379
91 to 180 days	524,292	441,465
Over 181 days	1,141,575	1,264,023
	3,762,356	5,362,493

30. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

The Group measures the loss allowance for accounts and bills receivables at an amount equal to lifetime ECL under the simplified approach. The expected credit losses on accounts and bills receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Due to the financial uncertainty arising from COVID-19, the Group have increased the expected loss rate for trade receivable based on their judgment as to the impact of COVID-19 on certain individual debtors. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group recognised lifetime ECL for accounts and bills receivables based on individually significant customer or the ageing of customers collectively that are not individually significant as follows:

As at 31 December 2020

	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net amount HK\$'000
Individually	100%	114,687	114,687	-
Collectively				
Current (not past due)	1%	2,631,443	29,783	2,601,660
Less than 90 days past due	7%	330,569	22,029	308,540
91 to 180 days past due	8%	289,488	23,521	265,967
181 to 360 days past due	20%	401,868	80,561	321,307
361 to 720 days past due	39%	431,491	166,609	264,882
More than 721 days past due	100%	245,162	245,162	-
		4,444,708	682,352	3,762,356

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30. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

As at 31 December 2019

	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net amount HK\$'000
Individually	100%	155,400	155,400	-
Collectively				
Current (not past due)	2%	3,450,115	63,164	3,386,951
Less than 90 days past due	4%	993,025	35,343	957,682
91 to 180 days past due	9%	279,482	23,862	255,620
181 to 360 days past due	17%	379,655	64,790	314,865
361 to 720 days past due	27%	614,940	167,565	447,375
More than 721 days past due	100%	239,905	239,905	-
		6,112,522	750,029	5,362,493

The movements in loss allowance of accounts and bills receivables are as follows:

	2020 HK\$'000	2019 HK\$'000
At the beginning of year	750,029	677,948
Impairment losses (reversed) recognised	(86,734)	90,722
Write-off as uncollectible	(17,910)	(1,548)
Exchange realignment	36,967	(17,093)
At the end of year	682,352	750,029

Included in the Group's accounts and bills receivables are amounts due from joint ventures, associates and related companies (note 46(b)) of approximately HK\$64,829,000 (2019: HK\$65,725,000), HK\$3,019,000 (2019: HK\$1,638,000) and HK\$51,290,000 (2019: HK\$19,815,000), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

31. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<i>Notes</i>	2020 HK\$'000	2019 HK\$'000
Deposits and other receivables	(i)	2,061,263	2,139,127
Less: loss allowance		(225,607)	(133,045)
		1,835,656	2,006,082
Prepayments		210,924	191,694
Loans to joint ventures	(ii)	177,262	210,296
		2,223,842	2,408,072
Analysis by:			
Current portion		1,339,906	1,499,292
Non-current portion		883,936	908,780
		2,223,842	2,408,072

Note:

- (i) As at 31 December 2020, included in Group's prepayments, deposits and other receivables were loan receivables with carrying amount of approximately HK\$1,074,237,000 (2019: HK\$1,088,914,000) that were secured by the properties of the borrowers. Out of the loan receivables were amount of approximately HK\$883,936,000 (2019: HK\$908,780,000) that are not expected to be realised within 12 months from the end of the reporting period as the realisation of the collaterals are expected to be completed in 2023. As such, these balances were classified as non-current assets. For the remaining balance of approximately HK\$190,301,000 (2019: HK\$180,134,000), they were classified as current assets as the collaterals are expected to be realised by end of 2021.
- (ii) At 31 December 2020, included in the Group's prepayments, deposits and other receivables are the loans of approximately HK\$177,262,000 (2019: HK\$210,296,000) to a joint venture of the Group, which are unsecured, bears interest at rates ranging from 4.35% (2019: 4.35% to 18%) per annum and are repayable within one year from the end of the reporting period.

The financial assets included in the above balances relate to receivables for which there was no recent history of default.

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31. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The movements in loss allowance of other receivables are as follows:

	2020 HK\$'000	2019 HK\$'000
At the beginning of year	133,045	131,571
Impairment losses recognised	84,175	3,645
Exchange realignment	8,387	(2,171)
At the end of year	225,607	133,045

The directors of the Company estimate the loss allowance on deposits and other receivables the end of the reporting period on an individual basis. Based on the age and settlement plan, these receivables are categorised as doubtful under the Group's credit risk grading framework and therefore, the loss allowance is measured at an amount equal to lifetime ECL. Accordingly, loss allowance on deposits and other receivables as at 31 December 2020 is approximately HK\$225,607,000 (2019: HK\$133,045,000). For the purposes of impairment assessment for loans to joint ventures, the director of the Company considered these loans to have low credit risk. Accordingly, the loss allowance is measured at an amount equal to 12-month ECL which is considered not significant after taken into account the historical repayment history and the financial strength of the joint ventures.

32. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2020 HK\$'000	2019 HK\$'000
Contract assets	2,697,941	529,127
Less: loss allowance	(292,700)	(2,054)
	2,405,241	527,073

Contract assets are initially recognised for revenue earned from services as receipt of consideration is conditional on successful completion of services provided. The contract assets are transferred to accounts and bills receivables when the rights become unconditional upon completion of services and acceptance by the customer.

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECL under the simplified approach. The movements in loss allowance of contract assets are as follows:

	2020 HK\$'000	2019 HK\$'000
At the beginning of year	2,054	1,747
Impairment losses recognised	275,745	268
Exchange realignment	14,901	39
At the end of year	292,700	2,054

32. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)**(b) Contract liabilities**

	2020 HK\$'000	2019 HK\$'000
Receipt in advance	2,160,544	1,059,683
Due to contract customers	247,188	336,813
Total contract liabilities	2,407,732	1,396,496

Contract liabilities include advances received to render services and unfulfilled performance obligation for contract customers.

Revenue recognised during the year ended 31 December 2020 that was included in the contract liabilities at the beginning of the year is approximately HK\$1,396,496,000 (2019: HK\$1,612,372,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in a prior year.

33. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

	2020 HK\$'000	2019 HK\$'000
Cash and bank balances	3,279,753	2,001,179
Time deposits	25,250	4,480
	3,305,003	2,005,659
Less: Restricted bank balances	228,286	115,488
Cash and cash equivalents	3,076,717	1,890,171

At the end of the reporting period, the cash and bank equivalents of the Group denominated in Renminbi ("RMB") amounted to HK\$2,988,760,000 (2019: HK\$1,719,661,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

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34. ACCOUNTS AND BILLS PAYABLES

The following is an aged analysis of accounts and bills payables presented based on the invoice date at the end of the reporting period.

	2020 HK\$'000	2019 HK\$'000
Within 30 days	1,507,471	1,974,814
31 to 60 days	808,988	442,991
61 to 90 days	137,255	120,659
Over 90 days	1,166,785	1,294,329
	3,620,499	3,832,793

The average credit period on purchases of goods is ranging from 30 days to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 31 December 2020, included in the Group's accounts and bills payables were amounts due to joint ventures, associates and related companies of the Group of approximately HK\$1,475,000 (2019: HK\$735,000), HK\$42,384,000 (2019: HK\$5,823,000) and HK\$91,780,000 (2019: HK\$91,909,000), respectively, which are repayable on credit terms similar to those obtained from the major suppliers of the Group.

35. OTHER PAYABLES AND ACCRUALS

	2020 HK\$'000	2019 HK\$'000
Other payables	1,092,849	996,471
Accruals	993,616	752,953
Payroll payables	418,358	292,379
Deferred income (note 47)	12,787	4,402
	2,517,610	2,046,205

Included in the Group's other payables are amounts due to associates and related companies (note 46(b)(iv)) of approximately HK\$432,000 (2019: HK\$27,821,000) and HK\$1,700,000 (2019: HK\$5,223,000) respectively.

At 31 December 2020 and 2019, other payables are unsecured and non-interest-bearing and have an average term of three months.

36. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2020 HK\$'000	2019 HK\$'000
Bank loans, unsecured	948,397	1,385,891
Bank loans, secured	3,378,737	3,650,350
Other borrowings	51,470	51,520
Corporate bonds (note d)	–	6,939
	4,378,604	5,094,700
Analysed for reporting purpose as:		
Current	2,077,309	3,468,959
Non-current	2,301,295	1,625,741
	4,378,604	5,094,700
	2020 HK\$'000	2019 HK\$'000
Bank loans repayable (based on scheduled repayment dates set out in the loan agreements dates):		
Within one year	2,025,839	3,417,439
In the second year	466,123	147,840
In the third to fifth years, inclusive	792,679	554,174
Beyond five years	1,042,493	916,788
	4,327,134	5,036,241
Other borrowings and corporate bonds repayable:		
Within one year	51,470	51,520
In the third to fifth years, inclusive	–	6,939
	51,470	58,459

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36. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	2020			2019		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
Bank loans, unsecured	2.50-4.79	2021	948,397	2.80-5.22	2020	1,335,491
Bank loans, secured	1.45-6.70	2021	875,121	3.53-7.25	2020	1,439,406
Current portion of long term bank loans,						
– unsecured	N/A	N/A	–	4.75	2020	50,400
– secured	1.82-7.00	2021	202,321	4.94-9.80	2020	592,142
Other borrowings	15	2021	51,470	15	2020	51,520
			2,077,309			3,468,959
Non-current						
Bank loans, secured	1.82-7.00	2022-2034	2,301,295	4.00-6.62	2021-2034	1,618,802
Corporate bonds (notes c and d)	N/A	N/A	–	–	2021	6,939
			2,301,295			1,625,741
			4,378,604			5,094,700

The ranges of effective interest rates on the Group's bank borrowings are as follows:

	2020	2019
Effective interest rate:		
Fixed-rate borrowings	2.50%-7%	2.8% – 9.8%
Variable-rate borrowings	1.45%-6.62%	3.53% – 6.62%

As at 31 December 2020, the Group's borrowings carrying interest at floating rates and fixed rates amounted approximately to HK\$1,823,386,000 (2019: HK\$2,869,405,000) and HK\$2,555,218,000 (2019: HK\$2,225,295,000) respectively.

36. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)*Notes:*

- (a) Certain of the Group's bank and other borrowings are secured by:
- (i) mortgages over the buildings, which had an aggregate carrying value at the end of the reporting period of HK\$299,619,000 (2019: HK\$136,226,000) (note 14);
 - (ii) mortgages over investments properties, which had an aggregate carrying value at the end of the reporting period of HK\$3,937,103,000 (2019: HK\$3,576,944,000) (note 15);
 - (iii) mortgage over the land use right, which had an aggregate carrying value at the end of the reporting period of HK\$20,291,000 (2019: HK\$19,785,000) (notes 16);
 - (iv) The Group's borrowings of approximately HK\$994,486,000 (2019: HK\$1,375,906,000) provided by certain financial institutions were secured by 130,960,000 (2019: 247,869,570) ordinary shares issued by DCITS with an aggregate fair value of HK\$2,401,770,000 (2019: HK\$4,111,449,000) as at 31 December 2020;
- (b) At 31 December 2020, except for the bank borrowings of HK\$157,666,000 (2019: HK\$260,332,000) and HK\$Nil (2019: HK\$79,733,000) are denominated in Hong Kong dollars and United States dollars, respectively, the remaining bank and other borrowings are denominated in RMB.
- (c) On 2 September 2016, Digital China Software Limited issued medium-term note (the "MTN") with a principal amount of RMB500,000,000 in the national inter-bank market of the PRC. The MTN carried interest at the rate of 4.9% per annum and would mature on 6 September 2021 (with the investor's option to sell back the notes after the end of the third year from the issuance date). During the year ended 31 December 2019, principal amount was fully redeemed by the investors.
- (d) In previous years, 神州靈雲(北京) 科技有限公司 ("Shenzhou Lingyun"), a non-wholly owned subsidiary of the Group, issued convertible bonds to its investors.

