



CITYCHAMP

WATCH & JEWELLERY GROUP LIMITED

冠城鐘錶珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 256

ANNUAL REPORT

2021 年報

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

HON Kwok Lung BBS (*Chairman*)  
SIU Chun Wa (*Co-Chief Executive Officer*)  
HAO Xiaohui (*Co-Chief Executive Officer*)  
SHI Tao  
BI Bo  
SIT Lai Hei  
HON Hau Wong  
Teguh HALIM

### Independent Non-executive Directors

KWONG Chun Wai, Michael  
ZHANG Bin  
KAM, Eddie Shing Cheuk  
LI Ziqing

## AUDIT COMMITTEE

KAM, Eddie Shing Cheuk (*Committee Chairman*)  
KWONG Chun Wai, Michael  
ZHANG Bin  
LI Ziqing

## REMUNERATION COMMITTEE

KAM, Eddie Shing Cheuk (*Committee Chairman*)  
HON Kwok Lung  
SIU Chun Wa  
KWONG Chun Wai, Michael  
ZHANG Bin  
LI Ziqing

## NOMINATION COMMITTEE

HON Kwok Lung (*Committee Chairman*)  
SIU Chun Wa  
KWONG Chun Wai, Michael  
ZHANG Bin  
KAM, Eddie Shing Cheuk  
LI Ziqing

## RISK MANAGEMENT COMMITTEE

SIT Lai Hei (*Committee Chairman*)  
HAO Xiaohui  
SHI Tao  
BI Bo

## QUALIFIED ACCOUNTANT & COMPANY SECRETARY

FONG Chi Wah

## AUDITOR

BDO Limited

## PRINCIPAL BANKERS

China CITIC Bank International Limited  
Industrial Bank Co., Ltd.  
Hong Kong Branch

## HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

## REGISTERED OFFICE

P.O. Box 309  
Ugland House  
South Church Street  
Grand Cayman, KY1-1104  
Cayman Islands

## PRINCIPAL OFFICE

Units 1902-04, Level 19  
International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

## WEBSITES

[www.irasia.com/listco/hk/citychamp](http://www.irasia.com/listco/hk/citychamp)  
[www.citychampwj.com](http://www.citychampwj.com)

# OUR KEY GROUP COMPANIES

## LOCAL PROPRIETARY BRANDS

  
**ROSSINI**  
 羅西尼  
 91%

  
**EBOHR**  
 依波表  
 100%

## FOREIGN PROPRIETARY BRANDS

  
**CORUM**  
CREAT YOUR DREAMS  
 100%

  
**ETERNA**  
 100%

  
**ETERNA MOVEMENT**  
advanced technology  
 100%

  
**ROTARY**  
 100%

  
**ERNEST BOREL**  
 1856  
 64.08%

## DISTRIBUTION COMPANIES

Shenzhen Permanence  
 91%

Liaoning Hengjia  
 51%

Jilin Dayou  
 51%

Guangdong Juxin  
 51%

PRC

EUROPE

DISTRIBUTION

WATCHES AND TIMEPIECES BUSINESSES

BANKING AND FINANCIAL BUSINESSES

**BENDURA BANK**  
 84.69%

**SHUN HENG SECURITIES**  
 60%

**METASEQUOIA CAPITAL MANAGEMENT**  
 60%

# FINANCIAL HIGHLIGHTS

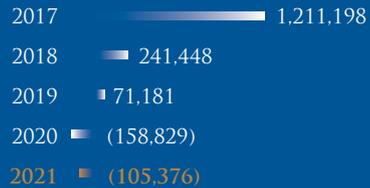
## REVENUE

HK\$'000



## PROFIT/(LOSS) AFTER TAX

HK\$'000



## TOTAL ASSETS

HK\$'000



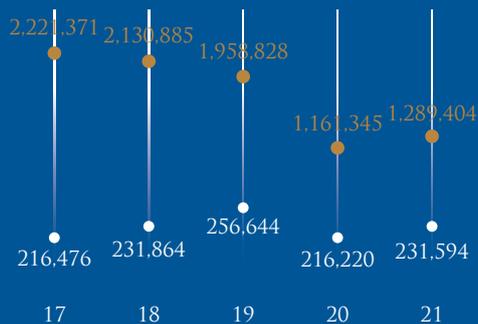
## OWNERS' EQUITY

HK\$'000



### REVENUE BY PROPRIETARY AND NON-PROPRIETARY BRANDS

HK\$'000



- Proprietary Brands
- Non-proprietary Brands

### REVENUE

HK\$1,931,099,000

### LOSS AFTER TAX

HK\$105,376,000

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# CHAIRMAN'S STATEMENT

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THE COVID-19 IS ONE OF THE WORST DISASTERS EVER IN HUMAN HISTORY. 2021 CONTINUES TO BE AN EXCEPTIONALLY CHALLENGING YEAR NOT ONLY FOR HEALTH OF PEOPLE ALL OVER THE WORLD BUT ALSO FOR ECONOMIC ACTIVITIES OF ALL NATIONS. THE COVID-19 HAS DISRUPTED NUMEROUS INDUSTRIES THAT SUFFER FROM SHARP FALLS IN PRODUCTION AND DEMAND, AND GLOBAL SUPPLY CHAIN CRISIS, OWING TO SOCIAL DISTANCING MEASURES, LOCK-DOWNS AND TRAVEL RESTRICTIONS. IT PARTICULARLY AFFECTS ADVERSELY THE CONSUMPTION.

ONE OF THE KEY UPWIND FAVOURABLE FACTORS IS THAT MAINLAND CHINA HAS BEEN PROVEN RELATIVELY SUCCESSFUL IN BRINGING THE COVID-19 UNDER CONTROL IN 2021. BY MANY INDICATORS, MAINLAND CHINA'S ECONOMIC PERFORMANCE IN 2021 WAS RELATIVELY STRONGER THAN 2020 AND THE REST OF THE WORLD.

FACING THIS UNPRECEDENTED CRISIS, WE HAVE DEMONSTRATED RESILIENCE, SOMETHING WE OWE TO THE REMARKABLE EFFORTS OF OUR DIRECTORS AND KEY MANAGERS. WE HAVE ADOPTED A NEW MINDSET AND TAKE THIS AS THE MOST IMPORTANT OPPORTUNITY AND LESSON THAT WE SHOULD LEARN AND IMPROVE FROM. WE HAVE REVIEWED THE PROCESSES, PROCEDURES, AND STRUCTURE OF OPERATIONS IN ORDER TO STREAMLINE WORKFLOW AND WORKFORCE, AND STRENGTHEN E-COMMERCE, VIRTUAL COMMUNICATION AND DIGITAL TRANSFORMATION AS A WHOLE TO ENHANCE EFFICIENCY AND EFFECTIVENESS, AS WELL AS TAKEN DECISIVE DECISIONS PARTICULARLY RELATED TO HUMAN RESOURCES TO ACHIEVE COST SAVINGS ACROSS THE GROUP. MOST IMPORTANTLY, WE MANAGE TO TAKE ALL NECESSARY MEASURES TO ENSURE THE BUSINESS CONTINUITY OF DIFFERENT BUSINESSES IN DIFFERENT COUNTRIES AND TO MAINTAIN THE HEALTH AND SAFETY OF ALL OUR COLLEAGUES, THAT IS UNDOUBTEDLY ONE OF THE MOST VALUABLE RESOURCES OF THE GROUP.

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# CHAIRMAN'S STATEMENT

## RESULTS OVERVIEW

The distresses of the COVID-19 exacerbated competitive pressures inherent in our watch industry, making this one of the toughest operating environments in recent times. Against this backdrop, our net loss for FY2021 decreased by 34% from HK\$158 million for FY2020.

Revenue increased by 9% to HK\$1.93 billion in 2021, versus HK\$1.77 billion generated in 2020. Loss attributable to the owners of the Company in 2021 decreased to HK\$101 million, which was HK\$68 million or 40.4% lower than HK\$169 million loss in 2020. Basic loss per share were HK\$2.32 cents.

The Board resolved not to recommend a final dividend for the year ended 31 December 2021 to preserve sufficient funds to meet the financial needs of the Group.

## STRATEGIC DEVELOPMENT

The transaction to sell our equity interests in and loans to all watch companies except Ernest Borel, was mutually terminated due to the continuously varied COVID-19 and the change of business planning and strategy of the purchaser. As such, the watch business remains in the Group and continues to be a major business of the Group.

## BUSINESS AND MARKET DEVELOPMENT

In 2021, despite the challenging period, the local proprietary watch brand business in Mainland China performed slightly better than last year for the following reasons: (a) the economy has emerged from 2021 stronger than at the start; (b) production and distribution

were gradually recovered through opening-up of business activities; (c) consumer confidence was slightly re-established; and (d) most importantly, the local watch companies imposed necessary measures, especially those related to e-commerce, for revenue generation and cost reduction.

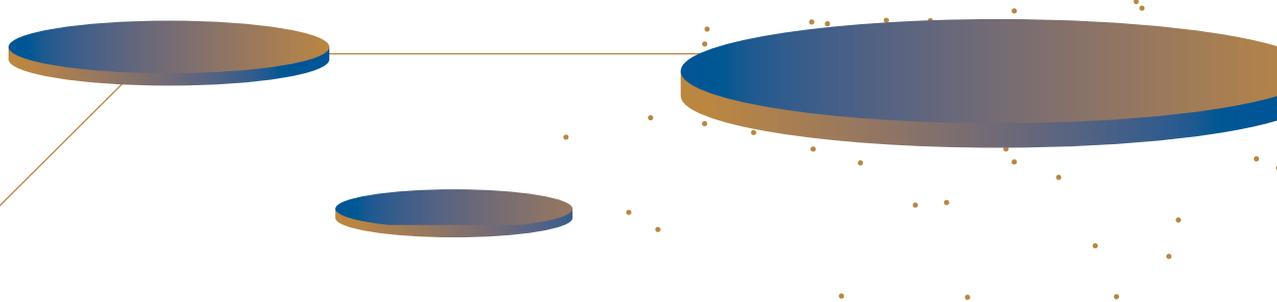
While Rossini maintained essentially the same revenue and profitability as the previous year, EBOHR had a silver lining for local proprietary brand watch business, as it made a stronger recovery and became profitable in 2021.

The foreign proprietary watch brand business, owing to economic tremors from the COVID-19 and the profound business disruption to the key international markets, where the general demand was weak, still suffered in 2021. Accordingly, certain measures were successfully implemented to increase the cashflow and reduce the extent of loss.

The COVID-19 dampened the performance and growth for certain subsidiaries. As a result, we took non-cash impairment for certain companies and commenced a strategic review to put them back on track for growth.

Bendura Bank, although its operation and performance being slightly affected by the COVID-19 due to lesser extent of communication and interaction with clients, has developed organically as shown by the steady healthy growth of asset under management and marginally increased headcount amid challenging market conditions. Bendura Bank has taken various measures in the wake of COVID-19 to withstand significant operational disruptions and would closely monitor further





development to ensure operational resilience through governance, business continuity planning and management of information and communication technology. It would deploy more resources in marketing, compliance and risk management, that are critical to stay competitive locally and internationally and generate long-term growth. The goal is to keep its capital and liquidity situation stable and resilient. While COVID-19 has brought headwinds and challenges, it has also provided tailwinds of digitalization for Bendura Bank that we intend to exploit to propel us forward.

The new Bendura campus, which integrates the previous bank building, will accommodate up to 250 employees. Customers can expect an impressive entrance hall, inviting meeting rooms and up-to-date infrastructure.

Details of the progress we made in 2021 for individual companies and segments are set out in the MD&A of this Annual Report.

## BOARD OF DIRECTORS

The appointment of Mr. Siu Chun Wa and Mr. Hao Xiaohui as CO-CEO and executive directors underlined the Board's belief that they are the best executives to lead the delivery of the strategic plan. We look forward to working closely with Mr. Siu, Mr. Hao and the management team as they focus on executing our strategic priorities in 2022. Their substantial business, banking and financial experience are inevitably valuable to our watch businesses and banking and financial businesses.

On behalf of the Board, I would like to express my sincere gratitude to Mr. Shang Jiangaung for his outstanding contributions to the Company during his tenure as our CEO and executive director.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”) PERFORMANCE

As a good corporate citizen, we not only continue to monitor our environmental impact but also contribute to the communities that we operate our businesses, especially in Mainland China. In accordance with the recently published requirements of the Listing Rules, we have designated a director to head the ESG and strengthened the relevant activities and disclosures.

## RISK MANAGEMENT

We monitor our risks and uncertainties facing the Group and formulate and adopt appropriate risk management measures against each principal risk and uncertainty. Special efforts are applied to analyze the risks related to COVID-19. Our risk committee has reviewed the major risks and suggested the relevant way to manage those risks.

## OUTLOOK

The latest WHO data shows (1) approximately 70% of the population in richer nations have been fully vaccinated, compared with only 5% in poorer nations; (2) over 40% of the world's population has not yet received a first dose; and (3) the WHO's goal of vaccinating 70% of the population in poorer nations can only be achieved in the third quarter of 2022. COVID-19 is going to continue to mutate; Omicron, being the dominant variant in the Europe, is more contagious than Delta but generally leads to less severe infection among vaccinated people. Vaccination remains the best safeguard against COVID-19 as data showing vaccination is useful in cutting rates of hospitalization and mortality and it is incumbent upon the developed countries to supply vaccine to the developing countries. Presently, there are drugs with high level of

# CHAIRMAN'S STATEMENT



effectiveness against COVID-19, including against Omicron and earlier variants. All countries, both developed and developing, are affected by importation of cases and resurgence of domestic infection. It is likely all countries still need to deal with it for a prolonged period of time until it becomes endemic like the flu (immunity against wider transmission and mutations due to the infection), when the global vaccination rates are sufficiently high or when the generic versions of effective drugs are available to all countries.

COVID-19 has profoundly transformed lives and businesses all over the world and cast spotlight on how we operate our businesses. In a time of unprecedented disruption, we embarked on a strategic reset to sharpen the Group's focus. Our strategic reset represents a deep-set change across the Group to reposition and emerge stronger post-COVID. Our sharpened focus will give us the agility to navigate the waves of new business model and digital growth. As we recalibrate for growth, we are committed to harnessing the power of the strategic thinking and technology to create a sustainable future for the Group.

Our foundation of sound governance, risk management and taking responsibility of our people and communities give our businesses a strong platform for continued success.

The geopolitical uncertainty of the regions, especially Central Asian states, remains a prominent feature of our operating environment. The actual military incursion in Ukraine, the first major conflict on European land, in the late February 2022 has

adversely affected the political stabilities in the region that is important to our overseas business. The crisis in Ukraine could well change the global economic landscape for a long time. Unless the crisis can be resolved quickly by negotiation between two parties or the United Nations responds decisively for the sake of global peace, expectations for global growth in 2022 and 2023 will take a dive. There are tough economic sanctions against Russia from the west and an escalation is always a possibility. The risk that Russia retaliates against sanctions by cutting off the supply of oil and gas to European countries, which could undermine economic activity, returning the region into the grip of another recession. The economies of the US and Mainland China will not be immune.

For Mainland China, the leadership implements appropriate decisions on monetary and fiscal policies which are lending support to a recovery of the economy. Particularly, the government strengthens measures and policies to boost the domestic consumption. With long-term positive economic fundamentals, Mainland China is expected to remain one of the world's resilient and fundamentally sound market.

The market conditions for watches are expected to improve in the longer term when the COVID-19 becomes endemic like the flu or when the global vaccination rates are sufficiently high. At that time, market conditions are expected to improve when the consumer confidence is gradually recovered and the demand for watches in Mainland China and all over the world is expected to be gaining momentum again.

With the completion of its new building, Bendura Bank has laid the foundation for its future growth. Bendura Bank reached new all-time time highs in assets under manager in the past financial year, which should by now means tempt us to rest on our laurels, but rather spur us on to further growth. While the Hong Kong Representative Office provides the optimum infrastructure for developing the Asian markets, the recruitment of experienced customer advisors and implementation of the trainee programs provides experienced members and promising members for the continuously expanded operation. Given that most of clients focus on prudent investments and Bendura Bank adopts a prudent asset allocation policy, particularly the lending policy, we believe Bendura Bank would be in a secure position even in the currently challenging financial market situation and in the scenario of slowing, if not negative, global economic growth.

We continue the new mindset and take the COVID-19 as the most important opportunity and lesson that we should learn and improve from. How we emerge from this challenging period will determine our performance over the coming years and we are taking the necessary actions now.

Looking ahead, we would remain calm and apply courage and wisdom to take on the strong headwind challenges. We have full confidence that our strengthened management team, collective resilience and razor-sharp focus on achieving our goals shall underpin our efforts to recover and retool for much-altered post-COVID-19 era. We shall look back on these challenging times as a memory.

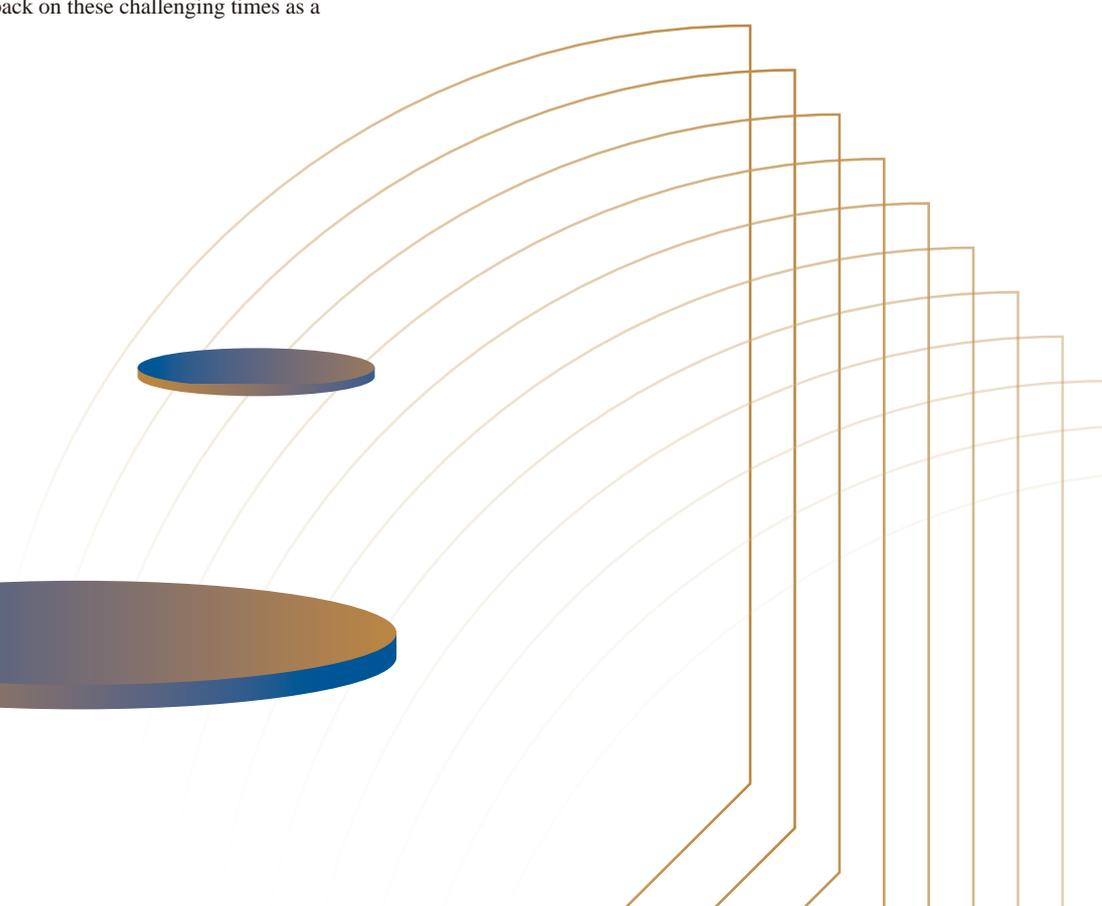
## ACKNOWLEDGEMENTS

I am heartened by the deep sense of shared purpose among our people. They've taken the COVID-19's resurgence in their stride by staying motivated while working from home. Our frontline retail staff of the watch business and account relationship staff of Bendura Bank are still interacting with our customers and seeing to their needs, and for this, we are grateful.

I would like to thank our Board and Management for their commitment in navigating the unprecedented crisis. I would also like to thank all our employees for their hard work. Our company is a global family where the unique contribution of every colleague is highly valued. Finally, I would like to thank our business partners, our customers and our shareholders for their loyalty and support during these challenging times.

**Hon Kwok Lung**  
*Chairman*

Hong Kong, 30 March 2022



# MANAGEMENT DISCUSSION AND ANALYSIS

	Year ended 31 December		Variation %
	2021 HK\$'000	2020 HK\$'000	
Total Revenue	<b>1,931,099</b>	1,774,549	8.8
Operating Expenses	<b>1,233,917</b>	1,278,860	-3.5
Gross Profit generated from non-banking and financial businesses	<b>825,914</b>	769,515	7.3
Gross profit generated from banking and financial businesses	<b>359,961</b>	357,629	0.7
EBITDA	<b>110,966</b>	111,176	-0.2
Loss before tax	<b>(74,272)</b>	(133,653)	-44.4
Net loss after tax	<b>(105,376)</b>	(158,829)	-33.7
Loss per share attributable to owners of the Company			
– Basic	<b>HK(2.32) cents</b>	HK(3.89) cents	-40.4
– Diluted	<b>HK(2.32) cents</b>	HK(3.89) cents	-40.4

	As at 31 December		Variation %
	2021 HK\$'000	2020 HK\$'000	
Total Assets	<b>19,962,419</b>	21,385,195	-6.7
Total liabilities	<b>15,338,879</b>	16,648,968	-7.9
Total Equity	<b>4,623,540</b>	4,736,227	-2.4

## OPERATING RESULT

For the year ended 31 December 2021, the Group recorded total revenue of approximately HK\$1,931,099,000 (31 December 2020: HK\$1,774,549,000), an increase of HK\$156,550,000 or 8.8% over 2020.

Operating expenses (including selling and distribution expenses and administrative expenses) for the year ended 31 December 2021 was approximately HK\$1,233,917,000 (31 December 2020: HK\$1,278,860,000), a decrease of HK\$44,943,000 or 3.5% over 2020.

Gross profit generated from non-banking and financial businesses for the year ended 31 December 2021 was approximately HK\$825,914,000 (31 December 2020: HK\$769,515,000), an increase of HK\$56,399,000 or 7.3% over 2020.

Gross profit generated from banking and financial businesses for the year ended 31 December 2021 was approximately HK\$359,961,000 (31 December 2020: HK\$357,629,000), an increase of HK\$2,332,000 or 0.7% over 2020.

The EBITDA for the year ended 31 December 2021 was approximately HK\$110,966,000 (31 December 2020: HK\$111,176,000), a decrease of HK\$210,000 or 0.2% over 2020.

Net loss after tax for the year ended 31 December 2021 was approximately HK\$105,376,000 (31 December 2020: HK\$158,829,000).

## PERFORMANCE

Our Group comprises three key divisions – watches and timepieces businesses, banking and financial businesses, and various investment businesses.



# MANAGEMENT DISCUSSION AND ANALYSIS

## WATCHES AND TIMEPIECES BUSINESSES

### WATCHES AND TIMEPIECES BUSINESSES

#### I.A. Local Proprietary Brands

#### ZHUHAI ROSSINI WATCH INDUSTRY LIMITED

#### ROSSINI'S NO. OF DISTRIBUTION OUTLETS

	Year 2019
	<b>3,441</b>
	Year 2020
	<b>3,428</b>
	Year 2021
	<b>3,095</b>

#### Proportions to Rossini's total revenue by different types of sales

	31 December 2021	31 December 2020	31 December 2019
Physical stores	<b>55.8%</b>	54.1%	51.9%
E-commerce	<b>41.4%</b>	40.8%	39.5%
Other	<b>2.8%</b>	5.1%	8.6%

Note: Other types of sales mainly include industrial tourism and group purchase.



### ROSSINI'S REVENUE EARNED FROM E-COMMERCE SALES

Proportion to its total revenue 39.5% Year 2019  

**HK\$371,957,000**

Proportion to its total revenue 40.8% Year 2020  

**HK\$236,552,000**

Proportion to its total revenue 41.4% Year 2021  

**HK\$247,381,000**

For the year ended 31 December 2021, Zhuhai Rossini Watch Industry Limited (“Rossini”), a 91% subsidiary of the Group, recorded revenue of HK\$597,929,000, an increase of HK\$18,282,000 or 3.1% from HK\$579,647,000 in 2020. Net profit after tax attributable to owners of the Company for the year ended 31 December 2021 was HK\$100,063,000, representing an increase of HK\$50,505,000 or 101.9%, from HK\$49,558,000 in 2020.

In the past few years, the traditional retail model of watch industry has been challenged by the ever-growing e-commerce in Mainland China. The outbreak of COVID-19 since late 2019 further intensified the existing challenges. 2021 was a year marked by aggregated spread of COVID-19. The uncertainties concerning COVID-19 development have not only affected customers, but also brought unprecedented level of disruption to the production line. To cope with this difficult time, Rossini implemented diversified sales models and flexible policies, by maintaining agility to respond to market changes, and thereby mitigate adverse effects.