Subject to the fulfillment of the undertaking regarding Shenzhou Lingyun's business results for the years 2016 to 2020 in full, the investors have agreed to convert the full amount of the convertible bond loans into investments in Shenzhou Lingyun, which shall be credited, upon conversion, to Shenzhou Lingyun's capital reserve. In the event that the business result undertaking is not fulfilled, Shenzhou Lingyun shall repay the aforesaid convertible bond loans within 30 days upon receipt of notices from the investors.

As at 31 December 2019, the convertible bond of approximately RMB32,600,000 (equivalent to approximately HK\$35,730,000) was outstanding, including approximately RMB26,400,000 (equivalent to approximately HK\$28,940,000) provided by DCITS and approximately RMB6,200,000 (equivalent to approximately HK\$6,939,000) by other investors.

On 15 April 2020, DCITS and other investors signed the "Transfer Agreement" with an independent third party (the "Lingyun Transferee"), and all parties agreed to transferred their equity interest in Shenzhou Lingyun to the Lingyun Transferee, and withdrew from Shenzhou Lingyun. Approximately RMB7,200,000 (equivalent to approximately HK\$8,134,000) consideration was paid for DCITS's equity interest in Shenzhou Lingyun. Upon completion of the transaction, Shenzhou Lingyun ceased to be a subsidiary of the Group and hence the convertible bond is fully derecognised.

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37. SHARE CAPITAL

	2020 HK\$'000	2019 HK\$'000
Authorised: 2,500,000,000 (2019: 2,500,000,000) ordinary shares of HK\$0.1 (2019: HK\$0.1) each	250,000	250,000
Issued and fully paid: 2020: 1,672,497,376 (2019: 1,670,977,976) ordinary shares of HK\$0.1 (2019: HK\$0.1) each	167,250	167,098

A summary of the movements in the Company's issued share capital and share premium account during the years ended 31 December 2020 and 2019 is as follows:

	Number of ordinary shares in issue	Issued capital HK\$'000	Share premium account HK\$'000	Total HK\$'000
1 January 2019	1,677,261,976	167,726	4,665,095	4,832,821
Share repurchase (<i>note</i>)	(6,284,000)	(628)	(21,237)	(21,865)
31 December 2019 and 1 January 2020	1,670,977,976	167,098	4,643,858	4,810,956
Exercise of share options (<i>note 39</i>)	1,519,400	152	8,119	8,271
At 31 December 2020	1,672,497,376	167,250	4,651,977	4,819,227

Note: During the year ended 31 December 2019, the Company purchased 5,911,000 its own shares of HK\$0.10 each with highest and lowest prices of HK\$3.60 and HK\$3.37 per share respectively for an aggregate cash consideration (including transaction cost) of approximately HK\$20,539,000 through The Stock Exchange of Hong Kong Limited.

The shares repurchased during the year ended 31 December 2018 of 373,000 shares and during the year ended 31 December 2019 of 5,911,000 shares totalling 6,284,000 shares were cancelled in March 2019.

Save as disclosed above, none of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

38. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Asset revaluation reserve

The asset revaluation reserve represents cumulative gains and losses arising on property revaluation as a result of the change in use from owner-occupied properties to investment properties. Such items will not be reclassified to profit or loss in subsequent periods.

Investment revaluation reserve

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in unlisted equity instruments of the Group and associates designated at FVTOCI.

Reserve funds

Reserve funds are reserves set aside in accordance with the relevant PRC regulations applicable to the Group's subsidiaries in Mainland China. These reserve funds can be used to offset accumulated losses but are not be distributable in the form of cash dividends.

Capital reserves

The capital reserve represents primarily the effects from change in shareholders' equity arising on group re-organisation and change in the Group's ownership interest in subsidiaries without losing control.

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39. SHARE-BASED INCENTIVE SCHEMES

Share-based Incentive Schemes of the Company

(a) Share Option Scheme

The share option scheme of the Company was adopted on 15 August 2011 (the "2011 Share Option Scheme"). The 2011 Share Options Schemes has life span of ten years.

The principal terms of the 2011 Share Option Scheme are as follows:

(i) Purpose

The Share Option Scheme seek to recognise and acknowledge the contributions or potential contributions made or to be made by the qualified persons (as defined below) to the Group, to motivate the qualified persons to optimise their performance and efficiency for the benefit of the Group, and to maintain or attract business relationships with the qualified persons whose contributions are or may be beneficial to the growth of the Group.

(ii) Qualified persons

Any part-time or full-time employee or officer or director (including executive, non-executive or independent non-executive directors) of any member of the Group or of any associated company, or any supplier, agent, customer, joint venture partner, strategic alliance partner, distributor, professional adviser of, or consultant or contractor to, any member of the Group, or the trustee of any trust pre-approved by the board of directors of the Company, the beneficiary (or in case of discretionary trust, the discretionary objects) of which includes any of the above-mentioned persons.

(iii) Maximum number of shares

The maximum number of shares available for issue under the 2011 Share Option Scheme was 167,726,197 (2019: 167,726,197), which represent 10.03% (2019: 10.04%) of share capital of the Company in issue as at the date of approval of the financial statements.

(iv) Maximum entitlement of each qualified person

The maximum number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company to each qualified person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company then in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

Any grant of options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive directors of the Company (except when the independent non-executive director is the grantee of such options).

39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

Share-based Incentive Schemes of the Company (Continued)

(a) Share Option Scheme (Continued)

(IV) Maximum entitlement of each qualified person (Continued)

Any grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates must, in addition to obtaining the approval of the independent non-executive directors of the Company, be approved by the shareholders of the Company in a general meeting if such proposed grant of share options, when aggregated with all options (whether exercised, cancelled or outstanding) already granted to such substantial shareholder or independent non-executive director during the 12-month period up to and including the date of such grant of options, would (i) entitle that relevant person to receive more than 0.1% of the total issued share capital of the Company for the time being; and (ii) represent an aggregate value in excess of HK\$5,000,000 based on the closing price of the shares of the Company on the Stock Exchange at the date of such grant.

(V) Timing for exercise of options

The period during which an option may be exercised in accordance with the terms of the Share Option Scheme shall be the period set out in the relevant offer letter, provided that such period must expire on the date falling on the tenth anniversary of the offer date.

(VI) Acceptance of offers

An offer of the grant of an option shall be accepted by the grantee on or before the last date for acceptance of such offer as set out in the relevant offer letter, which must not be more than 28 business days from the relevant offer date. A consideration of HK\$1.00 shall be received by the Company on acceptance of each offer.

(VII) Basis for determination of the subscription price

The subscription price shall be the highest of (a) the closing price of the shares on the offer date; (b) the average of the closing prices of the shares for the five business days immediately preceding the offer date; or (c) the nominal value of a share.

(VIII) Life of Share Option Scheme

The 2011 Share Option Scheme shall remain valid and effective for a period of ten years commencing from 15 August 2011, being the date on which the scheme was deemed to take effect in accordance with its terms.

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39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

Share-based Incentive Schemes of the Company (Continued)

(a) Share Option Scheme (Continued)

The following table shows the movements in the Company's share options under the 2011 Share Option Scheme during the year and the options outstanding at the beginning and end of the year 2020:

Grantee	Number of share options				Outstanding as at 31/12/2020	Exercise price per share HK\$	Closing price immediately before the date of grant HK\$	Date of grant	Exercisable period	Notes
	Outstanding as at 1/1/2020	Granted during the year	Exercised during the year	Lapsed during the year						
Directors										
GUO Wei	13,116,974	-	-	-	13,116,974	6.394	6.73	25/1/2017	25/1/2017-24/1/2025	(i), (ii)
LIN Yang	-	81,000,000	-	-	81,000,000	6.60	6.54	13/7/2020	(iv)	(v)
	13,116,974	-	-	-	13,116,974	6.394	6.73	25/1/2017	25/1/2017-24/1/2025	(i), (ii)
WONG Man Chung, Francis	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
NI Hong (Hope)	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
LIU Yun, John	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
YAN Xiaoyan	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
KING William	-	2,000,000	-	-	2,000,000	6.60	6.54	13/7/2020	(iv)	(v)
Other employees	62,646,667	-	-	(56,665,327)	5,981,340	6.394	6.73	25/1/2017	25/1/2017-24/1/2025	(i), (ii)
Other employees	5,000,000	-	(601,000)	(1,600,000)	2,799,000	4.818	4.87	21/5/2018	21/5/2019-20/5/2026	(iii)
Other employees	5,700,000	-	(401,000)	(3,300,000)	1,999,000	3.88	3.88	20/11/2018	20/11/2019-19/11/2026	(iii)
Other employees	6,970,000	-	(317,400)	(1,450,000)	5,202,600	4.32	4.26	28/3/2019	28/3/2020-27/3/2027	(iii)
Other employees	3,200,000	-	(200,000)	(800,000)	2,200,000	4.04	3.95	2/9/2019	2/9/2020-1/9/2027	(iii)
Other employees	30,000	-	-	(30,000)	-	4.172	4.10	7/11/2019	7/11/2020-6/11/2027	(iii)
Other employees	-	7,570,000	-	(1,020,000)	6,550,000	4.17	4.16	27/4/2020	27/4/2021-26/4/2028	(iii)
Other employees	-	2,620,000	-	(150,000)	2,470,000	4.48	4.27	11/6/2020	11/6/2021-10/6/2028	(iii)
Other employees	-	14,000,000	-	(1,000,000)	13,000,000	6.60	6.54	13/7/2020	(iv)	(v)
Other employees	-	1,900,000	-	(110,000)	1,790,000	6.60	6.54	13/7/2020	13/7/2021-12/7/2028	(iii)
In aggregate	109,780,615	119,090,000	(1,519,400)	(66,125,327)	161,225,888					
Exercisable at the end of the year					35,399,888					
Weighted average exercise price (HK\$)	5.991	6.399	4.364	6.120	6.254					

39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)**Share-based Incentive Schemes of the Company (Continued)****(a) Share Option Scheme (Continued)**

The following table shows the movements in the Company's share options under the 2011 Share Option Scheme during the year and the options outstanding at the beginning and end of the year 2019:

Grantee	Number of share options			Outstanding as at 31/12/2019	Exercise price per share HK\$	Closing price immediately before the date of grant HK\$	Date of grant	Exercisable period	Notes
	Outstanding as at 1/1/2019	Granted during the year	Lapsed during the year						
Directors									
GUO Wei	13,116,974	-	-	13,116,974	6.394	6.73	25/1/2017	25/1/2017-24/1/2025	(i), (ii)
LIN Yang	13,116,974	-	-	13,116,974	6.394	6.73	25/1/2017	25/1/2017-24/1/2025	(i), (ii)
Other employees	62,646,667	-	-	62,646,667	6.394	6.73	25/1/2017	25/1/2017-24/1/2025	(i), (ii)
Other employees	9,100,000	-	(4,100,000)	5,000,000	4.818	4.87	21/5/2018	21/5/2019-20/5/2026	(iii)
Other employees	6,000,000	-	(300,000)	5,700,000	3.88	3.88	20/11/2018	20/11/2019-19/11/2026	(iii)
Other employees	-	8,000,000	(1,030,000)	6,970,000	4.32	4.26	28/3/2019	28/3/2020-27/3/2027	(iii)
Other employees	-	3,200,000	-	3,200,000	4.04	3.95	2/9/2019	2/9/2020-1/9/2027	(iii)
Other employees	-	30,000	-	30,000	4.172	4.10	7/11/2019	7/11/2020-6/11/2027	(iii)
In aggregate	103,980,615	11,230,000	(5,430,000)	109,780,615					
Exercisable at the end of the year				91,020,615					
Weighted average exercise price (HK\$)	6.111	4.240	4.672	5.991					

Notes:

- (i) As a result of the rights issue which was completed on 18 September 2017, the exercise prices was adjusted from HK\$6.71 to HK\$6.394 under the 2011 Share Option Scheme, and the numbers of outstanding share options were adjusted accordingly.
- (ii) All options granted under the 2011 Share Option Scheme in 2017 are exercisable in whole or in part at anytime during the exercisable period.
- (iii) The options granted under the 2011 Share Option Scheme are subject to a vesting period of five years with 20% becoming exercisable on the first anniversary, 20% on the second anniversary, 20% on the third anniversary, 20% on the fourth anniversary and 20% on the fifth anniversary of the respective dates of grant.
- (iv) Exercisable period is from the date of satisfaction of certain conditions to 12 July 2028. Details of the conditions please refer to Note (v).

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39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

Share-based Incentive Schemes of the Company (Continued)

(a) Share Option Scheme (Continued)

Notes: (Continued)

- (v) The vesting and exercise of the Share Options shall be conditional upon satisfaction of, among others, certain performance conditions (including, among others, key performance indicators, profit performance target(s) and/or individual results performance target etc.) for the year ending 31 December 2020, 2021 and 2022 as set out in the respective granting document (if any) and the following conditions:
- (a) the Group's audited net profit after tax (before share-based payment expenses) and deduction of net profit after tax attributable to non-controlling interests for the financial year ending 31 December 2020 based on the audited consolidated financial statements of the Company amounts to HK\$500 million or above (the "Condition (a)"), in which case one third of the Share Options shall vest and become exercisable on the relevant vesting date as mentioned below;
- (b) the Group's audited net profit after tax (before sharebased payment expenses) and deduction of net profit after tax attributable to non-controlling interests for the financial year ending 31 December 2021 based on the audited consolidated financial statements of the Company amounts to HK\$800 million or above (the "Condition (b)"), in which case one third of the Share Options shall vest and become exercisable on the relevant vesting date as mentioned below; or
- (c) the Group's audited net profit after tax (before sharebased payment expenses) and deduction of net profit after tax attributable to non-controlling interests for the financial year ending 31 December 2022 based on the audited consolidated financial statements of the Company amounts to HK\$1.2 billion or above (the "Condition (c)"), in which case one third of the Share Options shall vest and become exercisable on the relevant vesting date as mentioned below.

The vesting of the relevant portion of the Share Option upon satisfaction of Condition (a), Condition (b) and Condition (c) shall take place on the date on which the relevant date of issue of the audited consolidated financial statements of the Company for the financial year ending 31 December 2020, 2021 and 2022, respectively.

No share options were granted to participants other than those set out in the tables above.

No options under the 2011 Share Option Scheme were cancelled during the year ended 31 December 2020 and year ended 31 December 2019 and no options under the 2011 Share Option Scheme were exercised during the year ended 31 December 2019.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

The fair values of the share options granted under the 2011 Share Option Scheme during the current year amounted to approximately HK\$220,768,000 (2019: HK\$12,181,000) in aggregate of which HK\$47,792,000 (2019: HK\$8,327,000) was recognised as share option expenses during the year.

The fair values of the share options granted during 2020 and 2019 under the 2011 Share Option Scheme were estimated as at the dates of grant, using a binomial model, taking into account of the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Granted during:	2020	2019
Exercise price (HK\$ per share)	4.17-6.6	4.04-4.32
Dividend yield (%)	1.1-2.65 per annum	2.6-3 per annum
Expected volatility (%)	37.9-38.1 per annum	38.5-39.5 per annum
Expected life (year)	8	8
Risk-free interest rate (%)	0.41-0.56 per annum	1.12-1.57 per annum
Weighted average share price (HK\$ per share)	4.17-6.6	4.04-4.32

39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

Share-based Incentive Schemes of the Company (Continued)

(a) Share Option Scheme (Continued)

The expected volatility is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

The binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

As at 31 December 2020, the Company had 161,225,888 (2019: 109,780,615) share options outstanding under the 2011 Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 161,225,888 (2019: 109,780,615) additional ordinary shares of the Company and additional share capital of approximately HK\$16,123,000 (2019: HK\$10,978,000) and share premium of approximately HK\$992,260,000 (2019: HK\$646,694,000) (before issue expenses and transfer of employee share-based compensation reserve).

At the date of approval of these financial statements, the Company had 161,065,888 share options outstanding (2019: 109,780,615) under the 2011 Share Option Scheme, which represented approximately 9.63% (2019: 6.57%) of the Company's shares in issue as at that date.

(b) Restricted Share Award Scheme ("RSA Scheme")

The RSA Scheme was adopted on 28 March 2011 for the purpose of rewarding and motivating, among others, directors (including executive and non-executive) and employees of the Company and its subsidiaries (the "Participants") with the shares of the Company. The RSA Scheme is intended to attract and retain the best available personnel, and encourage and motivate the Participants to work towards enhancing the value of the Group and the Company's shares by aligning their interests with those of the shareholders of the Company.

Pursuant to the RSA Scheme, existing shares of the Company will be purchased by the trustee of the RSA Scheme from the market out of cash contributed by the Group and be held in trust for the relevant Participants until such shares are vested with the relevant Participants in accordance with the provisions of the RSA Scheme. The shares of the Company granted under the RSA Scheme and held by the trustee until vesting are referred to as the restricted share units ("RSUs") and each RSU shall represent one ordinary share of the Company.

During the year ended 31 December 2020, the trustee purchased 82,012,000 (2019: 3,639,000) shares of the Company at a total cost (including related transaction costs) of approximately HK\$493,623,000 (2019: HK\$14,055,000) and a total of 2,150,000 RSUs (2019: nil) were granted to certain Directors and other employees of the Group in order to motivate them to work for the Group. The share price of the Company's Shares as at the date of grant of the RSUs were HK\$4.30 (1,750,000 RSUs were granted to other employees on 7 May 2020) and HK\$4.45 (400,000 RSUs were granted to Directors on 2 June 2020) during the year.

The fair values of the RSUs granted under the RSA Scheme at granted date during the current year amount to approximately HK\$9,305,000 (2019: nil).

During the current year, the Group recognised the total expenses of HK\$2,898,000 (2019: nil) in relation to RSUs granted by the Company.

39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

Equity Incentive Schemes of a subsidiary

(c) *Share Option Incentive Scheme of DCITS*

The shareholders of the Company and Digital China Information Service Company Ltd. ("DCITS") approved the adoption of a share option incentive scheme (the "**Share Option Incentive Scheme**") on 10 September 2019 and 16 September 2019 respectively. The major terms of the Share Option Incentive Scheme are as follows:

- (1) The purpose of the DCITS Share Option Incentive Scheme is to further promote the establishment and improvement of DCITS's long term incentive mechanism, attract and retain high calibre talents, encourage the initiative of directors, senior management and key employees of DCITS and its subsidiaries, so as to effectively align the interest of shareholders, DCITS and individual interests of core management, and cause all parties to focus on the long-term development of DCITS.
- (2) The incentive participants of the DCITS Share Option Incentive Scheme comprise the directors, senior management and key employees of DCITS and its subsidiaries, but shall exclude the independent directors and supervisors of DCITS, as well as shareholders, individually or in aggregate, holding 5% or more of the shares in DCITS or the de facto controllers and their spouses, parents or children. All incentive participants of the DCITS Share Option Incentive Scheme must have employment, labour or service relationships with DCITS within the validity period of the DCITS Share Option Incentive Scheme.
- (3) According to the DCITS Share Option Incentive Scheme:
 - (a) the total number of underlying shares involved in all effective incentive schemes of DCITS shall not in aggregate exceed 10% of the total share capital of DCITS as at the time when the DCITS Share Option Incentive Scheme was submitted to the shareholders' meeting of DCITS for approval;
 - (b) the total number of shares of DCITS which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the DCITS Share Option Incentive Scheme and any other scheme of DCITS shall not in any event exceed 30% of the total A ordinary shares in issue of DCITS from time to time; and
 - (c) the total number of shares of DCITS issued pursuant to all effective equity incentive schemes of DCITS to any incentive participant shall not in aggregate exceed 1% of the total shares in issue of DCITS.
- (4) The underlying shares of the DCITS Share Option Incentive Scheme shall be the A ordinary shares to be issued by DCITS to the participants of the DCITS Share Option Incentive Scheme.
- (5) The minimum period for which share options granted under the DCITS Share Option Incentive Scheme must be held before they can be exercised is 12 months from the completion date of registration of the grant of share options pursuant to the DCITS Share Option Incentive Scheme ("**Option Registration Date**").

39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)**Equity Incentive Schemes of a subsidiary (Continued)****(c) Share Option Incentive Scheme of DCITS (Continued)**

- (6) Subject to the fulfillment of the conditions for exercising the share options under the DCITS Share Option Incentive Scheme, grantees may exercise their share options within 24 months after the expiry of 12 months from the Option Registration Date in two tranches as follows:

Tranche	Exercisable period	Percentage of share option exercisable
First tranche	From the first trading day after the expiry of 12 months from the Option Registration Date to the last trading day within 24 months from the Option Registration Date	50%
Second tranche	From the first trading day after the expiry of 24 months from the Option Registration Date to the last trading day within 36 months from the Option Registration Date	50%

- (7) The exercise price of the share options to be granted under the DCITS Share Option Incentive Scheme shall be RMB12.76 per share.
- (8) The effective term of the DCITS Share Option Incentive Scheme shall commence from the Option Registration Date to the date on which all share options granted to grantees under the DCITS Share Option Incentive Scheme have been exercised or cancelled, provided that the term shall not exceed 36 months.
- (9) During the exercise period of the DCITS Share Option Incentive Scheme, a number of conditions must be satisfied before the grantees can exercise their share options, including:
- (a) None of the following events having occurred on the part of DCITS:
- (i) issue of an accountants' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the accountants' report of DCITS for its latest financial year;
 - (ii) issue of an accountants' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to internal control for the latest financial year;
 - (iii) failure to conduct profit distribution in accordance with the laws and regulations, the articles of association of DCITS and public undertakings during the most recent 36 months after the listing;
 - (iv) prohibition from implementation of an equity incentive scheme by laws and regulations or applicable Listing Rules; and
 - (v) any other circumstances as determined by the China Securities Regulatory Commission ("CSRC") or relevant regulatory authorities.

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39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

Equity Incentive Schemes of a subsidiary (Continued)

(c) Share Option Incentive Scheme of DCITS (Continued)

(9) (Continued)

(b) None of the following events having occurred on the part of the grantee of the DCITS Share Option Incentive Scheme:

- (i) being identified as an ineligible personnel by the Shenzhen Stock Exchange in the last 12 months;
- (ii) being identified as an ineligible personnel by the CSRC and its resident agencies in the last 12 months;
- (iii) imposition of administrative penalties or measures prohibiting the grantee from entering into the market by the CSRC and its resident agencies in the last 12 months due to material non-compliance of laws or regulations;
- (iv) being prohibited from acting as a director or senior management personnel of DCITS under the Company Law of the PRC (中華人民共和國公司法);
- (v) being prohibited from participating in an equity incentive scheme of a listed company under relevant laws and regulations; and
- (vi) any other circumstances as determined by the CSRC or relevant regulatory authorities.