The COVID-19 significantly affected the overall consumer sentiment and as a result, sales of physical stores borne the brunt of the entire outbreak. To reduce the impact from the COVID-19, Rossini firstly continued to consolidate and develop the position of physical market sales by implementing flexible policies to physical stores based on provinces, regions, and branches, strengthening the control of trade receivables, and encouraging branches to expand into shopping malls of third-tier and fourth-tier cities and so forth. Secondly, a work-from-home working pattern was adopted by Rossini to maintain a flexible and minimum level of operation to avoid unnecessary cost. Despite the challenging environment for physical sales, Rossini generated approximately 10.1% increase in physical sales revenue compared to prior year.

For the year ended 31 December 2021, e-commerce sales increased to HK\$247,381,000 from HK\$236,552,000 last year, representing an increase of HK\$10,829,000 or 4.4%. The COVID-19 raised the demand in online sales, it also introduced a higher level of market competition. However, with the effort of Rossini in e-commerce, it delivered a positive result under the ever-challenging environment.

Considering the changing consumer preference, Rossini directed more focus on e-commerce and omnichannel capabilities to offset the current weak sales demand from physical stores. Specifically, it kept expanding its penetration through online distributors on leading e-commerce platforms including Taobao, Tmall, JD and Pinduoduo. In addition, the shopping preferences of Chinese consumers, especially those of the younger generation, were influenced by key opinion leaders (KOL), who spread their reviews on social media live streaming apps. Rossini's e-commerce team seized the current trend and as a result, e-commerce livestreaming has taken off. Rossini actively explored new opportunities for engagement on popular social media platforms including Xiaohongshu, Kuaishou and Tik Tok to strengthen its brand awareness.

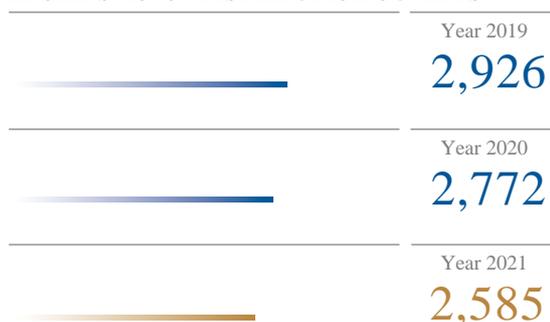
The ever-growing e-commerce in Mainland China has transformed the consumption behaviour of the customers. E-commerce live-streaming became more popular among consumers, especially the younger customers.

## MANAGEMENT DISCUSSION AND ANALYSIS

Since the outset of COVID-19, the tourism industry entered into harsh winter for a period of time. Rossini's revenue from industrial tourism was also inevitably affected. Throughout the year of 2021, the number of tourists was approximately 40,000 (2020: 50,000), and revenue from which was approximately HK\$3,792,000 (2020: HK\$4,834,000), representing a decrease of approximately 21.6% over the prior year. The performance is expected to be recovered when the COVID-19 is over. In order to better face future competition, Rossini makes use of the current time to design more specific events, i.e. talks, seminars and workshop, and provides more internal trainings to the tourists guides as a further development of its industrial tourism strategy.

### EBOHR GROUP

#### EBOHR'S NO. OF DISTRIBUTION OUTLETS



#### EBOHR'S REVENUE EARNED FROM E-COMMERCE SALES



EBOHR Group is composed of EB Brand Limited, EBOHR Luxuries International Limited ("EBOHR"), Shenzhen EBOHR Luxuries Online E-commerce Co., Ltd., PAMA Precision Manufacturing Limited and Shenzhen EBOHR PAMA Sales Co., Ltd.

Revenue from watches and timepieces business of EBOHR Group for the year ended 31 December 2021 was HK\$353,750,000, an increase of HK\$59,816,000 or 20.4%, from HK\$293,934,000 in 2020. Net profit after tax from watches and timepieces business for the year ended 31 December 2021 was HK\$3,959,000, compared with net loss after tax of HK\$29,322,000 in 2020.

Apart from watches and timepieces business, EBOHR Group's investment properties also contributed rental income and net profit of HK\$7,273,000 during the year ended 31 December 2021 (31 December 2020: HK\$4,401,000) which was recorded in property investment segment result.

The rise in profits was mainly attributable to several reasons. Firstly, EBOHR stepped up its efforts to stimulate consumption, resulting in the increase in sales volume greater than the drop in unit price. Secondly, affected by the decline in the exchange rate of the US dollar, EBOHR incurred exchange losses on the transaction amount (HKD) with the parent company, but the losses was smaller than that in 2020. Thirdly, since the outbreak of COVID-19, EBOHR has been actively adjusting the sales direction, conducting clearly defined assessments and management on business outlets. EBOHR discontinued some outlets with unsatisfactory performance. Around 200 physical stores were closed, the sales expenses, including remuneration of sales persons, expenses of commercial centers and advertising costs, thus decreased.

Apart from COVID-19, the emergence of the smartwatch industry has deeply eroded the market share of the traditional watch industry, resulting in a tougher market environment for the traditional watch industry. All have brought unprecedented negative impact to the company's overall strategic deployment and business plan. To contain such impact, EBOHR on the one hand continues to optimize its existing product lines to maintain competitiveness, on the other hand it deploys more focus on the research and development team, aiming to reinforce its ability in better product design.

Regarding e-commerce, the retail sales in 2021 are broadly in line with the prior year, causing downward pressure on overall sales. For the year ended 31 December 2021, the e-commerce sales increased to HK\$110,772,000 from HK\$101,586,000 last year, representing an increase of HK\$9,186,000 or 9.0%. The retail sales of the three major platforms, Tmall, JD.com, and Vipshop, declined sharply, which was covered by the increased sales mainly from the expansion of third-party platforms. The performance of EBOHR's e-commerce has improved due to the overall downward trend on promotion cost of e-commerce, which dropped by 27% compared with 2020. Among them, the cost of Tmall and JD dropped significantly, but the entire cost rate was still very high.

2021 coincides with the 30th anniversary of the EBOHR brand. Combined with new product launches, festival promotions, hot events, etc., EBOHR carried out omni-marketing that spanned the whole year. The 30th anniversary marketing events, as a whole, met our expectations, boosted sales confidence and sales performance internally, strengthened brand recognition and brand image externally, and deepened brand influence. These integrated marketing events also enriched our experience and provided the Group with the incubator of future direction to explore.

In the coming year, EBOHR will carefully consider a more stringent control on the number of POS, and actively try to package stores, develop shopping malls, and chain channels according to the company's own positioning. In terms of brand building, EBOHR will seek to gain an in-depth understanding of the customer base, refine its positioning, and offering new ways of connection through new distribution channels for the new generation, such as Xiaohongshu grass, Tik Tok search, etc. dedicating push in the shoppertainment and the e-commerce sales through driving stronger engagement with younger clients.

## **I.B. Foreign Proprietary Brands**

### **ERNEST BOREL HOLDINGS LIMITED**

The Group held 64.08% equity interest in Ernest Borel Holdings Limited ("Ernest Borel", together with its subsidiaries, the "Ernest Borel Group") as at 31 December 2021.

For the year ended 31 December 2021, Ernest Borel Group recorded revenue of approximately HK\$143,671,000, representing an increase of HK\$27,428,000 or 23.6% over HK\$116,243,000 in 2020. Net loss after tax attributable to the owners of the Company was HK\$22,433,000, representing an increase of HK\$17,788,000 or 382.9% over HK\$4,645,000 in 2020.

Mainland China remains as the core market of the Ernest Borel Group. Revenue from Mainland China was approximately HK\$136,830,000 for the year ended 31 December 2021, accounting for approximately 95.2% of its total revenue.

The extensive distribution network of the Ernest Borel Group covers retail markets in Mainland China, Hong Kong, Macau and Southeast Asian countries. As at 31 December 2021, Ernest Borel Group had more than 825 POS (31 December 2020: 804), comprising around 715 POS in Mainland China, around 45 POS in Hong Kong and Macau, and 65 POS in other countries mainly in Southeast Asia and European.

During 2021, the outbreak remained the main challenges to the performance of Ernest Borel, especially in late 2021. The recurring rebound in infection rate imposed a greater interruption to the traditional retail market, resulting in lower customer consumption and affecting the performance. To reduce the impact of the COVID-19 on revenue, Ernest Borel Group applied different strategies. It optimized the pricing structure of watches, marking appropriate downward adjustment on prices to capture market share of Swiss watches at different price levels. At the same time, it also optimized the customer profit margins by adjusting the supply chain, and reducing costs. Strong efforts of Ernest Borel eventually posted a slightly increase in physical stores revenue.

## MANAGEMENT DISCUSSION AND ANALYSIS

To adapt rapidly to the accelerated growth of e-commerce, Ernest Borel Group launched a series of marketing activities with the new brand spokespersons to fuel online and offline sales in Mainland China. However, as the cost from e-commerce platform still at a high level, there is still room for Ernest Borel to improve e-commerce performance in future. As at 31 December 2021, sales revenue from Ernest Borel increased by approximately 48% compared to prior year.

Although there was an increase in sales revenue, the progression has not yet reached a satisfactory level. The decrease in profits was mainly due to impairment and provisions. In addition, operating cost of Ernest Borel returned to normal level to enhance its marketing strategy. Given that the cost increment was far more than the revenue, the profits therefore declined. Despite the challenging economic environment, the evidence of sales improved showing that Ernest Borel was now on the right direction to success.

### Other Foreign Proprietary Brands

Collectively, Corum, Eterna and The Dreyfuss Group Limited (the “Dreyfuss Group”) contributed revenue and net loss after tax for the year ended 31 December 2021 of HK\$194,054,000 (31 December 2020: HK\$171,521,000) and HK\$82,826,000 (31 December 2020: HK\$128,128,000), respectively.

Asia, Europe and the US have been the major markets for Corum. Asian and European market sales represented around 78% of the turnover of Corum. COVID-19 affected adversely the overall sales performance of Corum for the year 2020. The shutdown of international tourism created obstacles to sales of luxury goods, including watches. However, there was an unexpected fast recovery for Swiss watch exports in 2021. The return to pre-crisis levels and positive performance in the fourth quarter 2021 produced

the best-ever annual results for the watchmaking industry. Since the adverse effect of COVID-19 has been under control by the increasingly high worldwide vaccination, the activity and the results in the second half of 2021 have been driven up. The revenue of Corum got 8% increase in 2021 when compared with the previous year.

With the beginning of the general lockdowns, Corum had taken “Asset Management” strategy to minimise the negative impact. Firstly, the management adopt a “less is more” approach, by reduction of the point of sales, product re-positioning, brand value promotion and more stringent cost control, it successfully improved the margin. Corum revised all the contracts to cut drastically the operational expenses, which have been reduced in 2021 by 20% compared to 2020. Secondly, the entire inventory of Corum was reduced. The Asset Management strategy enabled Corum to effectively allocate and transfer existing pieces to clients, resulting in a 7% decreasing in inventory level in 2021 and reach an improved performance. Thirdly, the new management closely monitored the level of account receivables and its collection. By active collection of old overdues and readjustment of old contracts, Corum made a great effort on minimizing the risk of bad debt. To cope with this difficult time, Corum also applied for the Swiss COVID-19 loan, an eight-years loan without interests, from the government to subsidise the loss from the pandemic.

Chinese consumers are considered to be the main contributors to the growth in demand for the luxury goods over the next five years. Corum hence focused on China markets in 2021 and expected to set up some local event, dedicated to these markets.

The performance for the year ended 31 December 2021 basically reach the management’s expectation, especially at the end of year. With the recovery of market demand, it is believed that Eterna would achieve positive result soon.

Eterna's strongest markets remained in Europe. There was a trend of growing interest in both Asia and Greater China market Eterna entered.

UK is the Dreyfuss Group's largest single market, representing 81% of its revenue for the year ended 31 December 2021. With the COVID-19 still continuing in 2021, Dreyfuss Group recorded sales growth with lower costs over 2020, resulting in a profit in 2021, compared with a loss in previous year.

Though lockdowns were eased in 2021, but high street confidence remained slim. High street retailers, which comprises the majority of UK sales, still remain to underperform. The closure of UK stores has continued over the last few years, therefore customer strategy of Dreyfuss Group has been redirected to online stores wherever possible.

The Dreyfuss Group's key strategy in 2021 was to continue to increase profitability by continuing to review policies and relationships with customers, raising the online presence and marketing output, and minimizing the cost to reduce the adverse effect of COVID-19 situation. The Group focused resources on profitable sales growth opportunities in key markets, particularly through the distributor network, with increased use of cash in advance for the smaller markets.

The Group has developed a new website which is developed for sales of its own watches. Sales have increased with this new website due to its ease-of-use for customers and administrators. Social media follower of the Group increased by 22% and the brand awareness and corporate image amongst new and existing audiences grew as the Dreyfuss Group launched a two-year watch partnership with Prostate Cancer UK. This campaign together with the new website helped lead to an increase in new acquisitions on Rotarywatches.com of 68% in 2021 vs 2020.

The Dreyfuss Group continues its efforts in developing the international market in order to reduce its reliance in the UK market. Brexit finally officially took place in January 2021 and resulted in increased duty and legal costs. Despite this, there is still an increase in number of point of sales in Europe during 2021 as it is the key market of the Dreyfuss Group. Due to Brexit, Germany is planned to be the centre of EU trade, with all EU trade to be performed within the German branch. Negotiations are already underway and approaching final stage.

Backed by our competitive strengths and deep understanding of the needs of our customers, we will redeploy our resources to realize gains in efficiency and synergy and will build on the good progress we have made to provide long-term value.

#### **I.C. Non-Proprietary Brands**

Currently, the Group holds four distribution companies. Collectively, distribution companies contributed revenue and net profit after tax for the year ended 31 December 2021 of HK\$231,594,000 (31 December 2020: HK\$216,220,000) and HK\$2,249,000 (31 December 2020: HK\$3,093,000) respectively.

#### **I.D. Watches and Timepieces Business – Others**

Other non-major subsidiaries of the Group are also engaged in other non-major categories of watches and timepieces businesses, which collectively contributed revenue and net loss after tax for the year ended 31 December 2021 of HK\$34,116,000 (31 December 2020: HK\$28,247,000) and HK\$29,458,000 (31 December 2020: HK\$14,882,000), respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BANKING AND FINANCIAL BUSINESS

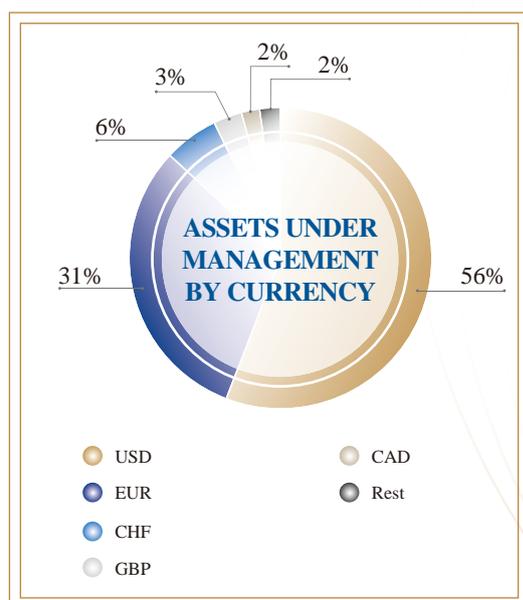
### BANKING AND FINANCIAL BUSINESS

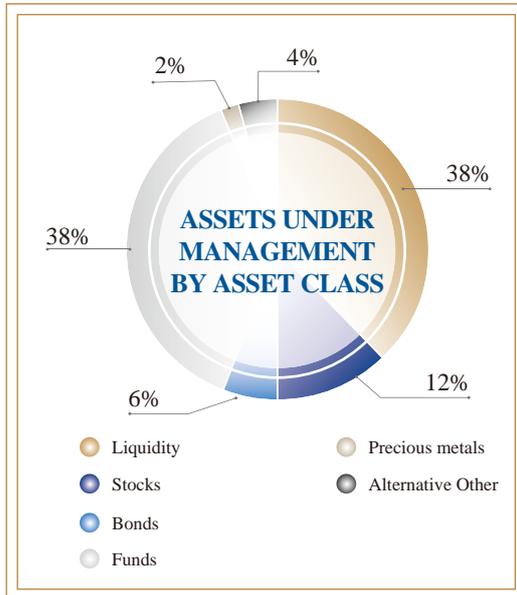
#### II.A. BENDURA BANK AG

##### ASSETS UNDER MANAGEMENT

For the year ended CHF'000,000

31 December 2019	3,672
31 December 2020	3,686
31 December 2021	4,050





Revenue of Bendura Bank AG (“Bendura Bank” or the “Bank”) and its subsidiaries (the “Bendura Group”) for the year ended 31 December 2021 was HK\$353,731,000, an increase of HK\$7,007,000 or 2.0% from HK\$346,724,000 over 2020. Net profit of the Bendura Group after tax attributable to owners of the Company for the year ended 31 December 2021 was HK\$30,602,000, compared with net loss after tax of HK\$3,633,000 in 2020. The positive result was due to recovery of economic growth and success in transitioning from transactional banking to wealth management services.

During 2021, the Bank continued to face low interest rates in Swiss Francs and Euros. Despite a further expansion of the credit volume, net interest income fell from HK\$128,028,000 in 2020 to HK\$94,164,000.

Income from commission and service fee activities of the Bank recorded HK\$223,370,000, showing an increase of 13.4% over the previous year.

Client’s assets under management of the Bank grew by CHF0.4 billion year on year, ending at CHF4.1 billion in 2021. The increase was mainly due to a pleasing net new money inflow of CHF81.59 million.

Due to increased income from foreign exchange transactions for clients on one hand and another negative valuation adjustment of an investment in the trading portfolio on the other hand, the Bank’s income from financial transactions amounted to HK\$36,197,000, about HK\$14,495,000 higher than the previous year.

Operating expenses of the Bank amounted to HK\$304,052,000, representing a decrease of 2.0% compared to prior year, primarily due to lower personnel costs.

The positive result in 2021 enables the Bank to strengthen equity by CHF2.5 million after planned profit distribution. The total capital ratio of the Bank continued to be at an above-average level for the banking industry.

# MANAGEMENT DISCUSSION AND ANALYSIS

Bendura Bank has taken various measures in the wake of the COVID-19. The Bank has successfully transitioned from transactional banking to wealth management services despite: (a) low interest rate environment in USD/GBP and negative interest rate environment in Euro/Swiss, (b) newly introduced of regulations and increasing due diligence. This transition sets up the foundation for further growth of the Bank.

In 2021, Bendura Group disposed 100% of its equity interest in its subsidiary, namely Bendura Fund Management Alpha AG as part of a restructuring measure. Since then, the entire fund management business in Bendura Group is focused on the subsidiary, Bendura Fund Management Beta AG. Bendura Fund Management Beta AG offers a complete set of offering of fund type with “Alternative Investment Fund” (AIF) and its range of services extends from consulting and structuring to the establishment and operation of AIF in its capacity as a state-licensed “Alternative Investment Fund Manager” (AIFM).

To safeguard and help employees navigate the health crisis, the Bank introduced remote working policy. Almost all employees had the option to work from home. This provides the highest level of assurance for business and operation continuity in the safest condition and to remain uninterrupted by future pandemic developments. Almost all employees could work from home if desired. Regardless of future pandemic developments, the operation of all banking processes was ensured at the highest level of “Business as usual”. E-banking has been upgraded with optimized interface design and QR scanner for fast payments processing.

As an innovative private bank, Bendura Bank continues to grow organically with regionally-focused mandates and advisory services for clients. The Bank may also forged strategic partnership with external asset manager, which showed interest to profit from the Bank’s emerging market expertise, especially the Asian Dragon mandates as one of the current new investing portfolio of the Bank.

The Bank continued to record growth in net new money inflows during 2021, which demonstrated strong growth potentials. The global economy is expected to continue to recover in 2022. The Bank will closely monitor further developments to ensure seamless service and business operations for clients. The Bank aims to keep its capital and liquidity levels stable and resilient.

## II.B SHUN HENG FINANCE HOLDING (HONG KONG) LIMITED

The Group currently conducts securities and asset management businesses supported by Shun Heng Finance Holding (Hong Kong) Limited (“Shun Heng Finance Holding”), which is 60% owned by the Group. It comprises Shun Heng Securities Limited and Hong Kong Metasequoia Capital Management Limited.

For the year ended 31 December 2021, Shun Heng Finance Holding contributed revenue and net loss after tax attributable to owners of the Company of HK\$6,230,000 (31 December 2020: HK\$10,905,000) and HK\$420,000 (31 December 2020: profit of HK\$4,535,000) respectively.

## SHUN HENG SECURITIES LIMITED

Shun Heng Securities Limited (“Shun Heng Securities”), a corporate licensed to conduct Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (the “SFO”), is mainly engaged in securities brokerage and margin businesses.

In addition to the traditional brokerage business, Shun Heng Securities has actively seek opportunities to grow through underwriting business for overseas bonds issued by Chinese enterprises. During 2021, Shun Heng Securities assisted in the completion of three private equity US dollar bond underwriting projects and one stock underwriting project. As at the end of 2021, Shun Heng Securities has successfully underwritten various bond projects with a cumulative amount of over US\$1 billion, achieving brand awareness in Hong Kong Financial Market.

## HONG KONG METASEQUOIA CAPITAL MANAGEMENT LIMITED

Hong Kong Metasequoia Capital Management Limited (“Metasequoia Capital”), a corporate licensed to conduct Type 4 (advisory on securities) and Type 9 (asset management) regulated activities under the SFO, is mainly engaged in asset management business.

Metasequoia Capital has launched two funds since its inception, namely Global Opportunities Fund and Stable Growth Fund. Global Opportunities Fund invests mainly in securities markets in Mainland China, Hong Kong and the US, with assets under management ranging from US\$10.24 million initially to approximately US\$14.32 million as at 31 December 2021. The Stable Growth Fund, launched in 2019, invests in domestic RMB bond and its assets under management reached approximately US\$6.23 million as at 31 December 2021. As at 31 December 2021, the aggregate assets under management of Metasequoia Capital was approximately US\$20,556,000 (31 December 2020: US\$18,720,000).

### III.A Listed Equity Investment

#### (1) Citychamp Dartong Company Limited

As at 31 December 2021, financial assets at fair value through other comprehensive income of the Group was HK\$504,117,000. HK\$147,133,000 was related to the listed equity investment in the equity share of Citychamp Dartong Company Limited (“Citychamp Dartong”). Citychamp Dartong is a company listed on the Shanghai Stock Exchange (Stock code: 600067) and engaged in real estate, enameled wire, banking and new energy. As at 31 December 2021, the Group owned 30,389,058 shares of Citychamp Dartong at the market price of RMB3.95 per share (equivalent to HK\$4.84 per share) with the fair value of HK\$147,133,000. The shares held by the Group accounted for 2.04% of the total issued share capital of Citychamp Dartong as at 31 December 2021. Such fair value accounted for 0.7% of the Group’s total assets.

The Group incurred a net gain on fair value change through other comprehensive income in investment in Citychamp Dartong of HK\$15,497,000 for the period ended 31 December 2021, as a result of increase in the share price of Citychamp Dartong from RMB3.65 (equivalent to HK\$4.33) as at 1 January 2021 to RMB3.95 (equivalent to HK\$4.84) as at 31 December 2021. The Group recognized dividend income of HK\$2,779,000 from Citychamp Dartong for the year ended 31 December 2021.

Due to healthy dividend yield and price appreciation, this will be the Group’s long-term investment. We are optimistic about the future prospects of the Citychamp Dartong. Given its substantial land bank reserves for development and profitability of certain business segments.

#### (2) Min Xin Holdings Limited

Investment in Min Xin Holdings Limited (“Min Xin”) (Stock code: 222) was measured at fair value through other comprehensive income. The Company intends to hold the investment on a long-term basis.

Min Xin is a company engaged in financial services, securities trading, real estate development, toll road and manufacturing. As at 31 December 2021, the investment in Min Xin was HK\$350,837,000, i.e. 88,150,000 shares at the market price of HK\$3.98 per share as at 31 December 2021. Such fair value of the investment accounted for 1.8% of the Group’s total assets. The shares held by the Company accounted for 14.76% of the total issued share capital of Min Xin as at 31 December 2021.

The Company incurred a net gain on fair value change in Min Xin’s investment of HK\$17,630,000 for the period ended 31 December 2021 (31 December 2020: net gain of HK\$51,127,000), as a result of increase in the share price of Min Xin from HK\$3.78 as at 1 January 2021 to HK\$3.98 as at 31 December 2021. For the year ended 31 December 2021, the Company’s dividend income from Min Xin was HK\$8,815,000.