(c) DCITS achieving the following financial performance targets:

Tranche	Financial performance targets
First Tranche	the net profit of DCITS for the year of 2019 being not less than RMB360 million
Second Tranche	the net profit of DCITS for the year of 2020 being not less than RMB435 million

Note: The above net profit refers to the net profit attributable to DCITS shareholders.

(d) Subject to DCITS achieving the relevant annual financial performance targets, the results of the annual assessment to be conducted by the remuneration and appraisal committee of DCITS against the grantee being 80 points or above or graded at "A".

In the event that any of the above exercise conditions cannot be fulfilled within the relevant exercisable period, share options granted under the DCITS Share Option Incentive Scheme shall be cancelled by DCITS. In the event that the above exercise conditions have been fulfilled but share options granted under the DCITS Share Option Incentive Scheme have not been exercised upon expiry of the relevant exercise period, such share options shall be lapsed.

Since the adoption of the DCITS Share Option Incentive Scheme, DCITS granted 22,470,000 share options under the DCITS Share Option Incentive Scheme.

39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)**Equity Incentive Schemes of a subsidiary (Continued)****(c) Share Option Incentive Scheme of DCITS (Continued)**

The following table shows the movements in the share options under DCITS Share Option Incentive Scheme during the twelve months as at 31 December 2020 and the share options outstanding at the beginning and end of the year 2020:

Grantee	Number of the share options				Outstanding as at 31/12/2020	Exercise price per share RMB	Date of grant	Exercisable period
	Outstanding as at 1/1/2020	Granted during the year	Exercised during the year	Lapsed during the year				
DCITS director	-	-	-	-	-	-	-	-
DCITS other employees	22,270,000	-	(5,687,554)	(950,000)	15,632,446	12.76	17/9/2019	Grantees may exercise their share options with reference to the Option Registration Date (i.e. 30/10/2019) in two tranches. (Note)
Exercisable at the end of the year					5,022,446			
Weighted average exercise price (RMB)	12.76	-	12.76	12.76	12.76			

Note: Please refer to note(6) of the major terms of the DCITS Share Option Incentive Scheme

The following table shows the movements in the share options under DCITS Share Option Incentive Scheme for the twelve months ended at 31 December 2019:

Grantee	Number of the share options			Outstanding as at 31/12/2019	Exercise price per share RMB	Date of grant	Exercisable period
	Granted in 2019	Exercised in 2019	Lapsed in 2019				
DCITS director	-	-	-	-	-	-	-
DCITS other employees	22,470,000	-	(200,000)	22,270,000	12.76	17/9/2019	Grantees may exercise their share options with reference to the Option Registration Date (i.e. 30/10/2019) in two tranches. (Note)
Exercisable at the end of the year				-			
Weighted average exercise price (RMB)	12.76	-	12.76	12.76			

Note: Please refer to note (6) of the major terms of the DCITS Share Option Incentive Scheme

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39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

Equity Incentive Schemes of a subsidiary (Continued)

(c) Share Option Incentive Scheme of DCITS (Continued)

The fair values of the share options granted during 2019 under the DCITS Share Option Incentive Scheme were estimated as at the dates of grant, using a binomial model, taking into account of the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

Granted during:	2019
Exercise price (RMB per share)	12.76
Dividend yield (%)	0.205–0.2546 per annum
Expected volatility (%)	21.7765–25.9667 per annum
Expected life (year)	1–2
Risk-free interest rate (%)	1.5–2.1 per annum
Weighted average share price (RMB per share)	12.99

The expected volatility is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the share options granted was incorporated into the measurement of fair value.

The binomial model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of a share option varies with different variables of certain subjective assumptions.

The fair values of the share options granted under the DCITS Share Option Incentive Scheme during the year ended 31 December 2019 amounted to approximately HK\$32,330,000.

During the current year, the Group recognised the total expenses of HK\$18,901,000 (2019: HK\$5,835,000) in relation to share options granted by DCITS.

(d) Restricted Share Incentive Scheme of DCITS

The shareholders of DCITS approved the adoption of a restricted share incentive scheme (the "Restricted Share Incentive Scheme") on 16 September 2019. The purpose of the Restricted Share Incentive Scheme is to further promote the establishment and improvement of DCITS's long term incentive mechanism, attract and retain high calibre talents, encourage the initiative of directors, senior management and key employees of DCITS and its subsidiaries, so as to effectively align the interest of shareholders, DCITS and individual interests of core management, and cause all parties to focus on the long-term development of DCITS.

The incentive participants of the Restricted Share Incentive Scheme comprise the directors, senior management and key employees of DCITS and its subsidiaries, but shall exclude the independent directors and supervisors of DCITS, as well as shareholders, individually or in aggregate, holding 5% or more of the shares in DCITS or the de facto controllers and their spouses, parents or children. All incentive participants of the Restricted Share Incentive Scheme must have employment, labour or service relationships with DCITS within the validity period of the Restricted Share Incentive Scheme.

The underlying shares of the Restricted Share Incentive Scheme shall be the A ordinary shares to be issued by DCITS to the participants of the Restricted Share Incentive Scheme.

39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)**Equity Incentive Schemes of a subsidiary (Continued)****(d) Restricted Share Incentive Scheme of DCITS (Continued)**

No restricted shares can be granted to the incentive participants if any one of the conditions cannot be satisfied.

- (a) None of the following events having occurred on the part of DCITS:
- (i) issue of an accountants' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the accountants' report of DCITS for its latest financial year;
 - (ii) issue of an accountants' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to internal control for the latest financial year;
 - (iii) failure to conduct profit distribution in accordance with the laws and regulations, the articles of association of DCITS and public undertakings during the most recent 36 months after the listing;
 - (iv) prohibition from implementation of an equity incentive scheme by laws and regulations; and
 - (v) any other circumstances as determined by the CSRC.
- (b) None of the following events having occurred on the part of the grantee of the Restricted Share Incentive Scheme:
- (i) being identified as an ineligible personnel by the Shenzhen Stock Exchange in the last 12 months;
 - (ii) being identified as an ineligible personnel by the CSRC and its resident agencies in the last 12 months;
 - (iii) imposition of administrative penalties or measures prohibiting the grantee from entering into the market by the CSRC and its resident agencies in the last 12 months due to material non-compliance of laws or regulations;
 - (iv) being prohibited from acting as a director or senior management personnel of DCITS under the Company Law of the PRC (中華人民共和國公司法);
 - (v) being prohibited from participating in an equity incentive scheme of a listed company under relevant laws and regulations; and
 - (vi) any other circumstances as determined by the CSRC.
- (c) DCITS achieving the following financial performance targets:

Tranche	Financial performance targets
First Tranche	the net profit of DCITS for the year of 2019 being not less than RMB360 million
Second Tranche	the net profit of DCITS for the year of 2020 being not less than RMB435 million

Note: The above net profit refers to the net profit attributable to DCITS shareholders.

- (d) Subject to DCITS achieving the relevant annual financial performance targets, the results of the annual assessment to be conducted by the remuneration and appraisal committee of DCITS against the grantee being 80 points or above or graded at "A".

According to the provisions of the Restricted Share Incentive Scheme of DCITS, the grant price of such restricted shares was adjusted from RMB6.38 per share to RMB6.345 per share (due to DCITS's dividends).

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39. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

Equity Incentive Schemes of a subsidiary (Continued)

(d) Restricted Share Incentive Scheme of DCITS (Continued)

The following table shows the movements in the restricted shares under the Restricted Share Incentive Scheme of DCITS during the year:

Grantee	Number of Restricted Shares				
	Outstanding as at 1/1/2020	Granted during the year	Buyback and cancelled during the year	Vested during the year	Outstanding as at 31/12/2020
DCITS Director	1,000,000	-	-	(500,000)	500,000
DCITS other employees	5,950,000	-	(300,000)	(2,825,000)	2,825,000

During the year ended 31 December 2019, a total of 6,950,000 restricted shares were granted to Directors and other employees of DCITS which remained outstanding as at 31 December 2019.

The fair values of the restricted share granted during 2019 under the DCITS Restricted Share Incentive Scheme were estimated as at the dates of grant, using a binomial model, taking into account of the terms and conditions upon which the restricted shares were granted. The following table lists the inputs to the model used:

Granted during:	2019
Dividend yield (%)	0.205-0.2546 per annum
Expected volatility (%)	21.7765-25.9667 per annum
Risk-free interest rate (%)	1.5-2.1 per annum
Weighted average share price (RMB per share)	12.99

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the restricted shares granted was incorporated into the measurement of fair value.

The binomial model has been used to estimate the fair value of the restricted shares. The variables and assumptions used in computing the fair value of the restricted shares are based on the directors' best estimate. The value of restricted shares varies with different variables of certain subjective assumptions.

All restricted shares granted under the DCITS Restricted Share Incentive Scheme are subject to a vesting period of two years with 50% becoming saleable on the first anniversary and 50% on the second anniversary of the respective dates of registration.

The fair values of the restricted shares granted under the Restricted Share Incentive Scheme of DCITS during the year ended 31 December 2019 amounted to approximately HK\$21,966,000.

During the current year, the Group recognised the total expenses of HK\$13,240,000 (2019: HK\$4,207,000) in relation to restricted shares granted by DCITS.

40. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

As at 31 December 2020, the Group indirectly held the equity interests in DCITS was 40.28% (2019: 40.14%), the Group still retained its rights to nominate three out of the five (2019: three out of the five) non-independent directors of the board of directors of DCITS. Taking into account the Group's power to participate in the operational and financial activities of DCITS, distribution of key shareholders and their beneficial shareholders as well as historical voting patterns, and the existence of any contractual arrangement among the shareholders and/or their beneficial shareholders, if any, the directors of the Company are of the view that the equity holdings in DCITS are dispersed in a way that other shareholders have not organised and the practical risk to organise their holdings to outvote the Group in the shareholders' meeting of DCITS is remote so that the Group's voting rights are sufficient to give it the practical ability to direct the relevant activities of DCITS unilaterally. Therefore, the directors of the Company are of the view that the Company still retains de facto control over DCITS. Further details are included in note 4.

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2020 HK\$'000	2019 HK\$'000
Percentage of equity interest held by non-controlling interests:		
DCITS	59.72%	59.86%

	2020 HK\$'000	2019 HK\$'000
Profit for the year allocated to non-controlling interests:		
DCITS and its subsidiaries	341,100	131,634
Accumulated balances of non-controlling interests at the reporting date:		
DCITS and its subsidiaries	3,979,766	3,450,374

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40. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any intragroup eliminations:

	DCITS and its subsidiaries	
	2020 HK\$'000	2019 HK\$'000
Revenue and other income	11,891,993	11,663,139
Total cost and expenses	(11,329,579)	(11,427,746)
Profit for the year	562,414	235,393
– attributable to equity holders of DCITS and subsidiaries	571,474	228,010
Total comprehensive income for the year	858,593	171,087
– attributable to equity holders of DCITS and subsidiaries	867,653	163,704
Dividend paid to non-controlling interest	(24,832)	(22,889)
Current assets	10,799,446	8,691,961
Non-current assets	3,250,052	3,354,786
Current liabilities	6,915,467	5,907,585
Non-current liabilities	80,677	77,925
Net cash inflows from operating activities	380,823	324,763
Net cash from investing activities	629,701	410,578
Net cash used in financing activities	(499,546)	(882,872)
Net increase (decrease) in cash and cash equivalents	510,978	(147,531)

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	1 January 2020 HK\$'000	Financing cash flows HK\$'000	Finance costs incurred HK\$'000	Non cash changes			Exchange realignment HK\$'000	31 December 2020 HK\$'000
				New lease recognised (net) HK\$'000	Acquisition of subsidiaries HK\$'000 <i>(note 42(a))</i>	Disposal of subsidiaries HK\$'000 <i>(note 42(e))</i>		
Interest-bearing bank and other borrowings	5,087,761	(1,093,831)	-	-	216,556	(19,218)	187,336	4,378,604
Interest paid	-	(142,123)	142,123	-	-	-	-	-
Lease liabilities	163,686	(118,803)	-	81,355	-	-	7,524	133,762
Other financial liability	-	566,789	6,333	-	-	-	13,022	586,144
Corporate bonds	6,939	(2,439)	-	-	-	(4,652)	152	-
	5,258,386	(790,407)	148,456	81,355	216,556	(23,870)	208,034	5,098,510

	1 January 2019 HK\$'000	Financing cash flows HK\$'000	Non cash changes		Exchange realignment HK\$'000	31 December 2019 HK\$'000
			Finance costs incurred HK\$'000	New lease recognised HK\$'000		
Interest-bearing bank and other borrowings	5,623,822	(481,043)	-	-	(55,018)	5,087,761
Interest paid	-	(227,506)	227,506	-	-	-
Lease liabilities	193,962	(106,240)	-	82,981	(7,017)	163,686
Corporate bonds	574,844	(567,905)	-	-	-	6,939
	6,392,628	(1,382,694)	227,506	82,981	(62,035)	5,258,386

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42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

(a) Acquisition of subsidiaries accounted for as business combinations

(i) Acquisition of 北京雲核網絡技術有限公司("Beijing Cloud Core")

In July 2020, the Group entered into a sales and purchase agreement with an independent third party, to acquire the entire equity interest in Beijing Cloud Core at a cash consideration of RMB43,500,000 (equivalent to HK\$49,144,000). This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was HK\$23,536,000. Beijing Cloud Core is principally engaged in provision of cloud application system services. The acquisition was completed on 31 August 2020.

The consideration transferred for the acquisition of Beijing Cloud Core is satisfied by:

	HK\$'000
Cash consideration	49,144

The assets acquired and liabilities assumed at the acquisition date are as follows:

	HK\$'000
Property, plant and equipment	92
Other intangible assets	10,932
Inventories	15,817
Accounts receivables and contract assets	23,147
Prepayments, deposits and other receivables	1,164
Cash and cash equivalents	1,665
Account payables	(3,221)
Other payables and accruals	(3,228)
Contract liabilities	(9,765)
Tax payables	(673)
Bank borrowings	(9,942)
Deferred tax liabilities	(380)
Total net identifiable assets acquired	25,608
Goodwill	23,536
	49,144
Cash consideration paid on acquisition	49,144
Less: Cash and cash equivalents acquired	1,665
Net cash outflow arising from acquisition	47,479

The goodwill arising from the acquisition is not tax deductible. During the period from date of acquisition to 31 December 2020, Beijing Cloud Core made insignificant contribution to the Group's revenue, profit and cash flows.

42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)**(a) Acquisition of subsidiaries accounted for as business combinations (Continued)****(ii) Acquisition of 昆山鹿鳴置業有限公司 ("Kunshan Luming")**

In July 2020, the Group entered into a sales and purchase agreement with an independent third party, to acquire the entire equity interest in Kunshan Luming at a cash consideration of RMB68,000,000 (equivalent to HK\$75,285,000). As part of the acquisition, the Group committed to provide shareholder's loan of RMB298,535,000 (equivalent to HK\$330,521,000) to Kunshan Luming before the completion of the acquisition. This acquisition has been accounted for using the acquisition method. Kunshan Luming is principally engaged in property investment and development. The acquisition was completed on 27 July 2020.

The aggregate consideration transferred for the acquisition of Kunshan Luming is satisfied by:

	HK\$'000
Cash consideration	405,806

The assets acquired and liabilities assumed at the acquisition date are as follows:

	HK\$'000
Property, plant and equipment	991
Investment properties	201,797
Completed properties held for sale	657,323
Accounts receivables	12,389
Prepayments, deposits and other receivables	464
Cash and cash equivalents	5,227
Other payables and accruals	(158,776)
Contract liabilities	(92,746)
Tax payables	(14,249)
Bank borrowings	(206,614)
Total net identifiable assets acquired	405,806
Cash consideration paid on acquisition	405,806
Less: Consideration payable (including in other payables)	33,214
Less: Cash and cash equivalents acquired	5,227
Net cash outflow arising from acquisition	367,365

During the period from date of acquisition to 31 December 2020, Kunshan Luming made insignificant contribution to the Group's revenue, profit and cash flows.

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42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries accounted for as business combinations (Continued)

(iii) Acquisition of 神州土地 (北京) 信息技术有限公司 ("DC Land")

In October 2019, the Group entered into a sales and purchase agreement with an independent third party, to acquire the entire equity interest in DC Land at a cash consideration of RMB47,460,000 (equivalent to HK\$53,154,000). This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was HK\$66,834,000. DC Land is principally engaged in provision of agricultural internet services. The acquisition was completed on 31 October 2019.

The consideration transferred for the acquisition of DC Land is satisfied by:

	HK\$'000
Cash consideration	53,154

The net value of assets acquired and liabilities assumed at the acquisition date are as follows:

	HK\$'000
Property, plant and equipment	144
Inventories	2,760
Accounts receivables	26
Prepayments, deposits and other receivables	35
Cash and cash equivalents	10,567
Account payables	(1,383)
Other payables and accruals	(9,190)
Tax payables	(120)
Contract liabilities	(16,519)
Total net identifiable liabilities acquired	(13,680)
Goodwill	66,834
	53,154
Cash consideration paid on acquisition	53,154
Less: Cash and cash equivalents acquired	10,567
Net cash outflow arising from acquisition	42,587

The goodwill arising from the acquisition is not tax deductible. During the period from date of acquisition to 31 December 2019, DC Land made insignificant contribution to the Group's revenue, profit and cash flows.

42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)**(b) The partial disposal of equity interest in a subsidiary***北京神州邦邦技術服務有限公司 (“DCBB”)*

DCBB was an indirect non-wholly owned subsidiary of the Group. The Group's interest in DCBB was 40%, which represented the major shareholder and control two-third of seats in the board of directors of DCBB. In September 2020, the Group entered into a sale and purchase agreement with an independent third party to dispose of 20% of its equity interest in DCBB at a cash consideration of approximately RMB6,000,000 (equivalent to approximately HK\$6,828,000). Following the completion of the disposal, the Group's interest in DCBB was reduced from 40% to 20% and the Group lost control over DCBB since then. The retained interest in DCBB was accounted for as an associate as the Group can exercise significant influence over DCBB. The deemed disposal was completed on 29 September 2020.

The consideration received:

	HK\$'000
Fair value of retained interest	6,828
Cash consideration	6,828
	13,656

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Property, plant and equipment	4
Financial assets at FVTPL	5,121
Accounts receivables	40,934
Prepayments, deposits and other receivables	567
Inventories	3,246
Cash and cash equivalents	1,253
Accounts payables	(39,970)
Contract liabilities	(6,647)
Other payables and accruals	(617)
Tax payables	(614)
Non-controlling interests	(1,967)
Net assets disposed of	1,310

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42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)

(b) The partial disposal of equity interest in a subsidiary (Continued)

北京神州邦邦技術服務有限公司 ("DCBB") (Continued)

Gain on disposal of a subsidiary:

	HK\$'000
Consideration	13,656
Less: net assets disposed of	1,310
Gain on disposal	12,346

Net cash inflow arising on disposal:

	HK\$'000
Cash consideration received	6,828
Less: cash and cash equivalents disposed of	1,253
	5,575

(c) Acquisition of additional interests in non-wholly-owned subsidiaries

During the year ended 31 December 2020, the Group acquired additional interests in certain non-wholly-owned subsidiaries with an aggregate carrying amount of net liabilities of approximately HK\$448,000 (2019: net assets of approximately HK\$47,000) at an aggregate cash consideration of HK\$62,000 (2019: HK\$79,000) from the non-controlling interests. The difference arising from such acquisitions of approximately HK\$510,000 (2019: HK\$32,000) was charged to capital reserve.

(d) Deemed acquisition of additional interests in non-wholly-owned subsidiaries

During the year ended 31 December 2020, DCITS repurchased in aggregate 8,775,208 shares from the public at an aggregate consideration of approximately RMB139,237,000 (equivalent to approximately HK\$164,747,000), represented 0.8993% of DCITS's issued capital as at 31 December 2020.

The difference between the change in non-controlling interest and the consideration paid arising from such transaction of approximately HK\$42,015,000 was charged to capital reserve.

42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)**(e) Disposal of subsidiaries**

Pursuant to the Transfer Agreement mentioned in note 36(d) to the consolidated financial statements, the Group disposed of its entire equity interests in a non-wholly-owned subsidiary, Shenzhou Lingyun, at a cash consideration of RMB7,200,000 (equivalent to HK\$8,134,000).

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Property, plant and equipment	1,038
Inventories	667
Account receivables	12,996
Prepayments, deposits and other receivables	1,028
Cash and cash equivalents	871
Account payables	(2,003)
Other payables and accruals	(5,823)
Contract liabilities	(232)
Tax payables	(57)
Other borrowings	(19,218)
Corporate bond	(4,652)
Non-controlling interests	8,000
Net liabilities disposed of	(7,385)

Gain on disposal of subsidiaries:

	HK\$'000
Consideration	8,134
Less: net liabilities disposed of	(7,385)
Gain on disposal	15,519

Net cash inflow arising on disposal:

	HK\$'000
Cash consideration received	8,134
Less: cash and cash equivalents disposed of	871
Net cash inflow arising on disposal	7,263

During the year ended 31 December 2020, the Group also disposed of an insignificant subsidiary at a cash consideration of HK\$733,000 and recognised a gain on disposal of HK\$642,000 and resulted in net cash inflow arising on disposal of HK\$651,000.

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42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)

(e) Disposal of subsidiaries (Continued)

In 2019, the Group disposed of its entire equity interests in a non-wholly-owned subsidiary, 江蘇智慧港城投資發展有限公司, and two wholly-owned subsidiaries, 智慧神州(北京)信息技術有限公司 and 荊門智慧荊楚信息服務有限公司 at a cash consideration of RMB11,000,000 (equivalent to HK\$12,146,000), RMB15,000,000 (equivalent to HK\$16,800,000) and RMB700,000 (equivalent to HK\$773,000) respectively.

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Property, plant and equipment	62
Cash and cash equivalents	32,569
Account receivables	5,411
Other receivables	4,860
Tax recoverable	144
Account payables	(3,330)
Other payables and accruals	(2,608)
Contract liabilities	(3,055)
Non-controlling interests	(5,224)
Net assets disposed of	28,829
Gain on disposal of subsidiaries:	
	HK\$'000
Consideration	29,719
Less: net assets disposed of	28,829
Gain on disposal	890
Net cash outflow arising on disposal:	
	HK\$'000
Cash consideration received	29,719
Less: cash and cash equivalents disposed of	32,569
	(2,850)

42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)**(f) Capital contribution from non-controlling interests of subsidiaries****(i) Capital contribution from non-controlling interests of 北京因特睿軟件有限公司 ("Beijing Internetware")**

On 15 September 2020, 神州投資有限公司 ("DC Investment"), 深圳神州普惠信息有限公司 ("Shenzhen Puhui"), (both being indirect wholly-owned subsidiaries of the Company), other individual shareholders of Beijing Internetware ("Other Individual Holders"), Changchun Financial Holding Group Co., Ltd* (長春市金融控股集團有限公司 ("Changchun Financial") and 長春淨月高新技術產業開發區國有資產投資經營有限公司 ("Changchun Jingyue"), and Beijing Internetware (being indirect non-wholly owned subsidiary of the Company) entered into a capital investment agreement, pursuant to which Changchun Financial, and Changchun Jingyue (the "Investors") have conditionally agreed to subscribe for approximately 6.45% and 4.84%, respectively, of the enlarged registered capital of Beijing Internetware by way of capital contribution in cash for the sum of RMB400,000,000 and RMB300,000,000, respectively. Details were set out in the Company's announcements dated 15 September 2020 and 29 September 2020.