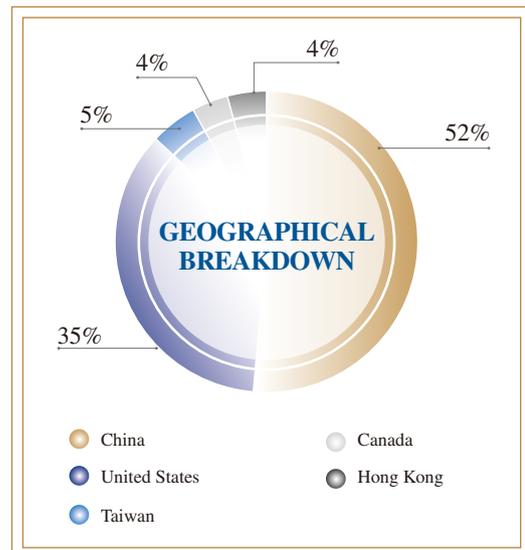
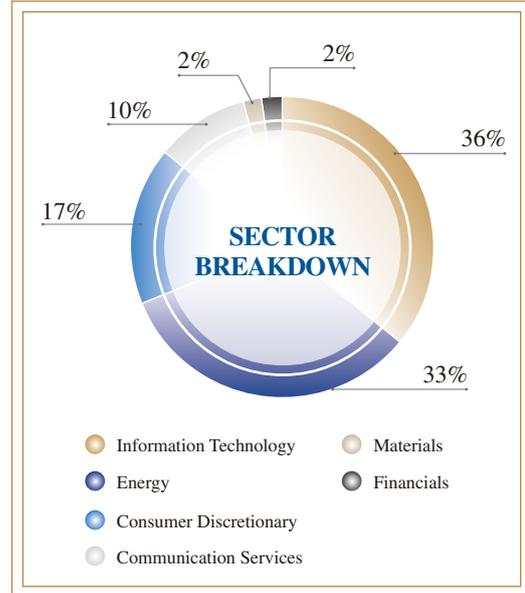
# MANAGEMENT DISCUSSION AND ANALYSIS

## III.B Property Investment

The properties in Mainland China and Hong Kong owned by the Group have been leased out, with stable stream of rental income to the Group for the year under review. During the year, these investment properties generated rental income of HK\$16,024,000 (31 December 2020: HK\$11,108,000). Net profit after tax from the property investment business for the year ended 31 December 2021 was HK\$25,423,000 (31 December 2020: HK\$15,378,000).

## III.C OTHER MARKETABLE SECURITIES

The Group has acted as the founder investor and invested USD5.12 million in “Metasequoia Investment Fund SPC – Global Opportunities Fund SP” (the “Fund”) since 15 August 2017 in order to facilitate establishing the fund management business with an initial capital of USD10.24 million and the rest of the fund was subscribed by other investors with the capital of USD5.12 million. As of 31 December 2021, the total net asset value of the Fund was USD14.18 million, which composed by USD2.58 million and USD11.60 million for the Group and other investors respectively. The composition of investments in the Fund were approximately 36.10% in information technology, 33.38% in energy, 17.27% in consumer discretionary, 10.00% in communication services, 1.69% in materials and the rest 1.56% in financial sector. Geographically, the Fund invested in companies of origin were approximately 52.21% in Mainland China, 35.58% in the US, 4.55% in Taiwan, 3.90% in Canada and the remaining 3.77% in Hong Kong. For the year ended 31 December 2021, the unrealized loss on fair value of the investment was approximately USD326,050.



## HEADQUARTER AND OTHERS

Losses from administrative expenses, finance costs and income tax of the headquarter and other non-major subsidiaries and/or non-major categories of businesses for the year ended 31 December 2021 was HK\$128,066,000 (31 December 2020: HK\$61,187,000).

## FINANCIAL POSITION

### (1) Liquidity, Financial Resources and Capital Structure

As at 31 December 2021, the Group had non-pledged cash and bank balances of approximately HK\$6,531,968,000 (31 December 2020: HK\$5,612,645,000). Based on the borrowings of HK\$1,176,635,000 (31 December 2020: HK\$1,564,822,000), due to a shareholder of HK\$12,000,000 (31 December 2020: HK\$12,000,000), due to directors of HK\$73,515,000 (31 December 2020: HK\$21,233,000), due to a related company of HK\$88,000,000 (31 December 2020: Nil), due to an associate of HK\$10,000,000 (31 December 2020: Nil) and shareholders' equity of HK\$4,361,133,000 (31 December 2020: HK\$4,418,679,000), the Group's gearing ratio (being borrowings plus due to a shareholder, directors, a related company and an associate divided by shareholders' equity) was 31% (31 December 2020: 36%).

### (2) Charge on assets

As at 31 December 2021, the Group's borrowings were mainly secured by:

- (a) corporate guarantees provided by certain subsidiaries within the Group;
- (b) equity interest of certain subsidiaries within the Group; and
- (c) a legal charge over the Group's property, plant and equipment with the carrying amount of HK\$309,573,000 (2020: HK\$310,118,000).

### (3) Capital commitment

Capital commitments as at 31 December 2021 were approximately HK\$270,000,000 in total (31 December 2020: HK\$270,000,000), for investment in an associate – Citychamp Allied International Limited and purchase of property, plant and equipment.

Except for the above, the Group had no other material capital commitments as at 31 December 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### (1) Total assets

Total assets decreased to HK\$19,962,419,000 as at 31 December 2021 from HK\$21,385,195,000 as at 31 December 2020.

#### Cash and deposits

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000	<b>Increase/(decrease) Amount HK\$'000</b>	<b>%</b>
Cash and bank balances	<b>107,175</b>	303,644	(196,469)	(64.7)
Cash held on behalf of clients	<b>122,339</b>	110,985	11,354	10.2
Sight deposits with central banks	<b>6,302,454</b>	5,198,016	1,104,438	21.2

#### Due from banks

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000	<b>Increase/(decrease) Amount HK\$'000</b>	<b>%</b>
Due from banks on a daily basis	<b>1,830,121</b>	5,229,597	(3,399,476)	(65.0)
Due from banks other claims	<b>204,332</b>	238,021	(33,689)	(14.2)
Valuation adjustments	<b>(263)</b>	(1,358)	(1,095)	(80.6)

**(2) Investments**

The investment as at 31 December 2021 included (a) trading portfolio investments of HK\$86,130,000; (b) derivative financial assets of HK\$34,608,000; (c) financial assets at amortised cost of HK\$1,852,934,000; and (d) financial assets at fair value through other comprehensive income of HK\$504,117,000 (the “Investments”).

**(a) Trading portfolio investments of HK\$86,130,000**

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000
<b>Equity Instruments</b>		
Listed equity instruments in Hong Kong at market value	626	649
Listed equity instruments outside Hong Kong at market value	3,944	4,522
<b>Total equity instruments</b>	<b>4,570</b>	5,171
<b>Debt instruments</b>		
Unlisted debt instruments of financial institutions	7,234	12,938
<b>Total debt instruments</b>	<b>7,234</b>	12,938
<b>Investment fund units</b>		
Unlisted investment fund unit	67,780	55,843
<b>Total investment fund units</b>	<b>67,780</b>	55,843
<b>Investments in other financial products</b>	<b>6,546</b>	6,358
<b>Total trading portfolio investments</b>	<b>86,130</b>	80,310

It is the objective of the Group to maintain certain level of liquidity in the form of trading portfolio investments for unplanned capital expenditure. The liquidity is usually parked with the listed equities in order to generate short term return.

As at 31 December 2021, there were HK\$626,000 invested in a variety of listed equities in Hong Kong and HK\$3,944,000 invested in Mainland China and overseas markets.

The debt instruments of HK\$7,234,000 invested in the Mainland China by PRC company.

Trading assets of CHF1.1 million (equivalent to HK\$9,558,000) represents the single investment by Bendura Bank in the form of an unlisted investment fund. Bendura Bank acquired above trading assets from a professional counterparty in March 2019. The investment policy of Bendura Bank AG includes strict implementation of the investment process and is subject to constant review by the investment committee.

Investments in other financial products consist of the financial product investments of HK\$6,546,000 invested by Eternal Brands.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (b) Derivative financial assets of HK\$34,608,000

	31 December 2021 HK\$'000	31 December 2020 HK\$'000
<b>Derivative financial assets</b>		
Forward and option contracts	<b>34,608</b>	29,224

In the derivative financial assets of HK\$34,608,000, there were forward and option contracts conducted by Bendura Bank.

Bendura Bank offers derivative products including currency forwards and swaps to its clients. These derivative positions were managed through entering back-to-back deals with external parties to ensure that remaining exposures are within acceptable risk levels. First-rate banks serve as counterparties, as is generally the case in trading business. It is not the objective of Bendura Bank to speculate the gain on the change in the price by conducting forward and option contracts without having invested in the underlying assets.

As at 31 December 2021, forward contracts of HK\$34,608,000, whereof HK\$7,688,000 relate to FX swaps entered by Bendura Bank. Based upon risk/return considerations, client deposits denominated in foreign currencies were, in part, no longer invested on the interbank market but were swapped into Swiss francs or Euro using currency swaps and deposited with the Swiss National Bank (SNB) and Austrian National bank (OenB) accordingly. Income from the interest component of currency swaps exceeded the expense of SNB/OenB negative interest and the reduced level of interest from banks.

At as 31 December 2020, derivative financial assets of HK\$29,224,000 related to forward and option contracts conducted by Bendura Bank.

### (c) Other financial assets at amortised cost of HK\$1,852,934,000

	31 December 2021 HK\$'000	31 December 2020 HK\$'000
<b>Listed debt instruments, at amortised cost</b>		
<i>Issued by:</i>		
Governments and public sector	<b>334,076</b>	84,447
Financial institutions	<b>1,014,986</b>	1,053,351
Corporations	<b>503,872</b>	312,088
	<b>1,852,934</b>	1,449,886

BENDURA BANK AG invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$1,852,934,000. The portfolio was composed of 90 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium-grade and are subject to low credit risk. The average remaining term of the HTM portfolio is 1.95 years, while the modified duration of the portfolio is only 1.70%. Largest single investments are bonds issued by UK Treasury Bill (CHF15 million) and ESM Treasury Bill (CHF13 million). Both issuers are double-A rated. Risk concentration is analyzed and presented to the senior management on a monthly basis.

Relatively major listed debt instruments as at 31 December 2021 are as follows:

<b>Issuer</b>	<b>Nature of interest rate</b>	<b>Sector</b>	<b>Maturity date</b>	<b>Value (CHF'000)</b>
Deutsche Bank Ag	Floating	Financial corporations	16 May 2022	7,267
Bank Of Nova Scotia	Floating	Financial corporations	05 October 2022	7,802
Abn Amro Bank Nv	Floating	Financial corporations	19 July 2022	7,310
Amazon.Com Inc	Fixed	Corporations	12 May 2026	7,198
Dbz Bank Ltd	Fixed	Financial corporations	26 October 2026	9,082
Henkel Ag & Co Kga	Fixed	Corporations	17 November 2026	7,237
Intl Bk Recon & Develop	Fixed	Financial corporations	19 March 2024	9,441
Uk Treasury Bill Gbp	Zero Coupon	General governments	21 March 2022	14,806
Esm Tbill	Zero Coupon	General governments	10 March 2022	13,496
Others				133,285
<b>Total</b>				<b>216,924</b>
<b>HKD Equivalent to (in '000)</b>				<b>1,852,934</b>

Collectively, listed debt instruments, at amortised cost accounted for 9.3% of the Group's total assets.

As at 31 December 2020, Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$1,449,886,000, the portfolio was composed of 79 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium grade and are subject to low credit risk. Largest single investments are bond issued by European Investment Bank (CHF11 million) and followed by International Bank for Reconstruction and Development (CHF9 million). Both are triple-A issuers. Risk concentration is analyzed and presented to the senior management on a monthly basis.

Relatively major listed debt instruments as at 31 December 2020 are as follows:

<b>Issuer</b>	<b>Nature of interest rate</b>	<b>Sector</b>	<b>Maturity date</b>	<b>Value (CHF'000)</b>
Bank of Montreal	Fixed	Financial corporations	22 December 2023	5,000
China Merchants Bank/Lux	Fixed	Financial corporations	19 June 2022	5,407
Abn Amro Bank Nv	Floating	Financial corporations	19 July 2022	7,071
Deutsche Bank Ag	Floating	Financial corporations	16 May 2022	7,566
Bank of Nova Scotia	Floating	Financial corporations	5 October 2022	8,166
Intl Bk Recon & Develop	Fixed	Financial corporations	19 March 2024	8,830
European Investment Bank	Floating	Financial corporations	24 March 2021	10,608
Others				112,391
<b>Total</b>				<b>165,039</b>
<b>HKD Equivalent to (in '000)</b>				<b>1,449,886</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### (d) Other financial assets at fair value through other comprehensive income of HK\$504,117,000

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000
Listed equity instruments in Hong Kong	<b>350,837</b>	333,207
Listed equity instruments outside Hong Kong	<b>147,133</b>	131,636
Unlisted equity investment	<b>6,147</b>	5,951
	<b>504,117</b>	470,794

Listed equity instruments of HK\$147,133,000 related to investment in Citychamp Dartong and HK\$350,837,000 related to investment in Min Xin. Details of investments in Citychamp Dartong and Min Xin are set out from page 22 of this report.

### (3) Goodwill and Intangible assets

#### (a) Goodwill

Goodwill is arising from business combinations, and capitalised as assets in the consolidated statement of financial position. The Group engages professional valuer to conduct impairment testing on individual cash generating units (“CGUs”) every financial year. As at 31 December 2021, the net carrying amount of goodwill was HK\$1,151,788,000 (As at 31 December 2020: HK\$1,144,071,000), which mainly composed of the following CGUs:

		<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000
<b>Segment</b>			
Zhuhai Rossini Watch Industry Limited	Watches and timepieces	<b>670,859</b>	649,530
Bendura Group	Banking Business	<b>262,086</b>	269,549
Ernest Borel Group	Watches and timepieces	<b>215,763</b>	221,912
Others		<b>3,080</b>	3,080
<b>Total</b>		<b>1,151,788</b>	1,144,071

The increase in Goodwill was solely due to the exchange rate difference between foreign currencies and Hong Kong Dollar as at 31 December 2020 and 31 December 2021 respectively.

**(b) Intangible assets**

Intangible assets are arising from business combinations, and capitalised as assets in the consolidated statement of financial position. They included supplier and distribution networks, brand names, patents and trading rights. As at 31 December 2021, the net carry amount of intangible assets was HK\$52,411,000 (As at 31 December 2020: HK\$54,415,000), which allocated to the following category:

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000
Supplier and distribution networks	<b>183</b>	833
Brand Names	<b>44,982</b>	46,336
Trading Rights	<b>7,246</b>	7,246
<b>Total</b>	<b>52,411</b>	54,415

Brand name with indefinite useful lives amounted to HK\$44,982,000 are attributable to the CGU of Ernest Borel Group and the decrease in the value of brand names was solely due to the exchange rate difference between foreign currency and Hong Kong Dollar as at 31 December 2020 and 31 December 2021 respectively.

**(4) Total liabilities**

Total liabilities decreased to HK\$15,338,879,000 as at 31 December 2021 from HK\$16,648,968,000 as at 31 December 2020, mainly attributable to an decrease in due to clients.

**Due to clients**

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000	<b>Increase/(decrease) Amount HK\$'000</b>	%
Due to clients – precious metals	<b>121,250</b>	130,119	(8,869)	(6.8)
Other amounts due to clients, mainly bank deposits	<b>12,629,042</b>	13,835,358	(1,206,316)	(8.7)

**(5) Gross profit from non-banking and financial businesses**

Gross profit from non-banking and financial businesses was HK\$825,914,000, a increase of HK\$56,399,000, or 7.3%.

**(6) EBITDA**

EBITDA was HK\$110,966,000, a decrease of HK\$210,000 or 0.2%.

**(7) Selling and distribution expenses**

Total selling and distribution expenses was HK\$535,895,000, a decrease of HK\$14,533,000 or 2.6%.

**(8) Administrative expenses**

Total administrative expenses was HK\$698,022,000, a decrease of HK\$30,410,000 or 4.2%.

**(9) Share of profit of associates**

The share of profit of Fair Future Industrial Limited (“Fair Future”), a 25% owned associate of the Group, was HK\$323,000, representing a decrease of HK\$2,857,000 or 89.8%. Fair Future is one of the leading OEM quartz watch manufacturers in Mainland China.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (10) Finance costs from non-banking business

Finance costs from non-banking business was HK\$67,351,000, representing a decrease of HK\$15,605,000 or 18.8%. It was composed of the interest charged on corporate bonds and the interest charged on bank borrowings, bank overdrafts and lease liabilities.

## (11) Loss/profit attributable to owners of the Company

Loss attributable to owners of the Company was HK\$100,907,000 (31 December 2020: loss of HK\$169,233,000) for the year ended 31 December 2021.

## (12) Inventories

Inventories was HK\$2,193,281,000, a decrease of HK\$62,272,000 or 2.8%.

## THE IMPACT OF THE COVID-19 ON THE GROUP

The COVID-19 was firstly reported in late 2019 and has been spreading throughout the world continuously till now. The COVID-19 has brought adversely impacted supply and demand of a large number of industries and hence global economy in general.

To overcome the adverse impacts of the COVID-19, the watch and timepieces businesses have adopted a number of strategies, including implementation of employee optimization, operation cost control, investigation of new sales model, exploring new distribution channels such as e-commerce and new retailing tactics, shortening production time to increase inventory turnover, etc. Starting from late 2021, with the development and implementation of the vaccine and the herd immunity due to massive infection rates in a number of countries, particularly the US and the European countries, it appeared that the COVID-19 has been gradually contained all over the world. Mainland China has demonstrated satisfactory results controlling the COVID-19 and recorded economic recovery. However, global recovery of other countries still considers as weak but the medium-term forecasts of the global economy are favorable. The improved performance in our watch and timepieces businesses in 2021 was a strong evidence. The COVID-19 led to new opportunities in e-commerce as customer behavior has been changed due to the social distancing measures. Our longstanding preparation efforts on e-commerce development has began to bear fruit and become one of our important competitive advantage. For banking business, the COVID-19 led to limited operation of Bendura Bank and reduction in client interaction which adversely affected its revenue last year. To overcome this situation, Bendura Bank pushed its digital transformation for the employees to have full access to all necessary information when working at home. In May 2021, the revised design of e-Banking version was launched, which enables rapid and registered access to archive data. This led to a substantial improvement in efficiency and reduction in the response time for customers. In addition, Bendura Bank focused more on online marketing which improves the effectiveness in communication that leads to a closer relationship with its clients.

The surge in imported cases and domestic infectious rebound have greatly impacted businesses across the globe. The current uncertainty and disruption are likely to prevail until advancement of herd immunity through vaccination or development of effective drugs.

## OUTLOOK

Every corner of the world is affected by importation of cases and resurgence of domestic infection. It is likely the world still needs to deal with it for a prolonged period of time until it becomes endemic like the flu (immunity due to the infection), when the global vaccination rates are sufficiently high or when the generic versions of effective drugs are available to all countries.

Infection rates remain very high in Europe, the US and Latin America and new variants of the virus have spread exponentially. Coupled with the deployment of multiple vaccines and effective drugs, the COVID-19 would hopefully be tackled before the end of year 2022. Our focus will therefore remain on maintaining agility and flexibility to face potential impacts should the COVID-19 continue beyond 2022. We are also considering the impact of the military invasion in Ukraine that began in late February 2022, the tough economic sanctions against Russia from the west, and the Russia's retaliation against sanctions by cutting off the supply of oil and gas to European countries.

In response to accelerated digital penetration, Rossini and EBOHR and advanced direct-to-consumer (D2C) strategies R&E have significantly strengthened their omni-channel capabilities. They have also deployed innovative digital engagement models to promote products, such as live stream videos via online platforms like TikTok, Tmall, or WeChat, allowing social media engagement to drive purchases. Brand reputations are also established through key opinion leaders (KOL) or between consumers. Both companies leverage the key post-COVID-19 trend and to further strengthen our unique and comprehensive e-commerce initiatives.

Bendura Bank expanded its online marketing onto Google, LinkedIn and YouTube to target specific clients such as wealthy private individuals, medium-sized companies and intermediates. It will continue to emphasize its existing strategy as a highly specialized niche player, capturing the needs of international clients by expanding the advisory and investment services offering.

We have adopted a new mindset and taken the COVID-19 as a valuable opportunity and lesson that we maintain our adaptability in the face of COVID-19 and be prepared to take necessary measures to manage the economic impact.

## **EMPLOYEES AND REMUNERATION POLICY**

Our sustained success would not be possible without the high levels of expertise, professionalism and commitment shown by our employees.

As at 31 December 2021, the Group had approximately 4,100 fulltime staff in Hong Kong and Mainland China and approximately 260 fulltime staff in Europe. The remuneration packages offered to the employees were determined and reviewed on an arm's length basis with reference to the market condition and individual performance. The Group also provides other benefits to its employees, including year-end double pay, medical insurance and retirement benefits, and incentive bonuses are offered with reference to the Group's operating results and employees' individual performance. All employees of the Group in Hong Kong have joined the provident fund schemes. Employees of Group's subsidiaries in Mainland China also have participated in social insurance scheme administrated and operated by local authorities and contributions were made according to the local laws and regulations.

## **APPRECIATION**

Our financial performance and strategic moves reflected the joint efforts of the board and management in successfully pursuing our mission. I would like to express my deep gratitude to our employees, customers, suppliers, bankers, professional consultants, business partners, and shareholders for their support.

# DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS



**HON Kwok Lung, BBS**  
*Chairman*

Mr. Hon Kwok Lung, aged 68, joined the Board in April 2004. He is the chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. Hon was the Chairman of Citychamp Dartong Company Limited (“Citychamp Dartong”), the shares of which are listed on the Shanghai Stock Exchange with stock code 600067 in Mainland China, during the period from November 2001 to January 2017. Mr. Hon is still the actual controller of Citychamp Dartong. Citychamp Dartong is principally engaged in property development and manufacturing and sale of enamelled copper wires in Mainland China. Mr. Hon has extensive business experience in Mainland China, Hong Kong and Europe. Mr. Hon is an Executive Member of All-China Federation of Returned Overseas Chinese Committee and the Executive Vice President of China Federation of Overseas Chinese Entrepreneurs. Mr. Hon is also appointed as director of various subsidiaries of the Company, including Bendura Bank AG. Mr. Hon is father of Mr. Hon Hau Wong, father-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim and brother-in-law of Mr. Lam Toi Man.



**SIU Chun Wa**  
*Co-Chief Executive Officer*

Mr. Siu Chun Wa, aged 60, joined the Board in January 2022. He is a member of the nomination committee and the remuneration committee of the Company. He holds a master’s degree in management from Dongbei University of Finance and Economics in China. Mr. Siu has extensive knowledge and rich experience in corporate and investment management. Mr. Siu successively served as the assistant to president, director, vice president and secretary to the board of directors of First Capital Securities Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002797). He also held the positions including the chairman, general manager of Beijing Decheng Xingye Real Estate Development Co., Ltd.. Currently, Mr. Siu is the chairman of the supervisory committee of Dartong (Fujian) Advanced Materials Co., Ltd.

## HAO Xiaohui

*Co-Chief Executive Officer*



Mr. Hao Xiaohui, aged 57, joined the Board in January 2022. He is a member of the risk management committee of the Company. He has extensive experience in domestic and international investment and financing management. Mr. Hao has spent many years engaging in international trade, international finance, investment banking and other financial businesses and is specialized in private education investment and financing business. In the past three decades, he has successively held various senior management positions in various Chinese banks domestically and overseas, including being appointed as the general manager at the New York branch of the Bank of Communications in March 2010 and the deputy chief executive officer at the Hong Kong branch of the Bank of Communications in February 2014. In addition, from April 2016 to January 2018, he was the executive president of China First Capital Group Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, Stock Code: 1269) and the chairman of First Capital Fund Management Company Limited. From February 2018 to April 2020, Mr. Hao served as the president and chairman of Yuanyin International Limited. From September 2020 to February 2021, Mr. Hao served as non-executive director and vice chairman of the board of director at China Chunlai Education Group Co., Ltd. (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, Stock Code: 1969). Mr. Hao holds a bachelor's degree from the department of trade at the Henan University of Economics and Law, a master's degree in finance from Xiamen University and a master's degree in international financial management from the Business School of Northumbria University, United Kingdom.



## SHI Tao

Mr. Shi Tao, aged 59, joined the Board in April 2004. Mr. Shi holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Engineering from Wuhan University of Technology (formerly known as Wuhan Industrial University). Mr. Shi has years of business experience in Mainland China. He was an Executive Director of New Capital International Investment Limited, a company listed on the main board of the Stock Exchange. Mr. Shi is a member of the risk management committee of the Company and director of various subsidiaries of the Group.



## BI Bo

Mr. Bi Bo, aged 43, joined the Board in August 2010. Mr. Bi received a degree of Master of Science (Finance) from The Johns Hopkins University in May 2006. Prior to joining the Group, he was a senior actuarial assistant (supervisor) in Carefirst Bluecross Blueshield, working on actuarial valuation and risk management of insurance company. He qualifies as an associate of the Society of Actuaries (ASA) in 2009. He also has years of experience in M&A activities. Mr. Bi is also a member of the risk management committee of the Company and director of various subsidiaries of the Group.

# DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

### SIT Lai Hei



Ms. Sit Lai Hei, aged 44, joined the Board in November 2004. She was appointed as a Non-executive Director of the Company in November 2004 and re-designated as an Executive Director of the Company on 26 March 2012. Ms. Sit graduated in Fuzhou University taking Marketing as her major and is a qualified assistant engineer in Mainland China. Ms. Sit obtains an Executive Master of Business Administration from Peking University in January 2022. Ms. Sit is also a Director of Citychamp Dartong, the shares of which are listed on the Shanghai Stock Exchange, and the legal representative and director of Fujian Fengrong Investment Co., Ltd. Ms. Sit is the daughter-in-law of Mr. Hon Kwok Lung, a niece-in-law of Mr. Lam Toi Man and sister-in-law of Mr. Hon Hau Wong and Mr. Teguh Halim. Ms. Sit is also the chairman of the risk management committee of the Company and director of various subsidiaries of the Group.

### HON Hau Wong



Mr. Hon Hau Wong, aged 44, joined the Board in August 2014. Mr. Hon graduated from Tongji University and holds a bachelor degree in Engineering Management. He had also served as the Deputy Chairman of Citychamp Dartong, the shares of which are listed on the Shanghai Stock Exchange, since August 2006, and have been elected to be the Chairman of Citychamp Dartong since January 2017. He has extensive experience in the real estate industry in Mainland China. He is currently a member of Fujian Province Committee of the Chinese People's Political Consultative Conference and a standing member of Beijing Haidian Committee of the Chinese People's Political Consultative Conference. Mr. Hon Hau Wong is a son of Mr. Hon Kwok Lung, a nephew of Mr. Lam Toi Man and brother-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim.

### Teguh HALIM



Mr. Teguh Halim, aged 40, joined the Group in October 2008 and has been appointed as an Executive Director of the Company since 23 January 2018. Before being appointed as an Executive Director of the Company, he was an Vice President of the Company. Mr. Halim is also the director of several subsidiaries of the Company engaged in watch business. Mr. Halim has also been appointed as the vice chairman of Ernest Borel Holdings Limited (stock code: 1856, "Ernest Borel"), a subsidiary of the Company, with effect from 12 October 2018 and has been re-designated as chairman of Ernest Borel with effect from 5 January 2022. He has gained years of experience in the watch manufacturing and distribution industry and business management. Mr. Halim graduated from Ohio State University as bachelor of science in business administration majoring in accounting. Mr. Halim is the son-in-law of Mr. Hon Kwok Lung, nephew-in-law of Mr. lam Toi Man and brother-in-law of Ms. Sit Lai Hei and Mr. Hon Hau Wong.

## INDEPENDENT NON-EXECUTIVE DIRECTORS



### **KWONG Chun Wai, Michael**

Dr. Kwong Chun Wai, Michael, aged 57, joined the Board in April 2004 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Dr. Kwong is a fellow of the International Institute of Management, a member of the Hong Kong Institute of Marketing, a business strategist specialising in the area of marketing and business administration. Dr. Kwong obtained a Bachelor of arts degree with honours in philosophy from the University of Nottingham in the United Kingdom in 1987 and a Doctorate degree in business administration from Newport University (US) in 2001.



### **ZHANG Bin**

Mr. Zhang Bin, aged 57, joined the Board in November 2014 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. Zhang is currently a partner of Beijing Hylands Law Firm (“Hylands”). He obtained a degree of Bachelor of Laws from Fudan University in Shanghai in 1986 and was qualified as a lawyer in China in 1988 and had served as a legal advisor in a large scale state-owned enterprise for years upon his graduation. Before joining Hylands in 2008, he worked in law firms in Beijing, London and Hong Kong. Mr. Zhang is involved in a wide range of areas of practice and has accumulated tremendous experiences in legal affairs in respect of financial investments, real estates and intellectual property rights.

# DIRECTORS AND SENIOR MANAGEMENT

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### KAM, Eddie Shing Cheuk

Mr. Kam, Eddie Shing Cheuk (formerly known as Kam Leung Ming), aged 47, joined the Board in November 2020 and is the chairman of the audit committee and the remuneration committee and a member of the nomination committee of the Company. He holds a bachelor's degree in accountancy and a master's degree in corporate governance from the Hong Kong Polytechnic University. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of The Institute of Chartered Accountants in England and Wales, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Chartered Governance Institute. Mr. Kam has over 24 years of experience in auditing, professional accounting and worked for several Hong Kong listed companies of various industries and served senior roles in financial management and secretarial functions.

Mr. Kam is currently an executive director and company secretary of Get Nice Holdings Limited (“Get Nice”), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), Stock Code: 64); an independent non-executive director of Ever Harvest Group Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 1549) and Genes Tech Group Holdings Company Limited (a company listed on the Growth Enterprise Market of the Stock Exchange, Stock Code: 8257). He is an independent non-executive director of Xiezhong International Holdings Limited (a company previously listed on the Main Board of the Stock Exchange, Stock Code: 3663) since 16 December 2020. He is a non-executive director of Pangaea Connectivity Technology Ltd. (a company listed on the Main Board of the Stock Exchange, Stock Code: 1473) since 19 February 2021. He was an independent non-executive director of Casablanca Group Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 2223) from April 2015 to May 2017 and also an executive director and company secretary of Get Nice Financial Group Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 1469) from September 2015 to April 2017.

Mr. Kam was appointed as a director of the board of directors of the 6th Term Guangzhou Overseas Friendship Association Committee in March 2013, a committee member of the Chinese People's Political Consultative Conference Shanghai Committee (Baoshan District) in December 2016 and a director of the board of directors of the 7th Term Shenzhen Overseas Friendship Association Committee in 2017.



### LI Ziqing

Mr. Li Ziqing, aged 70, joined the Board in November 2020 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. He graduated from Peking University, and he is a senior economist. From 1981 to 1982, he worked in the General Bureau of Bank of China Headquarters. From September 1982 to March 1998, he served as a cadre of the Foreign Exchange Division and Deputy Director of the Information Department of the State Administration of Foreign Exchange of the People's Republic of China. From March 1998 to 2013, he served as the Vice President and Party Committee Member of China Everbright Bank (“Everbright Bank”) and he served as Vice President and Chairman of Everbright Financial Leasing Company from 2010 to 2013. In addition, during the tenure of Mr. Li at Everbright Bank, he has been in charge of several departments including the Development Research Department, Accounting Department, Retail Business Department, Wealth Center, Credit Card Department, Financial Market Department, Investment Banking Department, and Technology Department, etc.. Among them, the credit card department, investment banking department, wealth center and the leasing company were founded by Mr. Li. Mr. Li also led Everbright Bank to issue the first wealth management products in the banking industry.



## SENIOR MANAGEMENT



### FONG Chi Wah

Mr. Fong Chi Wah, aged 59, is the Chief Financial Officer and Company Secretary of the Company. Mr. Fong is also a director of various subsidiaries of the Company, including Bendura Bank AG. Mr. Fong is a fellow member of HKICPA, a fellow member of CPA Australia, a Chartered Financial Analyst, a member of the Institute of Certified Management Accountants, Australia and a fellow of the Hong Kong Institute of Directors. Mr. Fong has over 25 years of extensive experience in various sectors of the financial industry, including direct investment, project and structured finance, and capital markets with focus on Mainland China and Hong Kong. Mr. Fong was a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. He joined the Company in September 2004.



### LU Jun

Mr. Lu Jun, aged 58, has been appointed as the Vice President of the Company since October 2014. He currently serves as the General Manager of Guangzhou Five Goat Watch Company Limited, the Chairman of The Dreyfuss Group Limited and the CEO of Eterna Movement AG, all of which are subsidiaries of the Company. Mr. Lu holds a master degree in Executive Master of Business Administration from Tianjin University of Finance & Economics. He had been working for Tianjin Watch Factory (currently known as Tianjin Seagull Watch Co., Ltd, "Tianjin Seagull") since 1983 and acting as the General Manager of Tianjin Seagull for almost four years before joining the Company. Mr. Lu has engaged in the domestic and overseas watch industry for more than 30 years and possesses tremendous experiences in business administration and international trading.



### LAM Lai

Ms. Lam Lai, aged 43, has been appointed as the Vice President of the Company in April 2021. She is also the director of various subsidiaries of the Company, including Bendura Bank AG and VGB Limited. Ms. Lam joined the Company in 2008 and served as investment manager and CEO assistant, mainly responsible for merger and acquisition projects as well as business development. Ms. Lam is currently an Executive Director and Authorized Representative of Ernest Borel and a Non-executive Director of Dragon Mining Limited (Stock code: 1712). Ms. Lam graduated from University of Western Sydney in 2001 with a bachelor degree of business majoring in marketing.

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# CORPORATE GOVERNANCE REPORT

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## CORPORATE GOVERNANCE CODE

The Company is committed to maintain a standard of corporate governance that is consistent with market practices.

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) and Corporate Governance Report as set out in Appendix 14 to the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the year ended 31 December 2021 except with the details disclosed below:

(i) **CG Code E.1.2**

CG Code E.1.2 stipulates that the Chairman of the board of directors (the “Board”) should attend the annual general meeting of the Company. The Chairman of the Board was unable to attend the annual general meeting of the Company held on 28 May 2021 (the “AGM 2021”) due to other business engagement.

(ii) **CG Code A.6.7**

CG Code A.6.7 stipulates that independent non-executive directors should generally attend general meetings. Two independent non-executive directors of the Company (the “Independent Non-executive Director”) did not attend the AGM 2021 due to travel restrictions under COVID-19.

The Chairman of the Board and Independent Non-executive Directors will endeavor to attend all future general meetings of the Company unless unexpected or special circumstances preventing them from doing so. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are properly regulated.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conducts for securities transactions by Directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2021.

## BOARD OF DIRECTORS

The principal focus of the Board is on the overall strategic development and direction of the Group. The Board also monitors the financial performance and the internal controls of the Group’s business operations. Moreover, the Board is responsible for performing the corporate governance duties. The Board has established a clear segregation of duties and responsibilities between the Board and the management as to which types of decisions are to be taken by the Board and which are to be delegated to management. This segregation of duties and responsibilities will be regularly reviewed by the Board. With the Chairman as a facilitator in the establishment that promotes discussion among Directors, all the Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the board functions.

### Size, Composition and Diversity of the Board

The Board currently comprises of eight Executive Directors and four Independent Non-executive Directors, as detailed below:

Name of Director	Position	Date of first appointment to the Board	Date of last re-election as Director
HON Kwok Lung	Chairman/Executive Director	08/04/2004	30/05/2019
SIU Chun Wa	Co-Chief Executive Officer/ Executive Director	05/01/2022	N/A*
HAO Xiaohui	Co-Chief Executive Officer/ Executive Director	05/01/2022	N/A*
SHI Tao	Executive Director	08/04/2004	28/05/2021
BI Bo	Executive Director	24/08/2010	30/05/2019
SIT Lai Hei	Executive Director	18/11/2004	28/05/2021
HON Hau Wong	Executive Director	29/08/2014	30/06/2020
Teguh HALIM	Executive Director	23/01/2018	28/05/2021
KWONG Chun Wai, Michael	Independent Non-executive Director	08/04/2004	28/05/2021
ZHANG Bin	Independent Non-executive Director	26/11/2014	30/06/2020
KAM, Eddie Shing Cheuk	Independent Non-executive Director	06/11/2020	28/05/2021
LI Ziqing	Independent Non-executive Director	06/11/2020	28/05/2021

\* This director will hold office only until the forthcoming annual general meeting of the Company and shall be eligible for re-election at that meeting.

Save as mentioned below, there is no relationship among members of the Board:

- (i) Mr. Hon Kwok Lung is father of Mr. Hon Hau Wong and father-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim.
- (ii) Ms. Sit Lai Hei is the daughter-in-law of Mr. Hon Kwok Lung and sister-in-law of Mr. Hon Hau Wong and Mr. Teguh Halim.
- (iii) Mr. Hon Hau Wong is a son of Mr. Hon Kwok Lung and brother-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim.
- (iv) Mr. Teguh Halim is the son-in-law of Mr. Hon Kwok Lung and brother-in-law of Ms. Sit Lai Hei and Mr. Hon Hau Wong.

Profiles of Directors are set out in the pages 33 to 37 of this annual report.

# CORPORATE GOVERNANCE REPORT

## Board Diversity Policy

The Company recognises and embraces the benefits of diversity of board members to enhance the quality of its performance. The Company upholds that a high performing board is one that composes directors with the combination of competencies and diversity of perspectives aligning with the Company's strategy and objectives, and which is in the best position to deal with the key issues that the Company faces.

A board diversity policy (the "Board Diversity Policy") was adopted by the Company in order to set out the approach to achieve diversity of the Board, a summary of which is set forth on page 67 of this annual report.

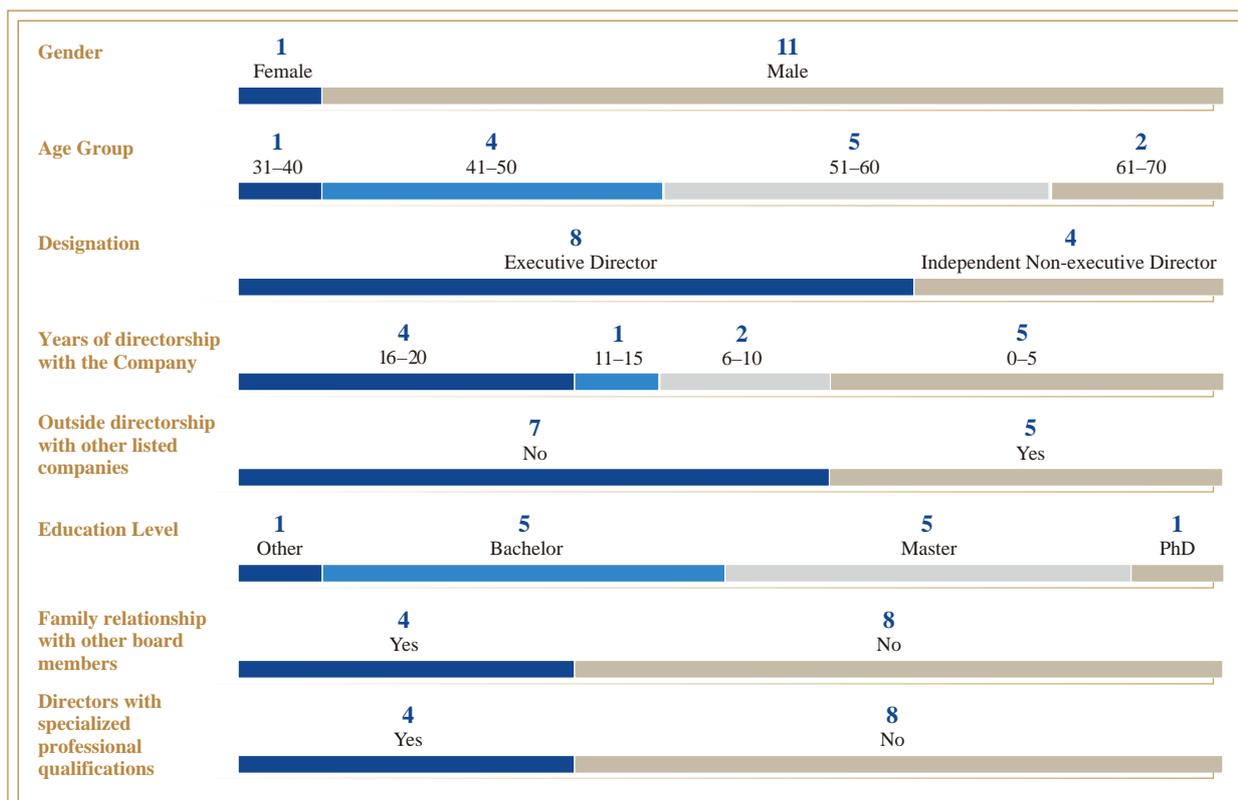
With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All board appointments will be made on a merit basis but the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, independence from or relationship with other members of the Board, experience (professional or otherwise), skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The nomination committee of the Company (the "Nomination Committee") will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

A diversity analysis of the existing board composition is set out at the chart below:

## Board Diversity

(no. of members)



### **Nomination of Board Members and Nomination Policy**

The Company adopted a nomination policy (the “Nomination Policy”), aiming to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company’s business. The Nomination Policy sets out, among others, factors that will be given due consideration to in assessing, selecting and recommending candidates for directorship to the Board and the nomination procedures, details of which are set out on pages 64 to 66 of this annual report.

For every newly appointed director, the Company will provide comprehensive, formal and tailored induction on appointment, including but not limited to, briefing from external lawyers about the governance policies of the Company, responsibilities of directors under applicable rules and regulations. He/she will also receive an information pack and has a chance to meet with the Company’s management. If necessary, the Board members have access to external professional advice at the Company’s expense.

### **Independent Non-executive Directors**

One of the Independent Non-executive Directors possesses appropriate professional accounting qualifications and financial management expertise.

With a wide range of expertise and a balance of skills, the Independent Non-executive Directors bring independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct through their participating in board meetings and committee work.

The views of the Independent Non-executive Directors carry significant weight in the Board’s decision-making process. The Board considers that each Independent Non-executive Director is independent in character and judgment and that they all meet the specific independent criteria as required by the Listing Rules. The assessments of the independence of Independent Non-executive Directors are carried out upon appointment and annually pursuant to Rule 3.13 of the Listing Rules and at any other time where the circumstances require special consideration.

### **Chairman and Chief Executive Officer**

The posts of Chairman and CEO are segregated and each of them plays a distinct role. The segregation of such two roles ensures a clear division between the respective responsibilities of the Chairman and the CEO. The Chairman, Mr. Hon Kwok Lung, is mainly responsible for setting direction and strategies of the business development, and leading and managing the Board. The ex-CEO, Mr. Shang Jianguang, undertakes, and now the Co-CEOs, Mr. Siu Chun Wa and Mr. Hao Xiaohui, undertake, a supervisory role to manage the day-to-day operation and business of the Group.

### **AGM, Board Meetings and Board Practices**

The Board meets regularly throughout the year to review the overall strategy, discuss business opportunities and to monitor the operation as well as the financial performance of the Group. With the assistance of the Company Secretary, the Chairman and the CEO/Co-CEOs is/are primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all Directors. Notice of at least 14 days have been given to all Directors for all regular board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all Directors within reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by the Company Secretary. All Directors have access to board papers and related materials and are promptly provided with adequate information, which enable the Board to make an informed decision on matters placed before it.

# CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2021, four board meetings and two general meetings were held and the individual attendance of each Director is set out below:

Name of Directors	Attendance/Number of Meetings Held		
	Board Meetings	AGM 2021	EGM
<b>Executive Directors:</b>			
HON Kwok Lung	4/4	0/1	0/1
SHANG Jianguang*	4/4	0/1	0/1
SHI Tao	3/4	0/1	0/1
LAM Toi Man*	4/4	1/1	1/1
BI Bo	4/4	1/1	1/1
SIT Lai Hei	4/4	1/1	0/1
HON Hau Wong	0/4	0/1	0/1
Teguh HALIM	4/4	1/1	1/1
<b>Independent Non-executive Directors:</b>			
KWONG Chun Wai, Michael	4/4	1/1	1/1
ZHANG Bin	3/4	0/1	0/1
KAM, Eddie Shing Cheuk	4/4	1/1	1/1
LI Ziqing	4/4	0/1	0/1

\* resigned on 5 January 2022

## Re-election of Directors

All Independent Non-executive Directors of the Company were appointed for a specific term and are subject to the relevant provisions of the Articles of Association of the Company whereby the Directors shall retire by rotation.

According to Article 99 of the Articles of Association of the Company, any Director appointed as an addition to the Board shall hold office only until the following general meeting of the Company and shall be eligible for re-election at that meeting. Further, according to Article 116 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation. Every Director should be subject to retirement by rotation at least once every three years. To enable shareholders of the Company to make an informed decision on the re-election of retiring directors at the forthcoming annual general meeting, their biographies are set out in the circular of the Company dated 29 April 2022.

## Continuing Professional Development

All Directors participate in continuous professional development to develop and refresh their knowledge and skills, so as to ensure that their contribution to the Board remains informed and relevant.

To facilitate the Directors to discharge their responsibilities, monthly updates and reference materials are provided to Directors for their reading including the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime, the business and market changes, the strategic development of the Group and the information on directors' training courses. Directors are also encouraged to attend outside talks and seminars to enrich their knowledge and skills in discharging their duties.

**Directors' participation of continuous professional development**

<b>Directors</b>	<b>Attending outside trainings/ seminars</b>	<b>Reading monthly updates and reference materials</b>
<b>Executive Directors</b>		
HON Kwok Lung		✓
SHANG Jianguang*		✓
SHI Tao		✓
LAM Toi Man*		✓
BI Bo		✓
SIT Lai Hei	✓	✓
HON Hau Wong		✓
Teguh HALIM		✓
<b>Independent Non-executive Directors</b>		
KWONG Chun Wai, Michael	✓	✓
ZHANG Bin		✓
KAM, Eddie Shing Cheuk	✓	✓
LI Ziqing		✓

\* resigned on 5 January 2022

Any Director may request the Company to provide independent professional advice at the expense of the Company to perform the director's duties and responsibilities.

Tailored introduction kit will be given to newly appointed director to his individual needs. This includes meetings with other directors and senior management of the Company and the external auditors, to enable them to have better understanding of the Group's business and strategy and the key risks and issues. With such information, the Directors can carry out their duties in an informed manner.

All Directors are requested to provide the Company with their respective training records pursuant to the CG Code.

# CORPORATE GOVERNANCE REPORT

## Communication with Directors

The Company acknowledges the importance of providing sufficient and accurate information to all members of the Board on a timely basis so as to enable them to discharge their duties and responsibilities effectively. All Directors are entitled to have access to board papers and relevant materials. Agenda, board papers and those relevant materials are sent to all Directors in a timely manner before the date of a board or board committee meeting, to enable the Board to make informed decisions on matters placed before it at the meetings. All Directors are provided with monthly consolidated accounts of the Group and financial information updates giving a balanced and understandable assessment of the performance, financial position and prospects of the Group. Board briefings are issued and circulated to all members of the Board when necessary and appropriate, covering financial and operating highlights of the Group. All Directors are also provided from time to time the latest changes and development of the Listing Rules, corporate governance practice and other regulatory regime. The management is prepared to provide additional information and explanations if there are areas the Directors need to elaborate.

Independent Non-executive Directors are given the opportunity to discuss issues of the Group with the Chairman in the absence of Executive Directors. Besides, they are also given the opportunity to discuss issues of the Group with the management in the absence of Executive Directors. The Independent Non-executive Directors, also being the members of audit committee, regularly pay visit to major subsidiaries of the Company and meet the management of those subsidiaries. During the visits, Independent Non-executive Directors receive presentations from the management of subsidiaries in relation to the updated developments of those subsidiaries and review and comment on the issues concerning the internal control and risk management systems.

## Insurance for Directors and Officers

The Company has arranged Directors' and Officers' Liability Insurance ("D&O Insurance") for Directors and officers of the Company. The Company undertakes an annual review of the Company's D&O Insurance policy in terms of the amount of cover, the reputation and financial strength of the potential insurer and the provisions of the insurance policy to ensure that sufficient cover and protection are provided to the Directors and officers of the Company.

## Directors' Shareholding Interests

Directors' interests in the securities of the Company and its associated corporations as at 31 December 2021 are disclosed in pages 56 to 57 of this annual report.

## BOARD COMMITTEES

The Board has delegated certain authority to four board committees which are established and perform their functions under specific terms of reference. The committees are provided with sufficient resources and opportunities to seek independent professional advice, at the Company's expense, to perform their responsibilities.



### Audit Committee

The details of the audit committee of the Company and its work performed during the year ended 31 December 2021 are set out on pages 61 to 62 of this annual report.

### Risk Management Committee

The details of the risk management committee of the Company and its work performed during the year ended 31 December 2021 are set out on pages 69 to 73 of this annual report.

### Remuneration Committee

The Company has established a remuneration committee (the "Remuneration Committee") on 23 August 2005 in compliance with the Listing Rules, terms of reference of which have been adopted by the Board of the Company and are consistent with the requirements of the CG Code. The full version of the terms of reference of the Remuneration Committee is available on the Stock Exchange's website and the Company's website.

# CORPORATE GOVERNANCE REPORT

The Remuneration Committee currently comprises following members:

## Independent Non-executive Directors

KAM, Eddie Shing Cheuk (*Committee Chairman*)

KWONG Chun Wai, Michael

ZHANG Bin

LI Ziqing

## Executive Directors

HON Kwok Lung

SIU Chun Wa

The Remuneration Committee makes 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. The Remuneration Committee also makes recommendations to the Board on the remuneration packages of individual Executive Director and senior management. The Remuneration Committee ensures that no Director or any of his/her associates is involved in deciding his/her own remuneration. The Remuneration Committee also reviews the main elements of the Company's remuneration policy for Directors and senior management from time to time, taking into consideration of salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group. The Remuneration Committee is provided with sufficient resources to perform its duties.