The aggregate consideration of RMB700,000,000 shall be payable by the Investors in cash in the following manner:

- (i) RMB490,000,000 (the "First Installment") shall be payable by the Investors to Beijing Internetware within five business days after fulfillment of all conditions precedent under the capital investment agreement; and
- (ii) RMB210,000,000 shall be payable by the Investors within five business days after Beijing Internetware obtains a new business licence from the relevant department of administration for industry and commerce after the completion of the change of the registered address and tax registration address.

Prior to the capital injection, Beijing Internetware is held as to approximately 80.65% by DC Investment, 12.90% by Shenzhen Puhui and an aggregate of 6.45% by Other Individual Holders. Upon completion of the payment of the First Installment, Beijing Internetware's total registered capital will be increased to approximately RMB120,965,000, and its equity interest will be owned as to approximately 71.54% by DC Investment, 11.45% by Shenzhen Puhui, an aggregate of 5.72% by Other Individual Holders, 6.45% by Changchun Financial and 4.84% by Changchun Jingyue. Beijing Internetware remained as a subsidiary of the Company.

On the same date, the Investors, 神州數碼軟件有限公司 ("DC Software") (being an indirect wholly-owned subsidiary of the Company), the Company, DC Investment and Shenzhen Puhui and Beijing Internetware entered into a supplemental agreement (the "Supplementary Agreement"), pursuant to which, among others, a put option has been granted by DC Software to the Investors. Details of the put option are set out in note 48 to the consolidated financial statements of the Company.

The above put option constitutes a redemption liability that is recognised initially at the present value of the redemption price. It is subsequently measured at amortised cost using the effective interest rate method.

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42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)

(f) Capital contribution from non-controlling interests of subsidiaries (Continued)

(i) Capital contribution from non-controlling interests of 北京因特睿軟件有限公司 ("Beijing Internetware") (Continued)

As of 31 December 2020, the Investors had contributed the First Installment of RMB490,000,000 (equivalent to approximately HK\$566,789,000). This resulted in the Group's interest in Beijing Internetware decreased from 93.55% to 82.99%, an increase in non-controlling interests of HK\$128,523,000 and a decrease in equity attributable to owners of the parent of HK\$128,523,000. A schedule of the effect of capital contribution from non-controlling interests of Beijing Internetware is as follow:

	HK\$'000
Carrying amount of non-controlling interest	128,523
Consideration received from non-controlling interests	566,789
Less: Redemption financial liability (Note 48)	(566,789)
	128,523

(ii) Capital contribution from non-controlling interests of 科捷供應鏈有限公司 ("Instant Technology"), 楊凌農業雲服務有限公司 ("YLClouds") and DCBB

On 11 December 2020, the Group entered into a subscription agreement with an independent third party and pursuant to which, the independent third party agreed to make a capital injection of approximately RMB46,080,000 (equivalent to HK\$54,522,000) to Instant Technology, an indirectly wholly-owned subsidiary of the Company. This resulted in the Group's interest in Instant Technology decreased from 100% to 87.2%, an increase in non-controlling interests of approximately HK\$30,609,000 and an increase in equity attributable to owners of the parent of approximately HK\$23,913,000.

In 2020, the non-controlling interests of YLClouds and DCBB made capital injections of totalling RMB2,850,000 (equivalent to approximately HK\$3,193,000). This resulted in increases in non-controlling interests of totalling approximately HK\$3,193,000.

A schedule of the effect of above capital contributions from non-controlling interests of subsidiaries as follow:

	HK\$'000
Aggregated carrying amount of non-controlling interests	33,802
Aggregated consideration received from non-controlling interests	11,877
Consideration receivable for Instant Technology	45,838
	(23,913)

42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (CONTINUED)**(f) Capital contribution from non-controlling shareholders of subsidiaries (Continued)***(iii) Release of restricted shares and exercise of share options of DCITS*

During the year ended 31 December 2020, the 3,325,000 shares of restricted shares of DCITS, an indirectly non-wholly owned subsidiary of the Company, have been released to the holders of restricted shares. This resulted in a dilution of the Group's equity interest in DCITS by 0.14% and resulted in an increase in non-controlling interests of approximately HK\$23,452,000 and an increase in equity attributable to owners of the parent of approximately HK\$1,255,000.

In addition, 5,687,554 share options of DCITS have been exercised during the year ended 31 December 2020. This resulted in a dilution of the Group's equity interest in DCITS by 0.23% and resulted in an increase in non-controlling interests of approximately HK\$66,214,000 and an increase in equity attributable to owners of the parent of approximately HK\$19,244,000.

A schedule of the aggregated effect of the above deemed disposal of interest in DCITS without loss of control is as follow:

	HK\$'000
Carrying amount of non-controlling interest	89,666
Consideration received from non-controlling interests	85,458
Reversal of repurchase liabilities of restricted shares	24,707
	(20,499)

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43. CONTINGENT LIABILITIES

On 7 November 2018, China Potevio Co., Ltd. filed a litigation with Beijing's Second Intermediate People's Court on the grounds that DCITS assisted Shenzhen Shengwugang Investment Co., Ltd. (深圳市生物港投資有限公司) ("**Shengwugang Company**") in capital withdrawal, requiring DCITS to bear joint and several liability for compensation in relation to the assistance given to Shengwugang Company for capital withdrawal of RMB25,000,000 together with interests. At the end of December 2018, DCITS filed jurisdiction objection litigation with Beijing's Second Intermediate People's Court, which has been rejected by Beijing's Second Intermediate People's Court. DCITS filed litigation with Beijing Municipal High People's Court against the ruling rejecting the jurisdiction objection, which has been rejected by Beijing Municipal High People's Court in May 2019. On 29 October 2019, Beijing Second Intermediate People's Court issued the civil judgment (2018) Jing 02 Min Chu No. 344, which stated that: DCITS shall undertake the supplementary liability for the unsettled part of the debt Shengwugang Company owned to China Potevio Co., Ltd. under Guangdong Shenzhen Intermediate People's Court (2007) Shen Zhong Fa Wei Zhi Zi No. 539 Enforcement Case after the enforcement (with the amount limited to RMB68,125,000), which is limited to the extent of the principal and interest of the advance totaling RMB35,120,000; Beijing Xinfu Investment (Group) Co., Ltd. (北京新富投資有限公司) and Kunshan Shenchang Technology Co., Ltd. (昆山市申昌科技有限公 司), being other third-party defendants, shall bear their supplementary liabilities to the extent of the capital withdrawal amounting to RMB58,380,000 and the principal and interest of the advance totaling RMB60,250,000, respectively. DCITS has appealed to the court, but it is necessary to make a provision of RMB21,382,000 (equivalent to HK\$23,948,000) for the judgement above as at 31 December 2019.

On 18 November 2020, DCITS reached an agreement with China Potevio Co., Ltd ("**Settlement Agreement**"). Pursuant to the Settlement Agreement, DCITS and China Potevio Co., Ltd. agreed to settle the case at a compensation of RMB21,000,000 (equivalent to HK\$24,622,000). The Settlement Agreement has been executed on 23 November 2020 and China Potevio Co., Ltd has filed the execution proof with Beijing Municipal High People's Court.

44. OPERATING LEASE ARRANGEMENT**The Group as lessor**

The Group leases its investment properties (note 15) under operating lease arrangements, with leases negotiated for terms of ranging from one to ten years. The terms of the leases generally also require the tenant to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2020 HK\$'000	2019 HK\$'000
Within one year	196,111	259,038
In the second year	135,175	115,441
In the third year	93,320	56,781
In the fourth year	60,749	34,406
In the fifth year	37,405	27,949
After five years	107,551	111,800
	630,311	605,415

45. COMMITMENTS

	2020 HK\$'000	2019 HK\$'000
Contracted, but not provided for, in the consolidated financial statements:		
Land and buildings	16	30,209
Capital contributions payable to joint ventures	32,337	33,969
Capital contributions payable to associates	24,847	23,520
Capital contributions payable to financial assets at FVTOCI	507	480
	57,707	88,178

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46. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

In addition to the transactions and balances detailed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties:

	<i>Notes</i>	2020 HK\$'000	2019 HK\$'000
Transactions with joint ventures			
Sales of IT products to joint ventures	(i)	11,025	9,730
Provision of IT services to joint ventures	(ii)	7,804	446
Provision of IT services from joint ventures	(ii)	1,343	–
Rental income from joint ventures	(iv)	–	1,268
Interest income on loans to joint ventures	(v)	8,380	9,422
Transactions with associates			
Sales of IT products to associates	(i)	5,887	13,057
Purchases of IT products from associates	(iii)	–	119
Provision of IT services to associates	(ii)	3,606	2,412
Provision of IT services by associates	(ii)	108,883	2,542
Rental income from associates	(iv)	8,684	22,387
Transactions with related companies (note (vi))			
Sales of IT products to related companies	(i)	60,033	11,828
Provision of IT services to related companies	(ii)	449,549	400,439
Purchases of IT products from related companies	(iii)	188,765	335,952
Provision of IT services by related companies	(ii)	36,986	46,847
Rental income from related companies	(iv)	49,271	45,728

Notes:

- (i) The sales were made with reference to the listed price and conditions offered to the major customers of the Group.
- (ii) The prices for the provision of IT services were determined at rates mutually agreed between the Group and the corresponding related parties.
- (iii) The purchases were made at prices mutually agreed between the Group and the corresponding related parties with reference to the listed price and conditions offered by the related parties to their major customers.
- (iv) The rental income was determined at rates mutually agreed between the Group and the corresponding related parties with reference to the market rental.
- (v) The interest income is calculated with reference to market interest rates and included in revenue from financial service business.
- (vi) Digital China Group Co., Ltd. and its subsidiaries are the related companies of the Group, as Mr. GUO Wei, the Chairman and key management personnel of the Company, exerts significant influence to Digital China Group Co. Ltd.

46. RELATED PARTY TRANSACTIONS (CONTINUED)**(b) Outstanding balances with related parties:**

- (i) Details of the Group's accounts and bills receivables with the joint ventures and associates and other related parties as at the end of the reporting period are included in note 30.
- (ii) Details of the loans to the joint ventures included in the Group's prepayments, deposits and other receivables as at the end of the reporting period are included in note 31.
- (iii) Details of the Group's accounts and bills payables and other payables with the joint ventures and associates and other related parties as at the end of the reporting period are included in note 34 and 35 respectively.
- (iv) Digital China Group Co., Ltd. and its subsidiaries are the related companies of the Group, as Mr. GUO Wei, the Chairman and key management personnel of the Company, exerts significant influence to Digital China Group Co. Ltd.

(c) Compensation of key management personnel

The remuneration of key management personnel (executive directors) of the Company during the year was as follows:

	2020 HK\$'000	2019 HK\$'000
Short term employee benefits	7,792	3,590
Share-based compensation	31,706	-
Post-employment benefits	870	510
	40,368	4,100

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Further details of directors' and the chief executives' emoluments are included in note 9.

47. DEFERRED INCOME AND GOVERNMENT GRANTS

Government grants of approximately HK\$107,535,000 (2019: HK\$86,212,000) have been recognised as other income in the current year. Various government grants have been received for VAT refunds for the sale of self-developed software products approved by the tax authority in the People's Republic of China ("PRC"), the development of software products in Mainland China, and the investments in specific provinces in Mainland China for compensation of operating costs.

Government grants of which related expenditure has not yet been undertaken are included in deferred income, of which approximately HK\$25,888,000 (2019: HK\$37,033,000) is classified as non-current liabilities and approximately HK\$12,787,000 (2019: HK\$4,402,000) is classified as current liabilities (included in other payables and accruals (note 35)), respectively.

During the year ended 31 December 2020, deferred income of approximately HK\$44,800,000 (2019: HK\$20,902,000) has been recognised as other income upon fulfilment of the conditions attaching to these government assistances.

The remaining government grants recognised during the year ended 31 December 2020 of approximately HK\$62,735,000 (2019: HK\$65,310,000) represented government grants received for which there are no unfulfilled conditions and other contingencies attaching to these government assistances.

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48. OTHER FINANCIAL LIABILITY

Pursuant to the capital contribution from non-controlling interest of Beijing Internetware as set out in note 42(f)(i) to the consolidated financial statements, a put option has been granted by DC Software to the Investors.

If any of the triggering events occurs during the period when the Investors hold equity interest in Beijing Internetware and before the listing of Beijing Internetware, the Investors shall be entitled to require the Group to purchase all or part of their equity interest in Beijing Internetware at the put price before 31 March 2026:

The key triggering events include:

- (i) the change of registered and tax registration address of Beijing Internetware to the Changchun Jingyue Hi-Tech Industry Development Zone not being completed within six months from the Investors' payment of the First Installment (or such later date as agreed by the Investors) due to reasons other than on the part of the Investors;
- (ii) Beijing Internetware not being listed before 31 December 2025, or DC Software or the Company having expressly or by conduct abandoned the arrangements or works relating to the proposed listing of Beijing Internetware;

The Company will act as a guarantor in favour of the Investors to guarantee the performance of such repurchase obligations of DC Software under the supplemental agreement.

The put price ("Redemption Price") is calculated at the amount paid by the Investors under the Capital Injection plus an interest of 6% per annum less the aggregate amount actually received by the Investors from any cash dividend declared and paid by Beijing Internetware or cash indemnity paid by DC Software and/or the Company during the period when the Investors hold equity interest in Beijing Internetware.

The put option constitute a contract that contains an obligation for the Group to purchase its own equity instruments gives rise to a redemption financial liability recognised at the present value of the Redemption Price and subsequently measured at amortised cost.

The movements in the redemption financial liability are as follow:

	2020 HK\$'000
Capital contribution from non-controlling interests (<i>note 42(f)(i)</i>)	566,789
Interest expense	6,333
Exchange realignment	13,022
At the end of year	586,144

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ registration and operation	Legal form	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 2020		Percentage of equity attributable to the Company 2019		Principal activities
				Direct	Indirectly	Direct	Indirectly	
Digital China (BVI) Limited	British Virgin Islands	N/A	US\$5,125	100	-	100	-	Investment holding
Digital China Limited	Hong Kong	N/A	HK\$2	-	100	-	100	Investment holding
E-Olympic International Limited	British Virgin Islands	N/A	US\$1	-	100	-	100	Patent holding
Grace Glory Enterprises Limited	British Virgin Islands	N/A	US\$1	-	100	-	100	Investment holding
Instant Technology Logistics Limited	PRC/Mainland China	Limited liability company	RMB100,000,000	-	87.2	-	100	Provision of logistics services
Talent Gain Developments Limited	British Virgin Islands	N/A	US\$1	-	100	-	100	Investment holding
Digital China Software Limited	PRC/Mainland China	Limited liability company	US\$200,000,000	-	100	-	100	Investment holding
Digital China Xi'an Industrial Co., Limited	PRC/Mainland China	Limited liability company	RMB800,000,000	-	100	-	100	Development and construction of Science and Technology Park
Digital China (Nanjing) Information and Technology Park Limited	PRC/Mainland China	Limited liability company	HK\$367,000,000	-	100	-	100	Development and construction of Science and Technology Park
Tianjin Digital China Financing Lease Co., Ltd.	PRC/Mainland China	Limited liability company	US\$30,000,000	-	100	-	100	Finance lease business
Cellular Investments Limited	Hong Kong	N/A	HK\$1	-	100	-	100	Investment holding
Digital China Sm@rt City (Chongqing) Operations Services Limited	PRC/Mainland China	Limited liability company	RMB200,000,000	-	82.99	-	93.55	Operation of Sm@rt City Platform
Beijing Internetwork Company Limited	PRC/Mainland China	Limited liability company	RMB120,964,997	-	82.99	-	93.55	Data integration and management software sales
DCITS	PRC/Mainland China	Company limited by shares	RMB975,768,827 (2019: RMB970,381,273)	-	40.28*	-	40.14*	Systems integration services, software development and technical services
Digital China Jinxin Technology Co., Ltd.	PRC/Mainland China	Company limited by shares	RMB200,000,000	-	40.28**	-	40.14*	Sales of financial specialised equipment
Beijing Zhongnong Xinda Information Technology Limited	PRC/Mainland China	Limited liability company	RMB100,000,000	-	40.28**	-	40.14**	Surveying service software sales

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49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name	Place of incorporation/ registration and operation	Legal form	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 2020		Percentage of equity attributable to the Company 2019		Principal activities
				Direct	Indirectly	Direct	Indirectly	
Digital China Advanced Systems Limited	Hong Kong	N/A	HK\$531,750,000	-	40.28**	-	40.14**	Systems integration services
Nanjing Howso Technology Co., Ltd. ("Howso Technology")	PRC/Mainland China	Limited liability company	RMB102,340,000	-	40.24***	-	40.10***	Network optimisation services
北京雲核網絡技術有限公司	PRC/Mainland China	Limited liability company	RMB13,333,333	-	40.28****	-	-	Provision of cloud application system services
昆山鹿鳴置業有限公司	PRC/Mainland China	Limited liability company	RMB50,000,000	-	100****	-	-	Property investment and development

* DCITS, a Shenzhen listed company, is accounted for as a subsidiary of the Group even though the Group has only a 40.28% (2019: 40.14%) equity interest in this company based on the factors explained in notes 4 and 40 to the financial statements.

** These companies are wholly-owned subsidiaries of DCITS and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over them.

*** Howso Technology is 99.90% owned subsidiary of DCITS and, accordingly, is accounted for as a subsidiary by virtue of the Company's control over it.

**** These companies are acquisition in of subsidiaries acquired in 2020 and accounted for as business combination.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

50. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2020

Financial assets

	2020 HK\$'000	2019 HK\$'000
Financial assets at amortised cost		
Finance lease receivables	53,942	56,838
Accounts and bills receivables	3,762,356	5,362,493
Financial assets included in prepayments, deposits and other receivables	1,860,811	2,082,345
Cash and cash equivalents	3,076,717	1,890,171
Restricted bank balances	228,286	115,488
Financial assets at FVTPL		
Listed equity securities	199,503	3,325
Unlisted wealth management products	922,911	925,766
Financial assets at FVTOCI		
Unlisted equity investments designated as FVTOCI	714,300	408,572
	10,818,826	10,844,998

Financial liabilities

	2020 HK\$'000	2019 HK\$'000
Financial liabilities at amortised cost		
Accounts and bills payables	3,620,499	3,832,793
Financial liabilities included in other payables and accruals	1,895,360	1,684,542
Interest-bearing bank and other borrowings	4,378,604	5,094,700
Other financial liability	586,144	-
	10,480,607	10,612,035

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51. FAIR VALUE MEASUREMENT AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period for recurring measurement, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

Assets measured at fair value:

As at 31 December 2020:

	Quoted prices in active markets (Level 1) HK\$'000	Fair value hierarchy		Total HK\$'000
		Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets at FVTPL				
– Listed equity securities	199,503	–	–	199,503
– Unlisted wealth management products	–	–	922,911	922,911
Financial assets at FVTOCI				
– Unlisted equity investments	–	–	714,300	714,300

As at 31 December 2019:

	Quoted prices in active markets (Level 1) HK\$'000	Fair value hierarchy		Total HK\$'000
		Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets at FVTPL				
– Listed equity securities	3,325	–	–	3,325
– Unlisted wealth management products	–	–	925,766	925,766
Financial assets at FVTOCI				
– Unlisted equity investments	–	–	408,572	408,572

51. FAIR VALUE MEASUREMENT AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

There were no transfers between all levels of fair values during the years ended 31 December 2020 and 2019.

The fair values of the wealth management products and unlisted equity investments were determined using the income approach and the significant unobservable inputs included discount rates and growth rates. The lower the discount rates and higher the growth rates, the higher will be the fair value.

The Group engaged an external valuation specialist to perform valuation of these investments where quoted market prices are not available. The management of the Group has discussion with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

Reconciliation of Level 3 fair value measurements of financial assets at FVTPL and financial assets at FVTOCI on recurring basis:

	Unlisted wealth management products HK\$'000	Unlisted equity investments HK\$'000
As at 1 January 2019	1,258,048	427,293
Acquisition	799,646	-
Redemption	(1,159,421)	(7,886)
Fair value changes	26,713	(3,696)
Exchange alignment	780	(7,139)
As at 31 December 2019 and 1 January 2020	925,766	408,572
Transfer from interest in an associate (<i>note 21</i>)	-	191,935
Acquisition	1,125,061	-
Disposal of a subsidiary (<i>note 42(b)</i>)	(5,121)	-
Redemption	(1,160,782)	(40,196)
Fair value changes	16,727	114,406
Exchange alignment	21,260	39,583
As at 31 December 2020	922,911	714,300

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Notes to Financial Statements

For the year ended 31 December 2020

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include accounts and bills receivables, other receivables, accounts and bills payables, other payables, interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's capital expenditure and operations. The Group has various other financial assets and liabilities such as accounts and bills receivables and accounts and bills payables, which arise directly from its operations. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (interest rate risk, currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Market risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market variables, such as interest rates and foreign exchange rates.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to the Group's bank and other borrowings with floating interest rates. The Group is also exposed to fair value interest rate risk in relation to fixed-rate bank borrowings. It is the Group's policy to keep a balanced portfolio of its borrowings to manage both the cash flow and fair value interest rate risk

At 31 December 2020, the Group's interest-bearing borrowings of HK\$1,823,386,000 (2019: HK\$2,869,405,000) bore interest at floating rates.

The Group currently did not have any interest hedging policy.

The Group is also exposed to cash flow interest rate risk in relation to its bank balance. No sensitivity analysis is presented as the Group's bank balances were short-term in nature and changes in interest rate are not expected to have significant impact to the Group.