During the year, one meeting was held. The individual attendance of each member is set out below:

<b>Members</b>	<b>Attendance/ Number of Meetings Held</b>
KAM, Eddie Shing Cheuk ( <i>Committee Chairman</i> )	1/1
HON Kwok Lung	1/1
SHANG Jianguang*	1/1
KWONG Chun Wai, Michael	1/1
ZHANG Bin	1/1
LI Ziqing	1/1

\* resigned on 5 January 2022

### **Nomination Committee**

The details of the Nomination Committee of the Company and its work performed during the year ended 31 December 2021 are set out on pages 63 to 68 of this annual report.

### **COMPANY SECRETARY**

Mr. Fong Chi Wah is the Chief Financial Officer and Company Secretary of the Company. The Company Secretary supports the Chairman in promoting the highest standards of corporate governance and facilitates the effective functioning of the Board and its committees. All Directors have direct access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that board policy and procedures are followed and for facilitating timely and appropriate information flows among Directors. The Company Secretary also plays an essential role in the communication with investors, regulators and other stakeholders. The Company Secretary and the assistant company secretary participate in a variety of trainings organized by the professional accounting and company secretarial associations. During 2021, the Company Secretary undertook over 10 hours of relevant professional training respectively to update his skills and knowledge in compliance with Rule 3.29 of the Listing Rules.

The biography of the Company Secretary is set out in the Directors and Senior Management section on page 38 of this annual report.

### **INTERNAL AUDIT**

The Group has established its internal audit function in 2020 as required under CG Code C.2 and the Group Internal Audit applies the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Group Internal Auditor, reporting directly to the Audit Committee of the Company and administratively to the Chief Executive Officer of the Company.

The Group Internal Auditor provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations. The Company maintains adequate oversight of the risk through strengthening the rules of procedures of internal control and corporate governance. The audit committee reviews the internal audit reports and activities of the department as well as the adequacy and effectiveness of the internal audit function, at least annually.

Internal audit is responsible for assessing the Group's risk management and internal control systems, including reporting its findings to the Audit Committee and the senior management concerned as well as following up on the issues to ensure that they are satisfactorily resolved. In addition, internal audit maintains a regular dialogue with the Group's external auditor so that the parties are aware of the significant factors which may affect their respective scope of work.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

# CORPORATE GOVERNANCE REPORT

## EXTERNAL AUDITOR

The Group's external auditor for the year ended 31 December 2021 was BDO Limited ("BDO"). The audit committee reviews and monitors the independence of the external auditor to ensure the effectiveness of the audit process in accordance with applicable standards and the objectivity of the financial statements. BDO has made a written declaration to the audit committee that they are independent with respect to the Company and that they are not aware of any matters which may reasonably be thought to bear on their independence. The following table illustrates the fees paid/payable by the Group to BDO in the past two years for audit and non-audit services:

	2021	2020
Audit services	<b>HK\$4,900,000</b>	HK\$4,800,000
Non-audit services	<b>HK\$300,000</b>	HK\$2,300,000
<b>Total</b>	<b>HK\$5,200,000</b>	HK\$7,100,000

The non-audit services for the year ended 31 December 2021 mainly included professional services in respect of interim financial information.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility for preparing the financial statements for the year ended 31 December 2021, which give a true and fair view of the Group's state of affairs, results and cash flow for that period. In preparing the financial statements for the year ended 31 December 2021, the Board:

- (a) selected suitable accounting policies and applied them consistently;
- (b) adopted appropriate Hong Kong Financial Reporting Standards;
- (c) made adjustments and estimates that are prudent and reasonable; and
- (d) ensured that the financial statements were prepared on the going concern basis.

The Board is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

The Board is committed to present a balanced, clear and comprehensive assessment of the Group's performance, position and prospects.

## DIVIDEND POLICY

The Company considers stable and sustainable returns to the shareholders to be our goal. The Company may declare and distribute dividends to shareholders provided that the declaration and distribution of dividends does not affect the normal operations of the Group.

A dividend policy has been approved and adopted (the "Dividend Policy") in order to provide return to the shareholders of the Company whilst retaining adequate reserves for the Group's future development.

According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors:

- (a) the Group's retained earnings and distributable reserves;
- (b) the Group's future earnings;
- (c) the Group's capital requirements;
- (d) the Group's working capital requirements;
- (e) the general financial conditions of the Group;
- (f) the Group's business development strategies and future expansion plans;
- (g) contractual restrictions on payment of dividends;
- (h) the general economic and industrial conditions; and
- (i) any other factors that the Board considers relevant.

The declaration and payment of dividends by the Company shall be determined at the sole discretion of the Board and shall be subject to any restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company. The Dividend Policy will continue to be reviewed from time to time. There can be no assurance that dividends will be proposed or declared in any particular amount for any given period.

### **SHAREHOLDERS' RIGHT**

Pursuant to Article 72 of the Articles of Association of the Company, an extraordinary general meeting shall be convened on the written requisition of any two shareholders of the Company or any one or more shareholders of the Company together holding shares carrying not less than one tenth of the voting rights at general meetings of the Company deposited at the registered office of the Company specifying the objects of the meeting and signed by the requisitionists.

If the Directors do not within twenty-one days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as result of the failure of the Directors shall be reimbursed to them by the Company.

Shareholders and other stakeholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary of the Company. The Company Secretary will forward the enquiries or concerns to the CEO or the chairman of the board committees or senior management of the Company as appropriate within their area of responsibilities for handling.

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at shareholders' meeting. Proposal shall be sent to the Board or the Company Secretary by written requisition. Pursuant to the Articles of Association of the Company, shareholders who wish to put forward a proposal shall convene an extraordinary general meeting by following the procedures set out above.

# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONSHIP

The Company endeavors to maintain a high level of transparency in communicating with shareholders and the investment community at large. In order to ensure effective, clear and accurate communications with the shareholders and investors, all corporate communications are arranged and handled by the Executive Directors and designated senior executives according to established practices and procedures of the Company. The Company provides up-to-date and extensive information in its annual reports, interim reports, circulars and announcements in a timely manner and within the time limits set out in the Listing Rules to ensure that all shareholders are able to form an accurate understanding of the business performance and financial position of the Group and make informed investment decisions.

The Company treats annual general meetings as the principal forum for the Board to meet and communicate with the shareholders face to face. The Chairman of the Board, all Executive Directors, chairmen of the board committees and the external auditors endeavor to attend the annual general meetings to report the business and operation of the Group to the shareholders, to answer questions and develop a balanced understanding of the view of the shareholders.

The most recent annual general meeting was the AGM 2021 held at Studio 1, 7/F, W Hong Kong, 1 Austin Road West, Kowloon, Hong Kong on 28 May 2021. At the AGM 2021, separate resolutions were proposed on each substantially separate issue including the re-election of individual directors. The procedures for demanding a poll were explained in the circular to shareholders despatched together with the Annual Report 2020. The major items discussed at the AGM 2021 were:

- receiving and adopting the audited consolidated financial statements and the report of the directors and the independent auditor's report for the year ended 31 December 2020;
- re-electing Directors and authorising the Board to fix their remuneration;
- re-appointing the auditor and authorising the Board to fix their remuneration;
- approving a general mandate to authorise the Directors to make share buy-backs; and
- approving a general mandate to authorise the Directors to allot and issue shares.

The poll results were posted on the websites of both the Company ([www.irasia.com/listco/hk/citychamp](http://www.irasia.com/listco/hk/citychamp)) and the Stock Exchange on the same day after the AGM 2021.

The Company continues to enhance communications and relationships with investment community at large. Executive Directors and designated senior management will maintain open and active dialogues with shareholders, institutional investors, fund managers, analysts and the media. The management is pleased to help them better understand the Company and respond to enquiries raised by them during meetings, interviews and road shows, within the constraints of information already provided to the public.

Key shareholders' events in 2020 are set out below:

Events	Date
EGM	25 March 2021
Announcement in respect of annual results for the year ended 31 December 2020	30 March 2021
Publication and despatch of annual report 2020	27 April 2021
AGM 2021	28 May 2021
Extension of long stop date of the very substantial disposal and connected transaction relating to the disposal of sale shares and sale loans of the target companies	27 June 2021
Announcement in respect of unaudited interim results for the six months ended 30 June 2021	30 August 2021
Publication and despatch of interim report 2021	28 September 2021
Further extension of long stop date of the very substantial disposal and connected transaction relating to the disposal of sale shares and sale loans of the target companies	30 September 2021

Important shareholders' dates in the coming 2022 are set out below:

Events	Date
Announcement in respect of annual results for the year ended 31 December 2021	30 March 2022
Publication and despatch of annual report 2021	29 April 2022
AGM 2022	27 May 2022

There was no change to the Memorandum and Articles of Association of the Company during the year ended 31 December 2021.

The Company's website ([www.irasia.com/listco/hk/citychamp](http://www.irasia.com/listco/hk/citychamp)) enables shareholders, investors and the general public to have access to the information of the Company on a timely basis. Financial information and all corporate communications of the Company are made available on the Company's website and updated regularly.

Shareholders who wish to raise any queries with the Board may write to the Company Secretary at Units 1902-04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

## **MATERIAL EVENTS AFTER CLOSURE OF FINANCIAL YEAR**

Material events after closure of financial year are set out in note 52 to the consolidated financial statements.

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# REPORT OF THE DIRECTORS

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The Board of directors of the Company are pleased to present their report and the audited financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2021.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are engaged in manufacturing and distribution of watches and timepieces, property investments, and banking and financial businesses. Details of the principal activities of the principal subsidiaries are set out in note 51 to the consolidated financial statements. There were no other significant changes to the Group’s principal activities during the year.

## FINANCIAL STATEMENTS

The financial performance of the Group for the year ended 31 December 2021 and the financial positions of the Group as at that date are set out in the consolidated financial statements on pages 153 to 340 of this annual report.

## BUSINESS REVIEW

Pursuant to the requirements under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “Companies Ordinance”) for companies to have a “business review” section in report of the directors, a summary of the relevant sections in this annual report is set out below for ease reference:

Required disclosures	Relevant sections
a fair review of the Group’s business for the year ended 31 December 2021	Chairman’s Statement (pages 5 to 10) Management Discussion and Analysis (pages 11 to 32)
a description of the principal risks and uncertainties facing the Group	Risk Management Committee Report (pages 69 to 73)
particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2021 (if any)	Material events after Closure of Financial Year (page 52)
an indication of likely future development in the Group’s business	Outlook (pages 8 to 9 and pages 31 to 32)
an analysis using financial key performance indicators	Management Discussion and Analysis (pages 11 to 32)
a discussion on (i) the Group’s environmental policies and performance; and (ii) the Group’s compliance with the relevant laws and regulations that have a significant impact on the Group	Environmental, Social and Governance Report 2021 published separately by the Company
an account of the Group’s key relationships with its stakeholders that have a significant impact on the Group and on which the Group’s success depends	Environmental, Social and Governance Report 2021 published separately by the Company

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## **SUMMARY FINANCIAL INFORMATION**

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on pages 336 to 338 of this annual report. This summary does not form part of the audited consolidated financial statements.

## **PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES**

Details of movements in the property, plant and equipment, and investment properties of the Company and of the Group during the year are set out in notes 27 and 28 to the consolidated financial statements, respectively. Further details of the Group's principal investment properties are set out on pages 339 to 340 of this annual report.

## **SHARE CAPITAL**

Details of the movements in the share capital of the Company during the year are set out in note 40 to the consolidated financial statements.

## **PRE-EMPTIVE RIGHTS**

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

## **PERMITTED INDEMNITY PROVISION**

During 2021, the permitted indemnity provision was in force for the benefits of directors. The Company has arranged appropriate directors' and officers' liability insurance for the directors and officers of the Group in respect of potential losses or liabilities which the directors and officers may incur in the performance of their duties.

## **SUBSIDIARIES**

Particulars of the principal subsidiaries of the Company as at 31 December 2021 are set out in note 51 to the consolidated financial statements.

## **BUY-BACK, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

The Company did not buy back any Company's listed shares (whether on the Stock Exchange or otherwise) during the year ended 31 December 2021.

## **RESERVES**

Details of movements in the reserves of the Company and of the Group during the year are set out in note 41 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

## **DISTRIBUTABLE RESERVES**

In addition to the retained profits of the Company, the share premium account of the Company is also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

As at 31 December 2021, the Company had reserves of HK\$987,558,000 being the aggregate of retained profits and share premium account, available for cash distribution and/or distribution in specie.

# REPORT OF THE DIRECTORS

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales and purchases attributable to the Group's major customers and suppliers respectively is set out as follows.

	Percentage of the total sales/purchases	
	Sales	Purchases
Top five customers	15%	–
Top five suppliers	–	24%
The largest customer	6%	–
The largest supplier	–	9%

## DIRECTORS

The directors of the Company during the financial year and up to the date of this report are as follows:

### Current Board members:

Mr. Hon Kwok Lung, *Chairman*  
 Mr. Siu Chun Wa, *Co-Chief Executive Officer* (appointed on 5 January 2022)  
 Mr. Hao Xiaohui, *Co-Chief Executive Officer* (appointed on 5 January 2022)  
 Mr. Shi Tao  
 Mr. Bi Bo  
 Ms. Sit Lai Hei  
 Mr. Hon Hau Wong  
 Mr. Teguh Halim  
 Dr. Kwong Chun Wai, Michael  
 Mr. Zhang Bin  
 Mr. Kam, Eddie Shing Cheuk  
 Mr. Li Ziqing

### Ex-directors:

Mr. Shang Jianguang, *Chief Executive Officer* (resigned on 5 January 2022)  
 Mr. Lam Toi Man (resigned on 5 January 2022)

In accordance with Articles 116 and 99 of the Articles of Association of the Company, one-third of the directors for the time being and the newly appointed directors shall retire from office and be eligible for re-election at the forthcoming annual general meeting of the Company, provided that every director shall be subject to retirement by rotation at least once every three years as prescribed by the Listing Rules. Accordingly, Mr. Hon Kwok Lung, Mr. Siu Chun Wa, Mr. Hao Xiaohui, Mr. Bi Bo, Mr. Hon Hau Wong and Mr. Zhang Bin will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmation of independence from each of the four existing Independent Non-executive Directors that they have met all the factors concerning their independence as set out in Rule 3.13 of the Listing Rules and that there are no other factors which may affect their independence. The Board considers all the Independent Non-executive Directors to be independent.

## DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

### Disclosure of Directors' Information Pursuant to Rule 13.51B(1) of the Listing Rules

Changes in the biographical details of the directors since the publication of the 2021 interim report are set out below:

- Mr. Teguh Halim has been re-designated as chairman of Ernest Borel Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 1856) on 5 January 2022.

Biographical details of the Directors and the senior management of the Company as at the date of this report are set out on pages 33 to 38 of this annual report.

## DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in paragraphs of "Connected Transaction" below, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2021.

## DIRECTORS SERVICE CONTRACTS

All Executive Directors of the Company has entered into service contract with the Company for an initial term of two years commencing from the date of appointment, which is automatically renewed for successive terms unless it is terminated by either party by giving not less than two-month written notice. Each Independent Non-executive Director of the Company has entered into service contract with the Company for an initial term of two years commencing from the date of appointment, which is automatically renewed for successive terms unless it is terminated by either party by giving not less than one-month written notice.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' REMUNERATION

The Directors' fees can be fixed by the Directors of the Company and are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to the duties, responsibilities and performance of the Directors and the results of the Group.

Details of the remuneration of the Directors of the Company are set out in note 16 to the consolidated financial statements.

## DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2021, the interests or short positions of the Directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Appendix 10 to the Listing Rules, were as follows:

### Directors' and Chief Executive's long positions in shares of the Company

Name of director	Number of shares held			Total interests	Percentage of shareholding
	Beneficial owner	Corporate interests	Family interests		
Hon Kwok Lung	3,500,000	3,017,389,515 <sup>(1)</sup>	1,374,000 <sup>(2)</sup>	3,022,263,515	69.45%
Shang Jianguang*	5,300,000	—	—	5,300,000	0.12%
Shi Tao	5,000,000	—	—	5,000,000	0.11%
Lam Toi Man*	2,400,000	—	—	2,400,000	0.06%
Sit Lai Hei	—	200,000,000 <sup>(3)</sup>	—	200,000,000	4.60%
Hon Hau Wong	1,750,000	—	200,000,000 <sup>(4)</sup>	201,750,000	4.64%
Teguh Halim	3,000,000	—	3,000,000 <sup>(5)</sup>	6,000,000	0.14%

\* resigned on 5 January 2022

# REPORT OF THE DIRECTORS

Notes:

The percentage of shareholding is calculated on the basis of the Company's issued share capital of 4,351,888,206 shares as at 31 December 2021.

- (1) The 3,017,389,515 shares comprise of 1,640,128,000 shares held by Full Day Limited ("Full Day"), which is wholly-owned by Mr. Hon Kwok Lung, and 1,377,261,515 shares held by Sincere View International Limited ("Sincere View"), which is owned as to 80% by Mr. Hon Kwok Lung and 20% by his spouse.
- (2) 1,374,000 shares were held by Mr. Hon Kwok Lung's spouse, Ms. Lam Suk Ying.
- (3) The 200,000,000 shares were held by Qiangda Limited, a wholly-owned subsidiary of Fengrong Investment (Hong Kong) Company Limited ("Fengrong Hong Kong"). Fengrong Hong Kong is wholly owned by Fujian Fengrong Investment Company Limited ("Fujian Fengrong"), which is owned as to approximately 68.5% by Ms. Sit Lai Hei.
- (4) Mr. Hon Hau Wong is deemed to have an interest in 200,000,000 shares which were held by Qiangda Limited, a wholly-owned subsidiary of Fengrong Hong Kong. Fengrong Hong Kong is wholly owned by Fujian Fengrong which is owned as to approximately 31.5% by Ms. Lu Xiaojun, the spouse of Mr. Hon Hau Wong.
- (5) 3,000,000 shares were held by Mr. Teguh Halim's wife.

## Directors' and Chief Executive's long position in shares of the associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest	Percentage of shareholding
Sit Lai Hei	Zhuhai Rossini Watch Industry Limited <sup>(1)</sup>	Corporate <sup>(2)</sup>	9%
Hon Hau Wong	Zhuhai Rossini Watch Industry Limited <sup>(1)</sup>	Family interest <sup>(2)</sup>	9%

Notes:

- (1) Zhuhai Rossini Watch Industry Limited ("Rossini") is owned as to 91% indirectly by the Company and 9% by Fujian Fengrong. Rossini is an associated corporation of the Company within the meaning of Part XV of the SFO.
- (2) The interest in Rossini was held by Fujian Fengrong, which is owned as to approximately 68.5% by Ms. Sit Lai Hei, an Executive Director of the Company, and 31.5% by Ms. Lu Xiaojun. Both Ms. Sit Lai Hei and Ms. Lu Xiaojun are daughters-in-law of Mr. Hon Kwok Lung, an Executive Director of the Company. Mr. Hon Hau Wong, an Executive Director of the Company, being the husband of Ms. Lu Xiaojun, is also deemed to be interested in the 31.5% interest in Fujian Fengrong.

## Senior Management's long position in shares of the Company

Save as disclosed above, as at 31 December 2021, no person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director of the Company or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

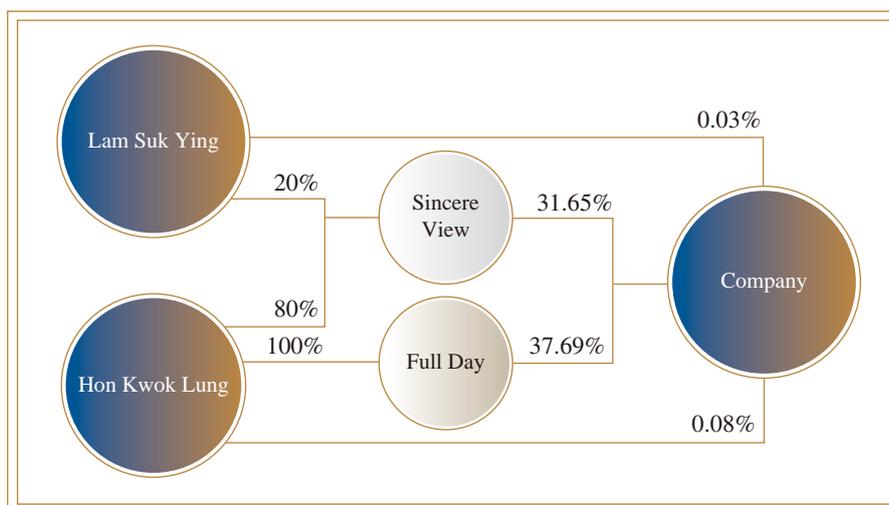
As at 31 December 2021, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

	Nature of interest	No. of Shares	Percentage of existing issued capital
Sincere View International Limited	Beneficial owner	1,377,261,515	31.65%
Full Day Limited	Beneficial owner	1,640,128,000	37.69%
Hon Kwok Lung	Corporate interest, beneficial owner and family interest	3,022,263,515 <sup>(1)</sup>	69.45%
Lam Suk Ying	Beneficial owner and family interest	3,022,263,515 <sup>(1)</sup>	69.45%

Notes:

The percentage of shareholding is calculated on the basis of the Company's issued share capital of 4,351,888,206 shares as at 31 December 2021.

- (1) Mr. Hon Kwok Lung and Ms. Lam Suk Ying, his spouse, are deemed to have an interest in the same parcel of 3,022,263,515 shares, which comprise 1,377,261,515 shares held by Sincere View, 1,640,128,000 shares held by Full Day, 3,500,000 shares held by Mr. Hon Kwok Lung and 1,374,000 shares are held by Ms. Lam Suk Ying. The shareholding structure was summarised in the following chart:



Save as disclosed above, as at 31 December 2021, no person, other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors', chief executive's and senior management's interests and short positions in shares and underlying shares" above, had registered an interest or short position in shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

# REPORT OF THE DIRECTORS

## CONNECTED TRANSACTION

During the year, the Group conducted the following transaction with connected person of the Company. This transaction constituted very substantial disposal and connected transaction of the Company and is subject to reporting requirements under Chapter 14A of the Listing Rules.

On 16 December 2020, after trading hours, the Company (as the vendor), Tycoon Idea Global Limited (the “Purchaser”, which is an associate of Mr. Hon Kwok Lung and therefore connected person of the Company under the Listing Rules) and Sincere View International Ltd. (the “Purchaser’s Guarantor”) entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, all the issued shares of (the “Sale Shares”) and the entire sum owing to the Company (the “Sale Loans”) by each of the following target companies: International Volant Limited, EB Brand Limited, Jia Cheng Investment Limited, Joyful Surplus International Limited, Sharptech International Limited, Unique Leader Limited and Sure Best Management Limited at consideration comprising (i) the consideration for the Sale Shares of HK\$1.5 billion; and (ii) the consideration for the Sale Loans of HK\$2.03 billion (being the face value of the Sale Loans as at 30 June 2020), to be paid by the Purchaser (or its nominee(s)) to the Company (or its nominee(s)), subject to adjustment at completion of the transaction. The gross proceeds to be received by the Company shall be HK\$3.53 billion, which will be settled in four stages by the Purchaser by (i) a cashier order issued by a licensed bank in Hong Kong, (ii) a banker’s draft drawn against a licensed bank in Hong Kong, (iii) by telegraphic transfer to the designated bank accounts of the Company (or its nominee(s)) or as the Company may direct in writing, or (iv) by such other method as the Purchaser and the Company agree in writing.

The connected transaction was approved by independent shareholders at the extraordinary general meeting of the Company held on 25 March 2021. Pursuant to the terms of the Sale and Purchase Agreement, the completion of transaction is subject to the satisfaction or waiver (where applicable) of a number of conditions and, accordingly, may or may not proceed. The Company, the Purchaser, and the Purchaser’s Guarantor (collectively, the “Parties”) have entered into supplemental agreements to the Sale and Purchase Agreement on 25 June 2021 and 30 September 2021 to extend the Long Stop Date to 31 December 2021.

On 3 January 2022, the Company received a written notice from the Purchaser in relation to the termination of the Sale and Purchase Agreement. The Board of Directors believed that continuously waiting for the Completion to take place is not at the best interest of the Company and the shareholders as a whole. Accordingly, the Parties entered into a termination agreement on the same date pursuant to which the Parties have mutually agreed to terminate the Sale and Purchase Agreement.

Details are set out in the announcements of the Company dated 16 December 2020, 25 March 2021, 27 June 2021, 30 September 2021 and 3 January 2022 and circular of the Company dated 25 February 2021.

## CONVERTIBLE SECURITIES, WARRANTS, OPTIONS OR SIMILAR RIGHTS

There is no conversion or subscription rights under any convertible securities, warrants or options or similar rights issued or granted by the Company or any of its subsidiaries during the year or subsisted at the end of the year. In addition, no equity-linked agreements were entered into by the Company, or existed during the year.

## DIRECTORS’ INTERESTS IN A COMPETING BUSINESS

During the year under review, no Director is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules, other than those businesses to which the Directors were appointed as directors to represent the interest of the Company and/or the Group.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company’s shares which are in the hands of the public represented approximately 25.49% of the Company’s total issued share capital as at the date of this report, which satisfies the requirement of the Listing Rules.

## CORPORATE GOVERNANCE

The Board is committed to achieving a high standard of corporate governance practices. A report on the corporate governance practices of the Company is set out on pages 39 to 52 of this annual report.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry with all the Company's Directors, the Company has ascertained that all of its Directors have complied with the required standards set out in the Model Code throughout the year ended 31 December 2021.

## SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER OF THE COMPANY

On 16 July 2019, the Company and a syndicate of banks (the "Syndicated Banks") entered into a facility agreement (the "Syndicated Loan Agreement"), with Hang Seng Bank Limited ("Hang Seng") as the mandated lead arranger, pursuant to which the Syndicated Banks have agreed to grant a term loan facility in the amount up to US\$150,000,000 (the "Syndicated Loan") to the Company for a term of 36 months.

Pursuant to the Syndicated Loan Agreement, it will be an event of default if (1) Mr. Hon Kwok Lung ("Mr. Hon") together with his direct family members and Ms. Sit Lai Hei (the "Hon Family") fail to maintain (i) directly or indirectly, at least 60% of the beneficial shareholding interest in the issued share capital of the Company; or (ii) control over the management and business of the Company and its subsidiaries (excluding Bendura Bank AG and its subsidiaries and Shun Heng Finance Holding (Hong Kong) Limited and its subsidiaries); or (2) Mr. Hon (or another member of the Hon Family) is not the chairman of the Board of the Company. On and at any time after the occurrence of such event which is continuing, Hang Seng as the agent may, and shall if so directed by the Syndicated Banks whose commitments aggregate 66<sup>2</sup>/<sub>3</sub>% or more of the total commitment, by notice to the Company, (i) cancel the commitments (and reduce them to zero); (ii) declare that all or part of the Syndicated Loan, together with accrued interest, and all other amounts accrued or outstanding be immediately due and payable; (iii) declare that all or part of the Syndicated Loan be payable on demand; and/or (iv) exercise or direct Hang Seng as the security agent to exercise any or all of its rights, remedies, powers or discretions under the Syndicated Loan Agreement.

Details are set out in the announcement of the Company dated 16 July 2019. The Company has fully repaid the loan in 2021.

## REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed with the auditor of the Company the consolidated financial statements for the year ended 31 December 2021 and has also discussed auditing, internal control and financial reporting matters including the review of the accounting practices and principles adopted by the Group.

## AUDITOR

The financial statements for the year ended 31 December 2021 have been audited by BDO Limited.

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

ON BEHALF OF THE BOARD

**Hon Kwok Lung**

*Chairman*

Hong Kong, 30 March 2022

# AUDIT COMMITTEE REPORT

The Company has established an audit committee (the “Audit Committee”) in 1999 in compliance with the Listing Rules, terms of reference of which have been adopted by the Board of the Company and are consistent with the requirements of the CG Code. The full version of the terms of reference of the Audit Committee is available on the Stock Exchange’s website and the Company’s website.

The Audit Committee currently comprises following members:

## Independent Non-executive Directors

Kam, Eddie Shing Cheuk (*Committee Chairman*)  
Kwong Chun Wai, Michael  
Zhang Bin  
Li Ziqing

The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

## AUTHORITY AND DUTIES

The Audit Committee, under the delegation of the Board, is responsible for, including but not limited to, making recommendations on the appointment of external auditor, reviewing independence of external auditor and effectiveness of audit process, monitoring integrity of the Company’s financial information, overseeing financial reporting, risk management and internal control systems of the Company, reviewing the Group’s financial and accounting policies and practices, etc. The Audit Committee is provided with sufficient resources to perform its responsibilities.

## Work Done in 2021

During 2021, two meetings were held and the individual attendance of each member is set out below:

Members	Attendance/ Number of Meetings Held
Kam, Eddie Shing Cheuk ( <i>Committee Chairman</i> )	2/2
Kwong Chun Wai, Michael	2/2
Zhang Bin	2/2
Li Ziqing	1/2

The key members from the Finance Department of the Company and representatives of the external auditor attended all meetings to report and answer questions about their works.

During the year under review, the Audit Committee met with the Company's external auditor, the Board and senior management. The Audit Committee reviewed the financial statements (including interim and annual results) and other information to shareholders, the accounting system, the system and procedures of internal controls, works done by internal audit, independency of the external auditor, effectiveness and objectivity of the audit process and performed other duties set out in the terms of reference. They assisted the Board in reviewing and ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting and financial reporting functions of the Group and internal audit, company secretarial and corporate governance functions of the Company. The Audit Committee also reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the consolidated financial statements for the six months ended 30 June 2021 and the year ended 31 December 2021, and policies of internal controls on connected transactions.

It is the practice of the Company that minutes of meetings of the Audit Committee be recorded in sufficient detail of the matters considered by the Audit Committee, decisions reached, including any concerns raised by the members or dissenting views expressed. Draft and final versions of minutes of the Audit Committee are sent to the members within a reasonable time after the date of the respective meeting, for their comments and records respectively. The Company Secretary is responsible to keep all the minutes of meetings of the Audit Committee in a proper manner.

# NOMINATION COMMITTEE REPORT

The Company has established a nomination committee (the “Nomination Committee”) on 26 March 2012 in compliance with the Listing Rules, terms of reference of which have been adopted by the Board of the Company and are consistent with the requirements of the CG Code. The full updated version of the terms of reference of the Nomination Committee is available on the Stock Exchange’s website and the Company’s website.

The Nomination Committee currently comprises following members:

#### Executive Directors

Hon Kwok Lung (*Committee Chairman*)

Siu Chun Wa (appointed on 5 January 2022)

#### Independent Non-executive Directors

Kwong Chun Wai, Michael

Zhang Bin

Kam, Eddie Shing Cheuk

Li Ziqing

The composition and members of the Nomination Committee comply with the requirements under CG Code A.5.1.

## AUTHORITY AND DUTIES

The Nomination Committee, under the delegation of the Board, is responsible for, including but not limited to, reviewing the structure, size, composition and diversity of the Board, policy of Board diversity, procedures of nominating and appointing appropriate person to be a director, making recommendations to the Board on the selection of suitable candidates nominated for directorships, assessing the independence of independent non-executive directors, etc. The Nomination Committee is provided with sufficient resources to perform its responsibilities, such as seeking independent professional advice, at the Company’s expense, where necessary.

#### Work Done in 2021

During 2021, one meeting was held and the individual attendance of each member is set out below:

<b>Members</b>	<b>Attendance/ Number of Meeting Held</b>
Hon Kwok Lung ( <i>Committee Chairman</i> )	1/1
Shang Jianguang*	1/1
Kwong Chun Wai, Michael	1/1
Zhang Bin	1/1
Kam, Eddie Shing Cheuk	1/1
Li Ziqing	1/1

\* resigned on 5 January 2022

During the year, the work of the Nomination Committee included consideration of: review structure, composition and diversity of the Board, including the appropriate balance of skills, knowledge and experience; assessment of independence of independent non-executive directors of the Company; review of the retirement of directors by rotation at 2021 Annual General Meeting; and recommendation to the Board of suitable candidates for appointment to the Board to fill in vacancies.

The Board has adopted the Nomination Policy in order to set out the approach to guide the Nomination Committee in relation to the selection and recommendation of candidates for directorship during the year.

### Nomination Policy

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**Purpose**

The Nomination Policy aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business.

**Nomination Criteria**

- In assessing, selecting and recommending candidates for directorship to the Board, the Nomination Committee will give due consideration to the factors including but not limited to (collectively, the "Factors"):
    - (a) reputation for character and integrity;
    - (b) accomplishment and experience in the relevant industries in which the Company's business is involved and other professional qualifications;
    - (c) number of directorship the candidate holds in listed companies, commitment in respect of available time and relevant interest;
    - (d) diversity in all aspects including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills, knowledge and length of service;
    - (e) contribution that the candidates can potentially bring to the Board;
    - (f) whether cross-directorship or significant links with other Directors through involvements in other companies or bodies exists, and
    - (g) plans in place for the orderly succession of the Board.
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# NOMINATION COMMITTEE REPORT

## Nomination Policy

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### Nomination Criteria

The above Factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

- Retiring Directors, save for those who have served as independent non-executive Directors for a period of nine consecutive years, are eligible for nomination by the Board to stand for re-election at a general meeting. If an independent non-executive Director serves more than nine years, his/her further appointment should be subject to a separate resolution to be approved by the shareholders of the Company. The circular to the shareholders accompanying that resolution should include the reasons why the Board believes he/she is still independent and should be eligible for re-election. For the avoidance of doubt, (a) the nine-year period for determining the eligibility of an independent non-executive Director for nomination by the Board to stand for election at a general meeting would count from his/her date of first appointment as an independent non-executive Director until the date of the forthcoming annual general meeting when his/her current term of service will expire at the end of that meeting; and (b) an independent non-executive Director who has been serving on the Board for a period of nine consecutive years or more may continue to hold office until expiry of his/her current term.
- In addition to the Factors, the Nomination Committee will assess, select and recommend candidates for the position of the independent non-executive director of the Company by giving due consideration to the factors including but not limited to those set out in Rules 3.10(2) and 3.13 of the Listing Rules (as amended from time to time).

### Nomination Procedures

- The Board may from time to time and at any time to appoint any person as a Director or the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.
  - The Nomination Committee will recommend candidates of directorship to the Board in accordance with the following procedures and process:
    - (a) the Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from third-party agency firm and proposals from shareholders of the Company with due consideration given to the Factors;
    - (b) the Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;
    - (c) the proposed candidates will be asked to submit the necessary personal information for the Nomination Committee's consideration. The Nomination Committee may request the candidate(s) to provide additional information and documents, if considered necessary;
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## Nomination Policy

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### Nomination Procedures

- (d) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
  - (e) the Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of remuneration package of such selected candidate;
  - (f) the Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the proposed remuneration package;
  - (g) the Board may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee;
  - (h) the Board will thereafter deliberate and decide the appointment or a shareholder circular will be issued and sent to shareholders of the Company in order to provide information of the candidates nominated by the Board to stand for election at a general meeting and to invite nominations from shareholders (as the case may be);
  - (i) a shareholder can serve a notice to the Company within the lodgement period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's consideration and nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular; and
  - (j) all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the Companies Registry of Hong Kong and updating the Register of Directors of the Company. The Director shall consent to the public disclosure of their personal data on any documents or announcements in the relevant websites for the purpose of or in relation to their appointment as a Director.
- The Board shall have the final decision on all matters relating to the appointment of Directors and its recommendation of candidates to stand for election at any general meeting.

### Review

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

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# NOMINATION COMMITTEE REPORT

The Board has also adopted the Board Diversity Policy in order to set out the approach to achieve diversity on the Board.

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## Board Diversity Policy

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### Vision

The Company recognises and embraces the benefits of diversity of Board members to enhance the quality of its performance. The Company upholds that a high performing board is one that composes directors with the combination of competencies and diversity of perspectives aligning with the Company's strategy and objectives, and which is in the best position to deal with the key issues that the Company faces.

### Policy Statement

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, independence from or relationship with other members of the Board, experience (professional or otherwise), skills, knowledge and length of service. All board appointments will be made on a merit basis but the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business.

### Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, independence from or relationship with other members of the Board, experience (professional or otherwise), skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity, age, length of service) will be disclosed in the corporate governance report annually.

### Review

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

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In assessing, selecting and recommending suitable candidates to fill in vacancies for directorship to the Board during the year, the Nomination Committee followed the Nomination Policy and the Board Diversity Policy. The Nomination Committee considered, including but not limited to, the candidate's social diversity (e.g. gender, race and age diversity), professional qualifications, regional and industry experience, reputation and integrity, potential contribution bring to the Board, the factors set out in Rules 3.10(2) and 3.13 of the Listing Rules (as amended from time to time), etc. The Company upholds that a high performing board composes directors with the combination of competencies and diversity of perspectives aligning with the Company's strategy and objectives, and which is in the best position to deal with the major issues that the Company faces.

The Company notes increasing diversity at the board level as an essential element in supporting the attainment of its strategic objective and its sustainable development. The Nomination Committee recommended to the Board on the appointment of Mr. Siu Chun Wa and Mr. Hao Xiaohui as Co-Chief Executive Officers and executive directors of the Company during the year to fill vacancies caused by resignations of Mr. Shang Jianguang and Mr. Lam Toi Man, with effect from 5 January 2022. Mr. Siu Chun Wa has extensive knowledge and rich experience in corporate and investment management. Mr. Siu successively served as the assistant to president, director, vice president and secretary to the board of directors of First Capital Securities Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002797). His experience and knowledge in investment management would help the Board to strengthen the development of the Company's investment strategies.

Mr. Hao Xiaohui has extensive experience in domestic and international investment and financing management. Mr. Hao has spent many years engaging in international trade, international finance, investment banking and other financial businesses and is specialized in private education investment and financing business. In the past three decades, he has successively held various senior management positions in various Chinese banks domestically and overseas. With his extensive experience in the banking industry, it is believed that he can make constructive comments to the Company's business strategies.

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# RISK MANAGEMENT COMMITTEE REPORT

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The risk management committee of the Company (the “Risk Management Committee”) is currently comprises following members:

## **Executive Directors**

Sit Lai Hei (*Committee Chairman*)

Hao Xiaohui (appointed on 5 January 2022)

Shi Tao

Bi Bo

## **AUTHORITY AND DUTIES**

The Risk Management Committee, under the delegation of the Board, oversees the Group’s risk management system, and conducts periodic reviews of such system to minimise potential risks that may occur and ultimately ensure good corporate governance practice. In accordance with the Group’s development strategy, we have established a risk management system covering all business segments to assess and manage various risks in the Group’s business activities.

- assist the Board to evaluate and determine the nature and extent of the risks the Group is willing to take in achieving the strategic objectives
- ensure that the Group establishes and maintains appropriate and effective risk management systems; oversee management in the design, implementation and monitoring of the risk management systems of the Group
- ensure that management provides confirmation to the Board on the effectiveness of these systems
- oversee the Group’s risk management systems on an ongoing basis, and ensure that a review of the effectiveness of the Group’s risk management systems is conducted at least once annually, which should cover all material controls, including financial, operational and compliance controls
- identify and consider significant risks to which the Group is exposed, and develop plans and measures to mitigate such significant risks
- review the changes in the nature and extent of significant risks, and the Group’s ability to respond to changes in its business, the external environment and new risks from time to time
- report to the Board on any material adverse findings related to risk management of the Group, and make recommendations for improvement

### Work Done in 2021

During 2021, two meetings were held and the individual attendance of each member is set out below:

Members	Attendance/ Number of Meetings Held
Sit Lai Hei ( <i>Committee Chairman</i> )	2/2
Shi Tao	2/2
Lam Toi Man (resigned on 5 January 2022)	2/2
Bi Bo	2/2

### Risk Assessment

Risk assessment is the process of identifying and evaluating risks and determining how to manage these risks. At every level within the Group are both internal and external risks that could prevent the accomplishment of established objectives. Ideally, management should seek to prevent these risks. However, sometimes we cannot prevent the risk from occurring. In such cases, we decide whether to accept the risk, reduce the risk to acceptable levels, transfer the risk through taking out insurance or avoid the risk. To have reasonable assurance that the Group will achieve its objectives, we ensure each risk is assessed and handled properly.

### Principal Risks and Uncertainties

The following risks are the principal risks and uncertainties facing the Group and the Board will monitor the situation closely and adopt any necessary risk mitigation measures.

#### Economy risk

Key Challenges	<ul style="list-style-type: none"> <li>Numerous challenges for both macro-economic outlook and market conditions, domestically or globally may result in a decrease in consumer spending in watches and may lead to a material adverse effect upon the Group's business and results of operations</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Redefine the strategic mix to deal with the ever-changing economy</li> <li>Closely monitor the impact of the recent economic trend</li> <li>Explore different revenue streams and value-added services for our customers</li> </ul>

#### Industry risk

Key Challenges	<p><u>For the watch industry</u></p> <ul style="list-style-type: none"> <li>Rapid changing market trends and competition amongst different players domestically or globally</li> <li>Highly competitive market, and the pricing of and demand for our watches are greatly affected by the intensity of competition</li> <li>Strong competitive edge in terms of financial positions, technology, design, customer relationship of our competitors</li> </ul> <p><u>For the financial industry</u></p> <ul style="list-style-type: none"> <li>Intense competition</li> </ul>
Key Controls	<p><u>For the watch industry</u></p> <ul style="list-style-type: none"> <li>Strengthen our products, distributions and our marketing as a whole</li> </ul> <p><u>For the financial industry</u></p> <ul style="list-style-type: none"> <li>Maintain a strong team of compliance, risk management and internal audit so that it can remain a secure and sustainable institution</li> </ul>

# RISK MANAGEMENT COMMITTEE REPORT

## E-commerce risk

Key Challenges	<ul style="list-style-type: none"> <li>Reshape the traditional distribution model of the segment of watches and timepieces</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Invests providently to maintain its competitive competence across all e-commerce platforms</li> <li>Invests in e-commerce and new marketing approaches, such as social media and mobile marketing in the foreseeable future</li> </ul>

## Interest rate risk

Key Challenges	<ul style="list-style-type: none"> <li>Fluctuate of the fair value or cash flows of a financial instrument due to changes in market interest rates</li> <li>Manage by taking into account market conditions and controlled at a reasonable level</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Keep monitoring the trend of interest rate of the global capital markets and adjust the mix of fixed-rate interest-bearing loans accordingly</li> <li>Optimize the maturity structure of deposits and take the initiative to manage sensitive gaps in interest rates for the overall objective of achieving steady growth both in net interest income and economic value within a tolerable level of interest rate risk</li> </ul>

## Exchange rate risk

Key Challenges	<ul style="list-style-type: none"> <li>Sales are dominated in Renminbi and some of our purchases are made in other currencies such as Swiss Francs</li> <li>Fluctuate in exchange rates of foreign currencies may affect our customers' purchasing power and their wiliness to purchase watches</li> <li>Affects the fair value of future cash flows of a financial instrument</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Monitors the foreign exchange exposure continuously</li> </ul>

## Legal risk

Key Challenges	<ul style="list-style-type: none"> <li>Failure to comply with these laws and regulations may result in imposition of conditions on or the suspension of sales or seizure of products, or significant penalties or claims. In the event that the countries in which we operate increase the stringency of such laws and regulations, our operating costs may increase and we may not be able to pass these additional costs onto our customer</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Reviews the Group's compliance with applicable legal and regulatory requirements including the internal rules and directives, the Stock Exchange Code, the Listing Rules, the Companies Ordinance and the Securities and Futures Ordinance during the process of reviewing the financial statements</li> <li>Engage external legal advisors to assist in managing the legal risks</li> </ul>

## Intellectual property rights risk

Key Challenges	<ul style="list-style-type: none"> <li>Insufficient protection with various government authorities of the different jurisdictions in which we conduct business</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Dedicate to work with professionals to protect our intellectual property rights all over the world</li> </ul>

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### Operational risk

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Key Challenges	<ul style="list-style-type: none"> <li>• Potential of loss resulting from impact of external events and/or inadequacies in the areas of internal processes, manpower and systems</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>• Achieve “industrial strength” process and standards for all activities, and benchmark practices against peers, other industries and regulatory requirements</li> <li>• Manage by means of internal control procedures and directives</li> </ul>

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### Credit risk

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Key Challenges	<p><u>For the non-banking and financial businesses</u></p> <ul style="list-style-type: none"> <li>• Large proportion of customers’ credit terms are mainly on credit and the credit period is generally for a period of one to six months for major customers</li> <li>• Affect the account receivable by the general economic conditions in the geographies in which the Group operates</li> </ul> <p><u>For the banking business</u></p> <ul style="list-style-type: none"> <li>• Determines based on the combination of the internal and external credit rating, the average debt recovery, peer review information and comparison with publically available data</li> <li>• Subject to concentration risk</li> </ul>
Key Controls	<p><u>For the non-banking and financial businesses</u></p> <ul style="list-style-type: none"> <li>• Trades only with recognized and creditworthy parties in order to minimize the credit risk</li> <li>• Set limits on the exposure to any counterparty and credit risk</li> <li>• Follow up the delinquent account receivable based on established internal system</li> </ul> <p><u>For the banking business</u></p> <ul style="list-style-type: none"> <li>• Grants collateralized loans generally</li> <li>• Approves and monitors the loans by the relevant managers, the credit committee and ultimately the board of the directors of Bendura Bank</li> <li>• Implements a framework to provide a holistic view of the credit risks, which assess credit risks against key criteria</li> <li>• Employs the standardized processes to oversee compliance with the risk requirements</li> <li>• Monitor the financial position of the borrowers regularly</li> </ul>

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### Equity price risk

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Key Challenges	<ul style="list-style-type: none"> <li>• Fluctuate of the fair values or future cash flows of a financial instrument due to the changes in its market price, other than those unlisted equity investments held for strategic purposes and those valued at quoted market prices at the end of reporting period</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>• Monitor the price fluctuation of the listed equity instruments</li> <li>• Establish appropriate exit strategies</li> </ul>

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# RISK MANAGEMENT COMMITTEE REPORT

## Liquidity risk

Key Challenges	<ul style="list-style-type: none"> <li>Insufficient financial resources available to meet our obligation as they fall due, or we only access these financial resources at excessive cost</li> <li>Entered into a Facility Agreement (US\$150,000,000) for 3 years with Hang Seng Bank Limited for re-financing purpose</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Maintain adequate liquidity at all times in all geographical locations and for all currencies, and hence to be in a position to meet obligations as they fall due</li> <li>Analyze Liquid assets, liquidity coverage ratio and leverage ratio against the regulatory requirements and present to the Board and senior management on a regularly basis</li> <li>Projects cash flows in major currencies and consider the level of group's liquidity management policy</li> </ul>

## Inventory risk

Key Challenges	<ul style="list-style-type: none"> <li>Fail to meet the changing consumer preferences and market trends, slow-moving inventory and volume of obsolete will increase, and either sell off such inventory at a lower price or write off such inventory, in the event of which our performance may be materially and adversely affected</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Enhance sales efficiency at distribution outlet level</li> <li>Improve overall inventory management with more rapid information exchange between the distribution outlet, the regional sale office and the headquarters to maintain inventory at an optimal level</li> </ul>

## Concentration risk

Key Challenges	<ul style="list-style-type: none"> <li>Subject to concentration risk if the bond portfolio is not diversified</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Composed of bonds with different maturity, geography, segment and currency for the bond portfolio of Bendura Bank</li> <li>Analyse the risk concentration on assets and liabilities sides</li> <li>Present the report on different attributes of the bond portfolio to the Board and senior management on a monthly basis</li> </ul>

## Epidemic risk

Key Challenges	<ul style="list-style-type: none"> <li>With the COVID-19 raging globally in 2020, economic outlook remains gloomy and shrouded in uncertainties</li> <li>COVID-19 resulted an electronic new century had implied a risk of privacy and security issue on the usage</li> <li>The expansion of the COVID-19 have a negative impact and influence on the business environment and business continuity</li> </ul>
Key Controls	<ul style="list-style-type: none"> <li>Continuing to monitor closely the development of the Epidemic and assess its impact on the Group's operations</li> <li>Owing to the further decline of revenue from physical distribution, the group is even more aggressively expand the revenue from e-commerce</li> <li>The group conducts the business with the risk of privacy and security in mind</li> <li>The group also invest to improve the IT</li> <li>The group arrange staff to work from home and working on shift under flexible hours to lower staffs' infection risk</li> </ul>

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



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### TO THE MEMBERS OF CITYCHAMP WATCH & JEWELLERY GROUP LIMITED

(incorporated in Cayman Islands with limited liability)

致冠城鐘錶珠寶集團有限公司股東

(於開曼群島註冊成立之有限公司)

### OPINION

We have audited the consolidated financial statements of Citychamp Watch & Jewellery Group Limited (the “Company”) and its subsidiaries (together “the Group”) set out on pages 153 to 334, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

### 意見

本核數師(以下簡稱「我們」)已審計載於第153至334頁冠城鐘錶珠寶集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此等綜合財務報表包括於二零二一年十二月三十一日之綜合財務狀況表,以及截至該日止年度之綜合全面收入表、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」)頒佈之香港財務報告準則真實而公平地反映 貴集團於二零二一年十二月三十一日之綜合財務狀況以及 貴集團截至該日止年度之綜合財務表現及綜合現金流量,並已遵守香港公司條例之披露規定妥為編製。

### 意見基礎

我們已根據香港會計師公會頒佈之香港核數準則(「香港核數準則」)進行審計。我們就該等準則承擔之責任在本報告「核數師就審計綜合財務報表須承擔之責任」部分進一步闡述。根據香港會計師公會之「專業會計師道德守則」(「守則」),我們獨立於 貴集團,並已根據守則履行其他道德責任。我們相信,我們所獲審計憑證能充足及適當地為我們之意見提供基礎。

### 關鍵審計事項

關鍵審計事項乃根據我們的專業判斷,認為對我們審計本期綜合財務報表最為重要之事項。我們於審計整體綜合財務報表及就其作出意見時處理該等事項,但不會就該等事項提供單獨意見。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### Impairment assessment on goodwill and intangible assets

Refer to notes 29 and 30 to the consolidated financial statements respectively and the significant accounting policies in notes 4.6, 4.7 and 4.12 to the consolidated financial statements

As at 31 December 2021, the Group had goodwill and intangible assets with carrying amounts of HK\$1,151,788,000 and HK\$52,411,000 respectively arising from the acquisitions of bank, financial and watch businesses.

Management will perform impairment assessment on the amount of goodwill and intangible assets with indefinite useful lives at least annually, and will perform impairment assessment when there is an indication that an intangible asset with definite useful lives may be impaired. For the purpose of assessing impairment, management assessed the recoverable amount of these assets based on higher of its fair value less costs of disposal and value-in-use. These assets were allocated to cash generating units ("CGU"), and the recoverable amount of each CGU was determined by management based on either value-in-use calculations using cash flow projections or fair value less cost of disposal.

The impairment test involves significant judgements and assumptions by the management under the value-in-use calculation and the determination of fair value less cost of disposal.

Management concluded that, based on the impairment assessment, no impairment losses would be recognised for the year.

#### Our response

Our procedures on the management's impairment assessment on goodwill and intangible assets included:

- (i) Assessing the reasonableness of market data, discount rates and growth rates applied in determining the recoverable amount;
- (ii) Challenging the reasonableness of other key assumptions based on our knowledge of the business and industry; and
- (iii) Checking input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets.

#### 商譽及無形資產之減值評估

參照綜合財務報表附註29及30以及綜合財務報表附註4.6、4.7及4.12之主要會計政策。

於二零二一年十二月三十一日，貴集團擁有賬面值分別為1,151,788,000港元及52,411,000港元之商譽及無形資產，乃由於收購銀行、金融及鐘錶業務所致。

管理層將每年至少一次就商譽及具無限可使用年期之無形資產之金額進行減值評估，並將於有跡象顯示具有有限可使用年期之無形資產可能減值時進行減值評估。就評估減值而言，管理層按其公平值減出售成本及使用價值之較高者評估該等資產之可收回金額。該等資產獲分配至現金產生單位（「現金產生單位」），而各個現金產生單位之可收回金額由管理層根據按現金流量預測計算之使用價值或按公平值減出售成本計算。

減值測試需要管理層利用使用價值計算及釐定公平值減出售成本作出重大判斷及假設。

管理層總結，根據減值評估，於本年度並無確認減值虧損。

#### 我們的回應

我們關於管理層就商譽及無形資產之減值評估程序包括以下方面：

- (i) 評估應用於釐定可收回金額之市場數據、貼現率及增長率之合理性；
- (ii) 根據我們對業務及行業之認知質疑其他重要假設之合理性；及
- (iii) 檢查支持證據之輸入數據，如核准預算及考慮該等預算之合理性。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in the regard.

### 年報之其他資料

董事須對其他資料負責。其他資料包括已納入 貴公司年報之資料，但並不包括綜合財務報表及我們之核數師報告。

我們對綜合財務報表之意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式之鑒證結論。

於我們審計綜合財務報表而言，我們之責任是閱覽其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所瞭解之情況有重大抵觸，或者似有重大錯誤陳述。基於已執行之工作，倘我們認為此其他資料有重大錯誤陳述，則須報告該事實。我們概無有關此方面之任何報告。

### 董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實公平之綜合財務報表，以及落實董事認為必要之內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

於編製綜合財務報表時， 貴公司董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及使用持續經營會計基礎，除非董事有意將 貴集團清盤或停業，或別無其他實際替代方案。

董事負責監督 貴集團財務報告過程，並在審核委員會協助下履行彼等之責任。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional 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.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

#### 核數師就審計綜合財務報表須承擔之責任

我們之目標為就綜合財務報表整體是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並發出包括我們意見之核數師報告。我們僅根據委聘條款向全體股東作出報告，除此之外，本報告並無其他用途。我們不會就本報告之內容向任何其他人士負責或承擔任何責任。

合理保證屬高度保證，但並非關於根據香港核數準則進行之審計總能發現某一存在之重大錯誤陳述之擔保。錯誤陳述可由欺詐或錯誤引起，倘個別或整體合理預期可影響使用者根據該等綜合財務報表作出之經濟決定，則有關錯誤陳述可被視作重大。

作為根據香港核數準則進行之審計工作之一部分，我們於整個審計過程中行使專業判斷並抱持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致之重大錯誤陳述風險，設計及執行審計程序以應對該等風險，以及獲取充分及適當審計憑證為我們之意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或僭越內部控制，故因未能發現欺詐而導致之重大錯誤陳述風險高於因未能發現錯誤而導致之重大錯誤陳述風險。
- 瞭解有關審計之內部控制，以設計在各類情況下適當之審計程序，但並非旨在對貴集團內部控制之成效發表意見。
- 評估董事所用會計政策之恰當性及作出會計估計及相關披露之合理性。
- 總結董事採用持續經營會計基礎是否恰當，並根據已獲得之審計憑證，總結是否存在重大不明朗因素涉及可能令貴集團之持續經營能力嚴重成疑之事件或情況。倘我們得出結論認為存在重大不明朗因素，我們須於核數師報告中提請使用者注意綜合財務報表內之相關披露，或倘相關披露不足，則修訂我們之意見。我們之結論以截至核數師報告日期所獲得之審計憑證為基礎。然而，未來事件或情況可能導致貴集團不再持續經營。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

- 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.
- 評估綜合財務報表(包括披露)之整體列報、架構及內容,以及綜合財務報表是否已中肯反映相關交易及事件。
- 就 貴集團內實體或業務活動之財務資料獲得充足及適當之審計憑證,以就綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們為我們之審計意見承擔全部責任。

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

我們與審核委員會溝通(其中包括)審計工作之計劃範圍、時間及重大審計發現,該等發現包括我們於審計期間識別出內部控制之任何重大缺陷。

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

我們亦向審核委員會提交聲明,說明我們已遵守有關獨立性之相關道德要求,並與彼等溝通可能被合理認為會影響我們獨立性之所有關係及其他事宜以及(倘適用)為消除威脅採取措施或採用保障措施。

From the matters communicated with the directors, 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.

從與董事溝通之事項中,我們決定該等事項對本期綜合財務報表之審計最為重要,因而構成關鍵審計事項。我們在核數師報告中描述該等事項,除非法律或法規不允許公開披露該事項,或於極端罕見情況下,倘合理預期在報告中溝通某事項造成之負面後果超過其產生之公眾利益,則我們決定不應在報告中溝通該事項。

**BDO Limited**  
*Certified Public Accountants*

**Wong Kwok Wai**  
Practising Certificate Number P06047  
Hong Kong, 30 March 2022

香港立信德豪會計師事務所有限公司  
執業會計師

**黃國偉**  
執業證書號碼 P06047  
香港,二零二二年三月三十日

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 綜合全面收入表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		Notes 附註		
Interest and dividend income from banking business	銀行業務之利息及股息收入		136,539	156,731
Interest expenses from banking business	銀行業務之利息開支		(42,375)	(28,703)
<b>Net interest and dividend income from banking business</b>	<b>銀行業務之利息及股息收入淨額</b>	7a	<b>94,164</b>	128,028
Service fees and commission income from banking business	銀行業務之服務費及佣金收入		287,291	258,001
Service fees and commission expenses from banking business	銀行業務之服務費及佣金開支		(63,921)	(61,007)
<b>Net service fees and commission income from banking business</b>	<b>銀行業務之服務費及佣金收入淨額</b>	7b	<b>223,370</b>	196,994
Trading income from banking business	銀行業務之交易收入	7c	36,197	21,702
Service fees and commission income from financial business	金融業務之服務費及佣金收入	7d	5,900	10,721
Interest income from financial business	金融業務之利息收入	7d	330	184
Sales of goods from non-banking and financial businesses	非銀行及金融業務之貨品銷售收入	7e	1,555,114	1,405,812
Rental income from non-banking and financial businesses	非銀行及金融業務之租金收入	7e	16,024	11,108
<b>Total revenue</b>	<b>總收入</b>		<b>1,931,099</b>	1,774,549
Cost of sales from non-banking and financial businesses	非銀行及金融業務之銷售成本		(745,224)	(647,405)
Other income and other net gains or losses	其他收入及其他收益或虧損淨額	8	40,881	98,333
Selling and distribution expenses	銷售及分銷費用		(535,895)	(550,428)
Administrative expenses	行政費用		(698,022)	(728,432)
Share of loss of joint ventures	應佔合營企業虧損	25	(83)	(494)
Share of profit of associates	應佔聯營公司溢利	26	323	3,180
Finance costs from non-banking business	非銀行業務之財務費用	9	(67,351)	(82,956)
<b>Loss before income tax</b>	<b>除所得稅前虧損</b>	10	<b>(74,272)</b>	(133,653)
Income tax expense	所得稅開支	11	(31,104)	(25,176)
<b>Loss for the year</b>	<b>本年度虧損</b>		<b>(105,376)</b>	(158,829)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 綜合全面收入表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Other comprehensive income</b>	<b>其他全面收入</b>			
Item that will not be subsequently reclassified to profit or loss	不會於日後重新分類至溢利或虧損之項目			
– Remeasurement of net defined benefit obligations	– 重新計量定額福利責任淨額	15.2	42,515	3,646
– Change in fair value of financial assets at fair value through other comprehensive income	– 按公平值計入其他全面收入之金融資產公平值變動	20	33,127	47,933
			<b>75,642</b>	51,579
Items that may be subsequently reclassified to profit or loss	可能於日後重新分類至溢利或虧損之項目			
– Exchange differences on translation to presentation currency	– 換算呈列貨幣之匯兌差額		(9,893)	279,862
– Share of other comprehensive income of associates	– 應佔聯營公司之其他全面收入	26	188	(490)
– Release of exchange reserve to profit or loss upon disposal of a subsidiary	– 於出售一間附屬公司後解除外匯儲備至溢利或虧損		(744)	(405)
			<b>(10,449)</b>	278,967
<b>Other comprehensive income for the year</b>	<b>本年度其他全面收入</b>		<b>65,193</b>	330,546
<b>Total comprehensive income for the year</b>	<b>本年度全面收入總額</b>		<b>(40,183)</b>	171,717
<b>(Loss)/profit for the year attributable to:</b>	<b>以下人士應佔本年度(虧損)/溢利:</b>			
Owners of the Company	本公司擁有人		(100,907)	(169,233)
Non-controlling interests	非控股權益		(4,469)	10,404
			<b>(105,376)</b>	(158,829)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 綜合全面收入表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

	Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company	以下人士應佔本年度 全面收入總額： 本公司擁有人	(35,727)	164,456
Non-controlling interests	非控股權益	(4,456)	7,261
		<b>(40,183)</b>	171,717
<b>Loss per share attributable to owners of the Company</b>	本公司擁有人應佔 每股虧損		
– Basic	– 基本	<b>HK(2.32) cents (2.32) 港仙</b>	HK(3.89) cents (3.89) 港仙
– Diluted	– 攤薄	<b>HK(2.32) cents (2.32) 港仙</b>	HK(3.89) cents (3.89) 港仙

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

As at 31 December 2021 於二零二一年十二月三十一日

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Assets</b>				
Cash and deposits	現金及存款	17	6,531,968	5,612,645
Due from clients	應收客戶款項	18	3,068,719	2,463,225
Due from banks	應收銀行款項	18	2,034,190	5,466,260
Trading portfolio investments	交易組合投資	19	86,130	80,310
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之 金融資產	20	504,117	470,794
Derivative financial assets	衍生金融資產	21	34,608	29,224
Trade receivables	應收賬款	22	378,227	391,747
Other financial assets at amortised cost	按攤銷成本列賬之 其他金融資產	23	1,852,934	1,449,886
Inventories	存貨	24	2,193,281	2,255,553
Income tax recoverable	可收回所得稅		460	2,299
Interests in joint ventures	所佔合營企業權益	25	519	602
Interests in associates	所佔聯營公司權益	26	113,687	113,176
Property, plant and equipment	物業、廠房及設備	27	1,348,154	1,270,726
Investment properties	投資物業	28	210,159	195,427
Intangible assets	無形資產	29	52,411	54,415
Goodwill	商譽	30	1,151,788	1,144,071
Deferred tax assets	遞延稅項資產	38	9,179	13,961
Other assets	其他資產	31	391,888	370,874
<b>Total assets</b>	<b>總資產</b>		<b>19,962,419</b>	<b>21,385,195</b>
<b>Liabilities</b>	<b>負債</b>			
Due to banks	應付銀行款項		15,126	2,639
Due to clients	應付客戶款項	32	12,750,292	13,965,477
Derivative financial liabilities	衍生金融負債	21	47,955	31,334
Trade payables	應付賬款	33	409,555	360,624
Contract liabilities	合約負債	34	26,510	13,824
Income tax payables	應付所得稅		32,559	36,799
Borrowings	借貸	35	1,176,635	1,564,822
Provisions	撥備	36	379	368
Lease liabilities	租賃負債	37	77,228	57,570
Deferred tax liabilities	遞延稅項負債	38	55,180	55,377
Due to a shareholder	應付一名股東之款項	45	12,000	12,000
Due to directors	應付董事款項	45	73,515	21,233
Other liabilities	其他負債	39	661,945	526,901
<b>Total liabilities</b>	<b>總負債</b>		<b>15,338,879</b>	<b>16,648,968</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

As at 31 December 2021 於二零二一年十二月三十一日

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Equity</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	40	<b>435,189</b>	435,189
Reserves	儲備	41	<b>3,925,944</b>	3,983,490
			<b>4,361,133</b>	4,418,679
Non-controlling interests	非控股權益		<b>262,407</b>	317,548
<b>Total equity</b>	<b>權益總額</b>		<b>4,623,540</b>	4,736,227
<b>Total liabilities and equity</b>	<b>負債及權益總額</b>		<b>19,962,419</b>	21,385,195

The consolidated financial statements on pages 153 to 334 were approved and authorised for issue by the board of directors on 30 March 2022 and are signed on its behalf by:

第153至334頁之綜合財務報表於二零二二年三月三十日獲董事會批准及授權刊發，並由以下董事代表簽署：

**Hon Kwok Lung**  
韓國龍  
Director  
董事

**Siu Chun Wa**  
蕭進華  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益											
		Share capital	Share premium account*	Other reserve*	Goodwill arising on consolidation*	Statutory reserve*	Exchange reserve*	Fair value through other comprehensive income reserve**	Revaluation reserve for property, plant and equipment*	Retained profits*	Total	Non-controlling interests	Total equity
		股本	股份溢價賬*	其他儲備*	綜合賬目產生之商譽*	法定儲備*	外匯儲備*	按公平值計入其他全面收入儲備**	物業、廠房及設備重估儲備*	保留溢利*	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(附註40)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)
Balance at 1 January 2020	於二零二零年一月一日之結餘	435,189	682,028	(12,711)	(15,300)	105,931	(274,314)	(77,049)	34,916	3,376,382	4,255,072	405,817	4,660,889
<b>Transactions with owners</b>	<b>與擁有人交易</b>												
Deemed acquisition of interest in subsidiaries (note 46(b))	視為收購附屬公司權益 (附註46(b))	-	-	(849)	-	-	-	-	-	-	(849)	(2,130)	(2,979)
Dividends paid to non-controlling interests	向非控股權益派付股息	-	-	-	-	-	-	-	-	-	-	(38,762)	(38,762)
Disposal of a subsidiary (note 12(b))	出售一間附屬公司 (附註12(b))	-	-	-	-	-	-	-	-	-	-	(54,638)	(54,638)
<b>Total transactions with owners</b>	<b>與擁有人交易總額</b>	-	-	(849)	-	-	-	-	-	-	(849)	(95,530)	(96,379)
<b>Comprehensive income</b>	<b>全面收入</b>												
(Loss)/profit for the year	本年度(虧損)/溢利	-	-	-	-	-	-	-	-	(169,233)	(169,233)	10,404	(158,829)
<b>Other comprehensive income</b>	<b>其他全面收入</b>												
Remeasurement of defined benefit obligations	重新計量定額福利責任	-	-	-	-	-	-	-	-	3,919	3,919	(273)	3,646
Change in fair value of financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產公平值變動	-	-	-	-	-	-	47,933	-	-	47,933	-	47,933
Exchange differences on translation to presentation currency	換算呈列貨幣產生之匯兌差額	-	-	-	-	-	282,732	-	-	-	282,732	(2,870)	279,862
Release of exchange reserve to profit or loss upon disposal of a subsidiary (note 12(b))	於出售一間附屬公司後解除外匯儲備至溢利或虧損 (附註12(b))	-	-	-	-	-	(405)	-	-	-	(405)	-	(405)
Share of exchange differences on translation of associates	應佔聯營公司匯兌差額	-	-	-	-	-	(490)	-	-	-	(490)	-	(490)
<b>Total comprehensive income for the year</b>	<b>本年度全面收入總額</b>	-	-	-	-	-	281,837	47,933	-	(165,314)	164,456	7,261	171,717
Appropriation to statutory reserve	轉撥至法定儲備	-	-	-	-	278	-	-	-	(278)	-	-	-
<b>Balance at 31 December 2020</b>	<b>於二零二零年十二月三十一日之結餘</b>	435,189	682,028	(13,560)	(15,300)	106,209	7,523	(29,116)	34,916	3,210,790	4,418,679	317,548	4,736,227

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益											
		Share capital	Share premium account*	Other reserve*	Goodwill arising on consolidation*	Statutory reserve*	Exchange reserve*	Fair value through other comprehensive income reserve <sup>#</sup>	Revaluation reserve for property, plant and equipment*	Retained profits*	Total	Non-controlling interests	Total equity
		股本	股份溢價賬*	其他儲備*	綜合賬目產生之商譽*	法定儲備*	外匯儲備*	按公平值計入其他全面收入儲備 <sup>#</sup>	物業、廠房及設備重估儲備*	保留溢利*	總計	非控股權益	權益總額
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 40)	(note 41)	(note 41)	(note 41)	(note 41)	(note 41)	(note 41)	(note 41)	(note 41)	(note 41)	(note 41)	(note 41)
		(附註40)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)	(附註41)
Balance at 1 January 2021	於二零二一年一月一日之結餘	435,189	682,028	(13,560)	(15,300)	106,209	7,523	(29,116)	34,916	3,210,790	4,418,679	317,548	4,736,227
<b>Transactions with owners</b>	<b>與擁有人交易</b>												
Deemed acquisition of interest in subsidiaries (note 46(a))	視為收購附屬公司權益 (附註46(a))	-	-	(21,819)	-	-	-	-	-	-	(21,819)	(39,053)	(60,872)
Dividends paid to non-controlling interests	向非控股股東派付股息	-	-	-	-	-	-	-	-	-	-	(11,632)	(11,632)
<b>Total transactions with owners</b>	<b>與擁有人交易總額</b>	-	-	(21,819)	-	-	-	-	-	-	(21,819)	(50,685)	(72,504)
<b>Comprehensive income</b>	<b>全面收入</b>												
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	(100,907)	(100,907)	(4,469)	(105,376)
<b>Other comprehensive income</b>	<b>其他全面收入</b>												
Remeasurement of defined benefit obligations	重新計量定額福利責任	-	-	-	-	-	-	-	-	37,772	37,772	4,743	42,515
Change in fair value of financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產公平值變動	-	-	-	-	-	-	33,127	-	-	33,127	-	33,127
Exchange differences on translation to presentation currency	換算呈列貨幣產生之匯兌差額	-	-	-	-	-	(5,163)	-	-	-	(5,163)	(4,730)	(9,893)
Share of exchange differences on translation of associates	應佔聯營公司匯兌差額	-	-	-	-	-	188	-	-	-	188	-	188
Release of exchange reserve to profit or loss upon disposal of a subsidiaries (note 12(a))	於出售一間附屬公司後解除外匯儲備至溢利或虧損 (附註12(a))	-	-	-	-	-	(744)	-	-	-	(744)	-	(744)
<b>Total comprehensive income for the year</b>	<b>本年度全面收入總額</b>	-	-	-	-	-	(5,719)	33,127	-	(63,135)	(35,727)	(4,456)	(40,183)
Balance at 31 December 2021	於二零二一年十二月三十一日之結餘	435,189	682,028	(35,379)	(15,300)	106,209	1,804	4,011	34,916	3,147,655	4,361,133	262,407	4,623,540

\* These reserve accounts comprise the consolidated reserves of HK\$3,925,944,000 (2020: HK\$3,983,490,000) in the consolidated statement of financial position.

\* 該等儲備賬包括綜合財務狀況表內之綜合儲備 3,925,944,000 港元 (二零二零年: 3,983,490,000 港元)。

# The entire balance of fair value through other comprehensive income reserve belongs to non-recycling portion.

# 按公平值計入其他全面收入儲備之全部結餘均屬非結轉部分。

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Cash flows from operating activities</b>	<b>經營活動產生之現金流量</b>		
Loss before income tax	除所得稅前虧損	(74,272)	(133,653)
Adjustments for:	經調整：		
Depreciation and amortisation	折舊及攤銷	117,887	161,873
Provision and impairment losses	撥備及減值虧損	12,918	49,588
Net surplus on revaluation of investment properties	投資物業重估之盈餘淨額	(12,736)	(9,723)
Share of profit of associates	應佔聯營公司溢利	(323)	(3,180)
Share of loss of joint ventures	應佔合營企業虧損	83	494
Interest income from non-banking business	非銀行業務之利息收入	(1,863)	(4,222)
Finance costs from non-banking business	非銀行業務之財務費用	67,351	82,956
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(925)	(531)
Gain on the modification of leases	租賃修改之收益	(7,664)	-
Loss/(gain) on disposal of a subsidiary	出售一間附屬公司之虧損／(收益)	469	(405)
Dividend income	股息收入	(11,605)	(10,232)
Operating profit before working capital changes	營運資金變動前之經營溢利	89,320	132,965
(Decrease)/increase in due to clients	應付客戶款項(減少)／增加	(824,873)	1,900,586
Increase in due from clients	應收客戶款項增加	(771,253)	(310,110)
Increase/(decrease) in due to banks	應付銀行款項增加／(減少)	12,505	(16,785)
(Decrease)/increase in due from banks	應收銀行款項(減少)／增加	3,346,232	(548,913)
Decrease in trade receivables	應收賬款減少	11,359	84,952
Decrease in inventories	存貨減少	50,651	62,080
Decrease in cash held on behalf of clients	代客戶持有之現金減少	(11,354)	(6,758)
Increase/(decrease) in other assets	其他資產增加／(減少)	(32,740)	48,203
Increase in derivative financial assets	衍生金融資產增加	(6,166)	(20,086)
Increase/(decrease) in derivative financial liabilities	衍生金融負債增加／(減少)	16,621	(20,669)
(Decrease)/increase in trade payables	應付賬款(減少)／增加	48,271	(56,754)
Decrease in contract liabilities	合約負債減少	12,686	(5,335)
(Increase)/decrease in trading portfolio investments	交易組合投資(增加)／減少	(6,613)	103,062
Increase in other liabilities	其他負債增加	90,624	18,231
Cash generated from operations	經營業務產生之現金	2,025,270	1,364,669
Income tax paid	已付所得稅	(30,024)	(55,063)
<b>Net cash generated from operating activities</b>	<b>經營業務產生之現金淨額</b>	<b>1,995,246</b>	<b>1,309,606</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

	Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Cash flows from investing activities</b>	<b>投資活動產生之現金流量</b>		
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	33,000	3,014
Dividends received	已收股息	11,605	10,232
Increase in other financial assets at amortised cost	按攤銷成本列賬之其他金融資產增加	(440,293)	(154,668)
Purchase of property, plant and equipment	購買物業、廠房及設備	(203,291)	(186,069)
Decrease/(increase) in pledged bank deposits	已質押銀行存款減少/(增加)	–	111,763
Interest received from non-banking business	非銀行業務之已收利息	1,863	4,222
Net cash inflow/(outflow) from disposal of a subsidiary	出售一間附屬公司現金流入/(流出)淨額	17,084	(10,198)
<b>Net cash used in investing activities</b>	<b>投資活動所用之現金淨額</b>	<b>(580,032)</b>	<b>(221,704)</b>
<b>Cash flows from financing activities</b>	<b>融資活動產生之現金流量</b>		
Acquisition of non-controlling interests	收購非控股權益	(60,872)	(2,979)
Interest paid	已付利息	(61,795)	(82,956)
Proceeds from borrowings	借貸所得款項	1,134,366	765,148
Repayment of principal portion of the lease liabilities	償還租賃負債之本金部分	(39,635)	(41,596)
Repayment of borrowings	償還借貸	(1,552,823)	(939,838)
Dividends paid to non-controlling interests	向非控股權益派付股息	(11,632)	(16,860)
Advanced from directors	來自董事之墊款	60,300	3,992
Repayment to directors	償還董事款項	(8,018)	(5,000)
Advance from a related company	來自一間關連公司之墊款	126,000	–
Repayment to a related company	向一間關連公司還款	(38,000)	–
Advance from associates	聯營公司墊款	20,000	–
Repayment to associates	向聯營公司還款	(10,000)	–
<b>Net cash used in financing activities</b>	<b>融資活動所用之現金淨額</b>	<b>(442,109)</b>	<b>(320,089)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Net increase in cash and cash equivalents</b>	現金及現金等價物增加淨額		<b>973,105</b>	767,813
<b>Cash and cash equivalents at 1 January</b>	於一月一日之現金及現金等價物		<b>5,447,595</b>	4,631,702
<b>Effect of foreign exchange rate changes, net</b>	匯率變動影響淨額		<b>(69,376)</b>	48,080
<b>Cash and cash equivalents at 31 December</b>	於十二月三十一日之現金及現金等價物		<b>6,351,324</b>	5,447,595
<b>Analysis of balances of cash and cash equivalents</b>	現金及現金等價物結餘分析			
<b>Cash and deposits</b>	現金及存款	17	<b>6,409,629</b>	5,500,306
<b>Bank overdraft</b>	銀行透支	35	<b>(58,305)</b>	(52,711)
			<b>6,351,324</b>	5,447,595

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 1. GENERAL INFORMATION

Citychamp Watch & Jewellery Group Limited (the “Company”) is a limited liability company incorporated in Cayman Islands. Its registered office address is P.O. Box 309, Ugland House, South Church Street, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is Units 1902–04, Level 19, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the year, the principal activities of the Company and its subsidiaries (together referred to as the “Group”) include:

- Manufacturing and distribution of watches and timepieces;
- Property investments; and
- Banking and financial businesses.