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point (2019: 100 basis points) increase (decrease) is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Increase (decrease) in basis points	Increase (decrease) in profit before tax for the year HK\$'000
31 December 2020		
Borrowings with floating interest rates	100	(18,234)
Borrowings with floating interest rates	(100)	18,234
31 December 2019		
Borrowings with floating interest rates	100	(28,694)
Borrowings with floating interest rates	(100)	28,694

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Currency risk**

The Group's foreign currency exposures mainly arise from net monetary assets in currencies other than the functional currencies of approximately HK\$494,927,000 (2019: HK\$660,370,000) as at 31 December 2020.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant of the Group's profit before tax. 1% (2019: 1%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

	Increase (decrease) in RMB rate %	Increase (decrease) in profit before tax for the year HK\$'000
31 December 2020		
If RMB weakens against US dollars	(1)	(4,987)
If RMB strengthens against US dollars	1	4,987
31 December 2019		
If RMB weakens against US dollars	(1)	(6,663)
If RMB strengthens against US dollars	1	6,663

Credit risk

As at 31 December 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 43.

The credit risk of our Group mainly arises from cash and cash equivalents, restricted bank balances, accounts and bills receivables, contract assets, finance lease receivables and other receivables. The carrying amounts of these balances represent our Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For accounts and bills receivables, contract assets and finance lease receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL individually and collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Notes to Financial Statements

For the year ended 31 December 2020

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

For other receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

Management considered loans to joint ventures to be low credit risk and thus the impairment provision recognised during the year was limited to 12-month ECL.

The credit risk on liquid funds and wealth management products is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Since the Group only trades with recognised and creditworthy third parties, there is no requirement for collateral. Over 90% of the Group's customers and operations are located in Mainland China. Concentrations of credit risk are managed by industry sector and customer.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant increase in credit risk on other financial instruments of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

In order to minimise credit risk, the Group has tasked its operation management committee to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the operation management committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Credit risk (Continued)**

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., accounts and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and other available sources of finances. In addition, banking facilities have been put in place for contingency purposes.

Notes to Financial Statements

For the year ended 31 December 2020

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2020				Carrying amount HK\$'000
	On demand or within 1 year HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000	
	Interest-bearing bank and other borrowings	2,133,669	1,489,134	1,508,217	
Accounts and bills payables	3,620,499	–	–	3,620,499	3,620,499
Financial liabilities included in other payables and accruals	1,895,360	–	–	1,895,360	1,895,360
Other financial liability	–	–	768,748	768,748	586,144
	7,649,528	1,489,134	2,276,965	11,415,627	10,480,607
Lease liabilities	85,705	55,987	–	141,692	133,762

	2019				Carrying amount HK\$'000
	On demand or within 1 year HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000	
	Interest-bearing bank and other borrowings	3,634,203	1,037,840	1,057,341	
Accounts and bills payables	3,832,793	–	–	3,832,793	3,832,793
Financial liabilities included in other payables and accruals	1,684,542	–	–	1,684,542	1,684,542
	9,151,538	1,037,840	1,057,341	11,246,719	10,612,035
Lease liabilities	106,027	67,294	–	173,321	163,686

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. The Group's policy is to maintain the gearing ratio as low as possible. Net debt includes interest-bearing bank and other borrowings, accounts and bills payables, other payables and accruals, lease liabilities, less cash and cash equivalents and restricted bank balances. Capital represents equity attributable to equity holders of the parent. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2020 HK\$'000	2019 HK\$'000
Interest-bearing bank and other borrowings	4,378,604	5,094,700
Accounts and bills payables	3,620,499	3,832,793
Other payables and accruals	2,517,610	2,046,205
Lease liabilities	133,762	163,686
Less: Cash and cash equivalents	(3,076,717)	(1,890,171)
Restricted bank balances	(228,286)	(115,488)
Net debt	7,345,472	9,131,725
Equity attributable to equity holders of the parent	9,429,727	8,936,423
Total capital	9,429,727	8,936,423
Total capital and net debt	16,775,199	18,068,148
Gearing ratio	44%	51%

Notes to Financial Statements

For the year ended 31 December 2020

53. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2020 HK\$'000	2019 HK\$'000
Non-current assets		
Property, plant and equipment	39	72
Investments in subsidiaries	1,939,081	1,939,081
Total non-current assets	1,939,120	1,939,153
Current assets		
Prepayments, deposits and other receivables	40,384	24,798
Amounts due from subsidiaries	5,013,902	4,460,946
Cash and cash equivalents	60,150	4,677
	5,114,436	4,490,421
Current liabilities		
Other payables and accruals	32,136	13,853
Amounts due to subsidiaries	1,424,248	719,134
Dividend payable	159	87
Interest-bearing bank borrowings	64,786	63,500
	1,521,329	796,574
Net current assets	3,593,107	3,693,847
Total assets less current liabilities	5,532,227	5,633,000
Non-current liability		
Interest-bearing bank borrowings	42,880	46,832
Net assets	5,489,347	5,586,168
Capital and reserves		
Issued capital	167,250	167,098
Reserves	5,322,097	5,419,070
Total equity	5,489,347	5,586,168

53. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserve is as follows:

	Share premium account HK\$'000	Contributed surplus HK\$'000	Employee share trust HK\$'000	Employee share-based compensation reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2019	4,665,095	623,689	(21,571)	65,478	(1,326)	247,440	5,578,805
Loss for the year and total comprehensive expense for the year	-	-	-	-	-	(57,743)	(57,743)
Dividends paid	-	-	-	-	-	(51,112)	(51,112)
Share-based compensation	-	-	-	8,327	-	-	8,327
Shares buy back	(21,237)	-	-	-	1,326	-	(19,911)
Contribution to employee shares trusts	-	-	(39,296)	-	-	-	(39,296)
At 31 December 2019 and 1 January 2020	4,643,858	623,689	(60,867)	73,805	-	138,585	5,419,070
Profit for the year and total comprehensive income for the year	-	-	-	-	-	517,474	517,474
Dividends paid	-	-	-	-	-	(162,829)	(162,829)
Share-based compensation	-	-	-	35,526	-	-	35,526
Exercise of share options	8,119	-	-	(1,640)	-	-	6,479
Contribution to employee shares trusts	-	-	(493,623)	-	-	-	(493,623)
At 31 December 2020	4,651,977	623,689	(554,490)	107,691	-	493,230	5,322,097

The contributed surplus of the Company represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to a corporate reorganisation in preparation for the listing of the Company's shares on the Main Board of the Stock Exchange, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act of Bermuda (as amended) and the Bye-Laws of the Company, the contributed surplus can be distributed to the shareholders, provided that the Company will be able to pay its liabilities as they fall due, and subsequent to the distribution, the aggregate amount of its total liabilities as well as the issued share capital and premium is less than the realisable value of its assets.

The employee share-based compensation reserve comprises the fair value of options or RSUs granted under the share-based incentive schemes which are yet to be exercised, as further explained in the accounting policy for employee benefits in note 3 to the financial statements.

Particulars of Properties

Investment properties as at 31 December 2020:

Location	Usage	Tenure	Attributable interest of the Group
Digital China Xi'an Science and Technology Park, No.20 Zhangba 4th Street, Xi'an Gaoxin Technology Development District, Xi'an, Shaanxi Province, The PRC	Office building	Medium term lease	100%
Digital China Wuhan Science and Technology Park, North of Da Shu Road East, East of Guang Gu Road, Wuhan Donghu Technology Development District, Wuhan, Hubei Province, The PRC	Office building	Medium term lease	100%
Digital China Nanjing Science and Technology Innovation Park, Qilin Street, Jiangning District, Nanjing, Jiangsu Province, The PRC	Office building	Medium term lease	100%
Digital China Chongqing Science and Technology Park, No. 24 and 26, Science and Technology Innovation Park, Hong Hu Road West, Yubei District, Chongqing Province, The PRC	Office building	Medium term lease	100%
Digital China Kunshan Logistics Park, No. 1 Shuang He Road, Dian Shan Hu Town, Kunshan City, Jiangsu Province, The PRC	Logistics and storage	Medium term lease	100%
Digital China Shenyang Logistics Park, No. 2 Cangchudongyi Street, Hunnan District, Shenyang, Liaoning Province, The PRC	Logistics and storage	Medium term lease	100%
Digital China Wuhan Logistic Park, No. 61 Gaoxin 4th Street Road, Donghu Technology Development District, Wuhan, Hubei Province, The PRC	Logistics and storage	Medium term lease	100%
Digital China Jinan Logistics Park, No. 1459-2 Keyuan Road, Sun Town, High-tech Industrial Development Zone, Jinan, Shandong Province, The PRC	Logistics and storage	Medium term lease	100%
Digital China Technology Plaza, No. 9 Shangdi Jiu Street, Haidian District, Beijing, The PRC	Office building	Medium term lease	100%
Beijing Digital China Building, 4-9/F. and 18/F., No. 16 Suzhou Street, Haidian District, Beijing, The PRC	Office building	Medium term lease	100%

Five Year Financial Summary

RESULTS

	Year ended 31 December 2020 HK\$'000	Year ended 31 December 2019 HK\$'000	Year ended 31 December 2018 HK\$'000	Year ended 31 December 2017 HK\$'000	Year ended 31 December 2016 HK\$'000
REVENUE FROM CONTINUING OPERATIONS	19,819,527	17,727,429	15,254,499	13,246,571	12,251,359
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	1,146,870	546,700	281,534	(47,817)	137,713
Income tax expense	(181,518)	(96,524)	(61,064)	(143,584)	(148,743)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	965,352	450,176	220,470	(191,401)	(11,030)
Profit for the year from the discontinued operation	-	-	-	-	559,623
PROFIT (LOSS) FOR THE YEAR	965,352	450,176	220,470	(191,401)	548,593
Attributable to:					
Equity holders of the parent	612,970	301,844	149,587	(413,006)	389,314
Non-controlling interests	352,382	148,332	70,883	221,605	159,279
	965,352	450,176	220,470	(191,401)	548,593

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	Year ended 31 December 2020 HK\$'000	Year ended 31 December 2019 HK\$'000	Year ended 31 December 2018 HK\$'000	Year ended 31 December 2017 HK\$'000	Year ended 31 December 2016 HK\$'000
TOTAL ASSETS	28,020,965	25,551,101	25,488,174	27,915,561	23,716,121
TOTAL LIABILITIES	(14,256,333)	(12,987,629)	(13,091,478)	(15,120,687)	(13,244,208)
NON-CONTROLLING INTERESTS	(4,334,905)	(3,627,049)	(3,546,353)	(3,685,089)	(3,303,326)
	9,429,727	8,936,423	8,850,343	9,109,785	7,168,587

Company Information

BOARD OF DIRECTORS

Executive Directors

Mr. GUO Wei (*Chairman and Chief Executive Officer*)

Mr. LIN Yang (*Vice Chairman*)

Non-executive Directors

Mr. PENG Jing

Mr. ZENG Shuigen

Independent Non-executive Directors

Mr. WONG Man Chung, Francis

Ms. NI Hong (Hope)

Dr. LIU Yun, John

Ms. YAN Xiaoyan

Mr. KING William

COMPANY SECRETARY

Mr. WONG Chi Keung

REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Fortis Tower

77-79 Gloucester Road

Wanchai, Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Bank of China Limited

China CITIC Bank Corporation Limited

Industrial and Commercial Bank of China Limited

East West Bank

LEGAL ADVISORS

As to Hong Kong law:

Chiu and Partners

Cleary Gottlieb Steen & Hamilton (Hong Kong)

As to Bermuda law:

Appleby

AUDITOR

SHINEWING (HK) CPA Limited

SHARE REGISTRARS

Bermuda

Ocorian Management (Bermuda) Limited

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

Hong Kong

Tricor Abacus Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

PLACE OF LISTING OF SHARES AND STOCK CODE

The Stock Exchange of Hong Kong Limited

Stock Code: 00861

Taiwan Stock Exchange Corporation

Taiwan Depository Receipts

Stock Code: 910861

WEBSITE

www.dcholdings.com

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