There was no significant change in the Group’s operations during the year.

The Group’s principal places of the business are in Hong Kong, Switzerland, United Kingdom, Liechtenstein and the People’s Republic of China (the “PRC”).

#### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

##### (a) Adoption of new or revised HKFRSs – effective 1 January 2021

In the current year, the Group has applied for the first time the following new or revised standards, amendments and interpretations (the “new or revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2021:

Amendments to HKFRS 9,  
HKAS 39, HKFRS 7,  
HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform  
– Phase 2

Amendments to HKFRS 16

COVID-19-Related Rent  
Concessions

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

#### 1. 一般資料

冠城鐘錶珠寶集團有限公司（「本公司」）為於開曼群島註冊成立之有限公司，其註冊辦事處地址為P.O. Box 309, Ugland House, South Church Street, Grand Cayman, KY1-1104, Cayman Islands，主要營業地點位於香港九龍柯士甸道西1號環球貿易廣場19樓1902–04室。本公司股份於香港聯合交易所有限公司（「聯交所」）上市。

年內，本公司及其附屬公司（統稱「本集團」）之主要業務包括：

- 鐘錶及時計產品製造及分銷；
- 物業投資；及
- 銀行及金融業務。

年內本集團的營運並無重大變動。

本集團之主要營業地點位於香港、瑞士、英國、列支敦士登及中華人民共和國（「中國」）。

#### 2. 採納香港財務報告準則（「香港財務報告準則」）

##### (a) 採納新訂或經修訂香港財務報告準則—於二零二一年一月一日生效

於本年度，本集團首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂或經修訂準則、修訂及詮釋（「新訂或經修訂香港財務報告準則」），該等準則與本集團於二零二一年一月一日開始之年度期間之綜合財務報表相關及有效：

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

利率基準改革  
—第二階段

香港財務報告準則第16號之  
修訂

新冠疫情相關  
租金寬減

該等新訂或經修訂香港財務報告準則概不會對本集團當前或上一期間之業績及財務狀況產生重大影響。本集團並無提早應用任何於本會計期間尚未生效之新訂或經修訂香港財務報告準則。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### (b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>4</sup>
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>4</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>4</sup>
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction <sup>4</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>1</sup>
Amendments to HKFRS 3	References to Conceptual Framework <sup>3</sup>
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 <sup>2</sup>
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRS 2018–2020 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>2</sup> Effective for annual periods beginning on or after 1 April 2022.

<sup>3</sup> 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.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>5</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

#### (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早採納以下可能與本集團綜合財務報表有關的已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港會計準則第1號及香港財務報告準則實務報告第2號之修訂	香港會計準則第1號之修訂	會計政策披露 <sup>4</sup>
香港會計準則第1號之修訂	香港詮釋第5號(二零二零年)	將負債分類為流動及非流動 <sup>4</sup> 呈列財務報表—借款人對載有按要求償還條款的定期貸款進行分類 <sup>4</sup>
香港會計準則第8號之修訂	香港會計準則第12號之修訂	會計估計的定義 <sup>4</sup> 與單一交易產生的資產及負債相關的遞延稅項 <sup>4</sup>
香港會計準則第16號之修訂	香港會計準則第37號之修訂	物業、廠房及設備：作擬定用途前的所得款項 <sup>1</sup> 虧損合約—履行合約的成本 <sup>1</sup>
香港財務報告準則第3號之修訂	香港財務報告準則第3號之修訂	對概念架構的提述 <sup>3</sup>
香港財務報告準則第16號之修訂	香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號及香港會計準則第41號之修訂	二零二一年六月三十日之後的新冠疫情相關租金寬減 <sup>2</sup> 二零一八年至二零二零年香港財務報告準則的年度改進 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂	香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>5</sup>

<sup>1</sup> 於二零二二年一月一日或之後開始的年度期間生效。

<sup>2</sup> 於二零二二年四月一日或之後開始的年度期間生效。

<sup>3</sup> 適用於收購日期為二零二二年一月一日或之後開始的首個年度期間開始之日或之後的業務合併。

<sup>4</sup> 於二零二三年一月一日或之後開始的年度期間生效。

<sup>5</sup> 該等修訂將適用於在待釐定日期當日或之後開始的年度期間所發生的資產出售或注資。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

- (b) **New or revised HKFRSs that have been issued but are not yet effective** (Continued)  
**Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies**

The amendments seek to promote improved accounting policy disclosures that provide more useful information to investors and other primary users of the financial statements. Apart from clarify that entities are required to disclose their “material” rather than “significant” accounting policy, the amendments provide guidance on applying the concept of materiality to accounting policy disclosures.

**Amendments to HKAS 1, Classification of Liabilities as Current or Non-current**

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity’s right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability.

**Hong Kong Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause**

Hong Kong Interpretation 5 (2020) was revised as a consequence of the amendments to HKAS 1 issued in August 2020. The revision to Hong Kong Interpretation 5 (2020) updates the wordings in the interpretation to align with the amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

#### 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）  
 香港會計準則第1號及香港財務報告準則實務報告第2號之修訂，會計政策披露

該等修訂旨在促進改進會計政策披露，為投資者及財務報表的其他主要使用者提供更多有用信息。除闡明要求實體披露其「重大」而非「主要」會計政策外，該等修訂還為將重要性概念應用於會計政策披露提供指引。

**香港會計準則第1號之修訂，將負債分類為流動及非流動**

該等修訂澄清將負債分類為流動及非流動的規定。該等修訂訂明，倘實體延遲清償負債的權利受限於該實體須符合特定條件，則倘該實體符合當日之條件，其有權於報告期末延遲清償負債。負債的分類不受實體行使其權利延遲清償負債的可能性之影響。該等修訂亦澄清各種被視為負債清償的情形。

**香港詮釋第5號（二零二零年），呈列財務報表—借款人對載有按要求的償還條款的定期貸款進行分類**

香港詮釋第5號（二零二零年）已因二零二零年八月頒佈的香港會計準則第1號之修訂而作出修訂。經修訂香港詮釋第5號（二零二零年）更新了詮釋中的措辭，以與香港會計準則第1號之修訂一致，但結論並無變動，亦不會更改現行規定。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

**(b) New or revised HKFRSs that have been issued but are not yet effective** (Continued)  
**Amendments to HKAS 8, Definition of Accounting Estimates**

The amendments clarify the distinction between changes in accounting policies and changes in accounting estimates. Among other things, the amendments now define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty, and clarify that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates unless they result from the correction of prior period errors.

**Amendments to HKAS 12, Deferred Tax Related to Assets and Liabilities arising from a Single Transaction**

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it does not apply to such transactions as leases and decommissioning provisions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Consequently, entities will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on these transactions.

**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 while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

**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 can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

### 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

**(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）**  
**香港會計準則第8號之修訂，會計估計的定義**

該等修訂闡明區分會計政策變更及會計估計變更。其中包括，該等修訂現定義會計估計為存在計量不明朗因素的財務報表之貨幣金額。且闡明：用於編製會計估計而使用的輸入值或計量方法發生變化的影響屬於會計估計變更，除非它們是由於前期差錯更正所致。

**香港會計準則第12號之修訂，與單一交易產生的資產及負債相關的遞延稅項**

該等修訂縮小香港會計準則第12號第15及24段的確認豁免範圍，使其不適用於初始確認時產生相同的應課稅與可扣減暫時差額之租賃及棄置義務相關的撥備等交易。因此，實體將需要為該等交易產生之暫時差額確認遞延稅項資產及遞延稅項負債。

**香港會計準則第16號之修訂－物業、廠房及設備：作擬定用途前的所得款項**

該等修訂禁止自物業、廠房及設備項目的成本中扣除使資產達致能夠按照管理層擬定的方式開展經營所必要的位置及條件過程中產出的項目的銷售所得款項。相反，於溢利或虧損中確認出售該等項目的銷售所得款項及產出該等項目的成本。

**香港會計準則第37號之修訂－虧損合約－履行合約的成本**

該等修訂訂明，「履行合約的成本」包括「與合約直接有關的成本」。與合約直接有關的成本可能是履行該合約的增量成本（如直接勞工及材料）或與履行合約直接有關的其他成本的分配（如履行合約所使用的物業、廠房及設備項目的折舊費用的分配）。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

## (b) New or revised HKFRSs that have been issued but are not yet effective (Continued)

**Amendments to HKFRS 3 – Reference to the Conceptual Framework**

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments 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. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

**Amendments to HKFRS 16 – COVID-19-Related Rent Concessions Beyond 30 June 2021**

The amendment extends the time limit in one of the qualifying criteria of the practical expedient for COVID-19-related rent concessions from 30 June 2021 to 30 June 2022. As such, the use of the practical expedient is available to more rent concessions, in particular those involving reduction in lease payments originally due after 30 June 2021 but before 30 June 2022.

## 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

## (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）

**香港財務報告準則第3號之修訂－對概念架構的提述**

該等修訂更新香港財務報告準則第3號，以使其參考二零一八年財務報告的經修訂概念框架，而非二零一零年頒佈的版本。該等修訂對香港財務報告準則第3號增加一項規定，就香港會計準則第37號範圍內的責任而言，收購方應用香港會計準則第37號釐定於收購日期是否因過往事件而存在現有責任。就香港（國際財務報告詮釋委員會）－詮釋第21號徵稅範圍內的徵稅，收購方應用香港（國際財務報告詮釋委員會）－詮釋第21號釐定產生支付徵稅負債的責任事件是否已於收購日期前發生。該等修訂亦增加一項明確聲明，表明收購方並無確認於業務合併中收購的或然資產。

**香港財務報告準則第16號之修訂－二零二一年六月三十日之後的新冠疫情相關租金寬減**

該修訂將新冠疫情相關租金寬減相關的實務變通方法的其中一項資格標準的時限從二零二一年六月三十日延長至二零二二年六月三十日。因此，該實務變通方法可用於更多租金寬減，尤其是涉及原定二零二一年六月三十日之後但在二零二二年六月三十日之前到期的租賃付款額的減讓。

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### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

- (b) **New or revised HKFRSs that have been issued but are not yet effective** (Continued)  
**Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41, Annual Improvements to HKFRSs 2018–2020**

The annual improvements amends a number of standards, including:

- HKFRS 9, Financial Instruments, which clarify the fees included in the ‘10 per cent’ test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other’s behalf are included.
- HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

#### **Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The Group is in the progress of making assessments of the potential impact of these new or revised HKFRSs upon initial application.

### 2. 採納香港財務報告準則(「香港財務報告準則」)(續)

- (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)  
香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號及香港會計準則第41號之修訂，二零一八年至二零二零年香港財務報告準則的年度改進  
年度改進對多項準則進行了修訂，包括：

- 香港財務報告準則第9號金融工具，闡明香港財務報告準則第9號第B3.3.6段「10%」測試所包括的費用，以評估是否終止確認金融負債，並解釋僅實體與貸款人之間支付或收取的費用，包括實體或貸款人代表其他方支付或收取的費用。
- 香港財務報告準則第16號租賃，修訂第13項範例以刪除由出租人償還租賃裝修的說明，進而解決因該示例中租賃優惠的說明方式而可能產生的任何有關租賃優惠處理的潛在混淆。

#### **香港財務報告準則第10號及香港會計準則第28號之修訂，投資者與其聯營公司或合營企業之間的資產出售或注資**

該等修訂闡明投資者與其聯營公司或合營企業之間出售或注入資產的情況。當與採用權益法入賬的聯營公司或合營企業進行交易時，因喪失對不包含業務的附屬公司的控制權而產生的任何收益或虧損僅以非關聯投資者在該聯營公司或合營企業的權益為限在損益中確認。同樣地，將任何前附屬公司(已成為聯營公司或合營企業)的保留權益按公平值重新計量而產生的任何收益或虧損，僅以非關聯投資者於新聯營公司或合營企業的權益為限在損益中確認。

本集團正在評估首次應用該等新訂或經修訂香港財務報告準則之潛在影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) issued by the HKICPA. The consolidated financial statements also included the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

#### 3.2 Historical cost convention

The consolidated financial statements have been prepared under historical cost basis except for investment properties and certain financial instruments, which are measured at fair value. The adoption of new or revised HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 2.

It should be noted that accounting estimates and assumptions are used in preparing these consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

#### 3.3 Functional and presentation currency

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

### 3. 編製基準

#### 3.1 合規聲明

綜合財務報表乃根據香港會計師公會頒佈之所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（以下統稱「香港財務報告準則」）編製。綜合財務報表亦包括香港公司條例及香港聯合交易所有限公司證券上市規則（「上市規則」）之披露規定。

#### 3.2 歷史成本法

綜合財務報表乃根據歷史成本法編製，惟投資物業及若干金融工具則按公平值計量。採納新訂或經修訂香港財務報告準則及對本集團綜合財務報表的影響（如有）於附註2披露。

謹請留意編製該等綜合財務報表時運用之會計估計及假設。儘管該等估計乃由管理人員根據其對現時事件及行動之最佳了解及判斷而作出，惟實際結果最終可能與該等估計有所出入。

#### 3.3 功能及呈列貨幣

綜合財務報表以本公司功能貨幣港元（「港元」）呈列，除另有指明外，所有金額均已約整至最接近千位數（「千港元」）。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure non-controlling interest that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

#### 4. 主要會計政策

##### 4.1 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。集團內公司間交易及結餘連同未變現溢利於編製綜合財務報表時全數對銷。未變現虧損亦可對銷，惟有關交易可證明所轉讓資產出現減值除外，於該情況下，虧損於溢利或虧損確認。

年內所收購或出售附屬公司之業績自收購生效日期起或直至出售生效日期為止（視適用情況而定）計入綜合全面收入表。倘有必要，將對附屬公司之財務報表作出調整，以令其會計政策與本集團其他成員公司所採用者一致。

收購附屬公司或業務採用收購法列賬。一項收購之成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行之股權於收購當日之公平值總額計量。所收購可識別資產及所承擔負債則主要按收購當日公平值計量。本集團先前所持被收購方之股權以收購當日公平值重新計量，而所產生之收益或虧損則於溢利或虧損內確認。本集團可按逐筆交易基準選擇以被收購方之可識別資產淨值公平值或應佔比例計算代表於該附屬公司現有擁有權益之非控股權益。除香港財務報告準則規定須使用另一計量基準外，所有其他非控股權益均按公平值計量。所產生之收購相關成本列作開支，惟於發行股本工具時產生之成本除外，在此情況下，成本於權益中扣除。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.1 Business combination and basis of consolidation (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Contingent consideration balances arising from business combinations whose acquisition dates preceded 1 January 2010 (i.e. the date the Group first applied HKFRS 3 (2008)) have been accounted for in accordance with the transition requirements in the standard. Such balances are not adjusted upon first application of the standard. Subsequent revisions to estimates of such consideration are treated as adjustments to the cost of these business combinations and are recognised as part of goodwill.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest 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 is 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, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests is the amount of those interests at initial recognition plus such non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### 4. 主要會計政策 (續)

##### 4.1 業務合併及綜合基準 (續)

收購方將予轉讓之任何或然代價均按收購日期之公平值確認。倘其後代價調整僅於計量期間(最長為自收購日期起計12個月)內取得有關收購日期公平值新資料時產生,則於商譽確認。分類為資產或負債之或然代價所有其他其後調整均於溢利或虧損中確認。

收購日期為二零一零年一月一日(即本集團首次應用香港財務報告準則第3號(二零零八年)之日)前之業務合併所產生之或然代價結餘,已根據該準則之過渡規定入賬。有關結餘於首次應用該準則時並未作出調整。其後對有關代價估計之修訂被視為對該等業務合併成本之調整,並確認為商譽之一部分。

本集團於附屬公司之權益變動(並無導致失去控制權)列作權益交易入賬。本集團之權益與非控股權益之賬面值均予以調整,以反映其於附屬公司之相對權益變動。非控股權益之調整金額與已支付或收取代價公平值之間之任何差額,均直接於權益中確認,並歸屬於本公司擁有人。

倘本集團失去附屬公司之控制權,出售溢利或虧損乃按下列兩者之差額計算:(i)所收取代價之公平值與任何保留權益之公平值總額,與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。先前就該附屬公司於其他全面收入確認之款額按出售相關資產或負債時所規定之相同方式列賬。

收購後,代表現有擁有權權益之非控股權益賬面值為該等權益於初步確認時之款額另加有關非控股權益應佔權益其後變動之部分。即使會導致非控股權益出現虧絀結餘,全面收入總額仍歸屬於有關非控股權益。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

##### 4.3 Structured entities

The collective investment instruments of the Group are structured entities as defined under HKFRS 12. If the Group operates such an investment instrument acting as an agent primarily in the interests of investors, this structured entity is not consolidated. Investments in such investment instruments held by the Group are recognised as financial instruments. If the Group acts as principal primarily in its own interests, the investment instrument is consolidated.

##### 4.4 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

#### 4. 主要會計政策 (續)

##### 4.2 附屬公司

附屬公司指本公司可對其行使控制權之被投資方。倘下列三項因素全部存在，則本公司控制被投資方：對被投資方擁有權力、就被投資方可變回報承受風險或享有權利及能夠運用其權力影響該等可變回報。當事實及情況顯示任何該等控制權因素可能發生變動，則會重新評估控制權。

於本公司之財務狀況表中，於附屬公司之投資按成本減任何減值虧損(如有)列賬。本公司按已收或應收股息將附屬公司業績入賬。

##### 4.3 結構實體

本集團集體投資工具為香港財務報告準則第12號所界定之結構實體。倘本集團主要為投資者之利益充當代理人經營該投資工具，則本結構實體不予綜合入賬。本集團持有於該投資工具之投資確認為金融工具。倘本集團主要為其自身利益作為當事人行事，則投資工具綜合入賬。

##### 4.4 聯營公司

聯營公司為本集團可對其行使重大影響力，且並非附屬公司或共同安排之實體。重大影響力指參與被投資方之財務及經營政策決定，但並非對該等政策實施控制或共同控制之權力。

本集團以權益會計法將聯營公司入賬，初步按成本確認，其後按本集團應佔聯營公司之資產淨值於收購後之變動調整其賬面值。惟數額超出本集團於聯營公司權益之虧損不予確認，除非本集團有責任彌補該等虧損。

本集團與其聯營公司之間進行交易產生之溢利或虧損僅以聯營公司之無關投資者權益確認。投資者因進行該等交易而分佔聯營公司之溢利及虧損與聯營公司賬面值對銷。當未變現虧損有證據顯示已轉讓資產減值，則即時於溢利或虧損確認。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.4 Associates (Continued)

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets. Accounting policies on impairment of interests in associates are described in note 4.7 below.

##### 4.5 Joint arrangements

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

#### 4. 主要會計政策 (續)

##### 4.4 聯營公司 (續)

任何就聯營公司支付之溢價高於本集團應佔所收購可識別資產、負債及或然負債公平值之差額會撥充資本，並於聯營公司賬面值入賬。倘有客觀證據表明於聯營公司之投資已減值，則有關投資賬面值按與其他非金融資產相同之方式測試減值。有關於聯營公司權益減值之會計政策載於下文附註4.7。

##### 4.5 合營安排

倘合約安排賦予本集團及至少一名其他訂約方對安排之相關活動之共同控制權時，則本集團為合營安排之訂約方。共同控制權乃根據與附屬公司控制權之相同原則予以評估。

本集團將其於合營安排之權益分類為：

- 合營企業：本集團僅對合營安排之資產淨值擁有權利；或
- 合營業務：本集團對合營安排之資產擁有權利並有責任承擔合營安排之負債。

評估於合營安排之權益之分類時，本集團會考慮：

- 合營安排之結構；
- 透過獨立工具組織之合營安排之法律形式；
- 合營安排協議之合約條款；及
- 任何其他事實及情況 (包括任何其他合約安排)。

任何就合營企業投資支付之溢價高於本集團應佔所收購可識別資產、負債及或然負債公平值之差額會撥充資本，並於合營企業投資賬面值入賬。倘有客觀證據表明於合營企業之投資已減值，則有關投資賬面值按與其他非金融資產相同之方式測試減值。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.6 Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired. The consideration transferred is measured at the aggregate of fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash generating units that are expected to benefit from the synergies of the acquisition. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash generating unit ("CGU") to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets on pro-rata basis over the carrying amount of each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value-in-use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

#### 4. 主要會計政策 (續)

##### 4.6 商譽

商譽初始按成本確認，即所轉讓代價與就非控制權益確認之款項總額超出所收購可識別資產、負債及或然負債公平值之部分。轉讓代價按本集團於交換日期所給予資產、所招致或所承擔負債及所發行股本工具之合計公平值計量。

倘可識別資產、負債及或然負債之公平值高於所付代價之公平值，收購中任何非控股權益之金額及收購方先前持有之收購股權於收購當日之公平值，則超出部分於重估後在收購日期之溢利或虧損中確認。

商譽按成本扣除累計減值虧損計量。就減值測試而言，收購產生之商譽分配至預期會受惠於收購協同效益之各相關現金產生單位。現金產生單位為資產之最小可識別組別，該組別產生之現金流入在很大程度上獨立於其他資產或資產組別之現金流入。獲分配商譽之現金產生單位會每年及於有跡象顯示該單位可能出現減值時進行減值測試。

於某個財政年度之收購所產生之商譽而言，獲分配商譽之現金產生單位（「現金產生單位」）於該財政年度完結前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值，則會先分配減值虧損以減少該單位獲分配之任何商譽賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。然而，分配至各資產之虧損不會將個人資產賬面值減至低於其公平值減出售成本（如可計量）或其使用價值（如可釐定），以較高者為準。商譽之任何減值虧損於溢利或虧損內確認，於往後期間不予撥回。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.7 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets; and
- interests in subsidiaries, associates and joint ventures.

If the recoverable amount (i.e. the higher of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent 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 in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (note 4.6), 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 or cash generating unit.

#### 4. 主要會計政策 (續)

##### 4.7 非金融資產減值

於各報告期末，本集團審閱下列資產之賬面值以釐定是否有任何跡象顯示該等資產出現減值虧損或過往確認之減值虧損不再出現或可能已有所減少：

- 物業、廠房及設備；
- 無形資產；及
- 於附屬公司、聯營公司及合營企業之權益。

倘預計資產之可收回金額（即公平值減出售成本與使用價值之較高者）低於其賬面值，則該資產之賬面值將減至其可收回金額。減值虧損即時於溢利或虧損中確認，除非相關資產根據另一香港財務報告準則以重估金額計值，在此情況下，減值虧損則根據該香港財務報告準則被視為重估減少。

當減值虧損於其後撥回，該資產之賬面值乃增加至其可收回金額修訂後之估計數額，惟增加之賬面值不可超出於過往年度未就該資產確認減值虧損原應釐定之賬面值。減值虧損撥回即時於溢利或虧損中確認。

使用價值乃基於預期從該資產或現金產生單位（附註4.6）產生之估計未來現金流量，採用反映貨幣時間價值及該資產或現金產生單位特定風險之當前市場評估之稅前貼現率而貼現至現值。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.8 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of the employees of 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 key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

#### 4. 主要會計政策 (續)

##### 4.8 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) 為本集團或本公司母公司之主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
  - (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
  - (iii) 兩間實體均為同一第三方之合營企業。
  - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
  - (v) 實體為本集團或與本集團有關連之實體就僱員福利設立之離職福利計劃。
  - (vi) 實體受(a)項所識別人土控制或共同控制。
  - (vii) 於(a)(i)項所識別人土對實體有重大影響力或屬該實體（或該實體之母公司）主要管理層成員。
  - (viii) 實體或其所屬集團之任何成員公司向本集團或本集團母公司提供主要管理人員服務。

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.8 Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

##### 4.9 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the buildings could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment, other than construction in progress ("CIP"), are stated at acquisition cost less accumulated depreciation and any identified impairment.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss in the year in which they are incurred.

#### 4. 主要會計政策 (續)

##### 4.8 關連人士 (續)

某一人士之近親指預期可影響該人士與實體進行買賣或於買賣時受該人士影響之有關家屬成員，並包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士之配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

##### 4.9 物業、廠房及設備

於租賃土地上持作自用之樓宇，倘其公平值可與租約開始時租賃土地之公平值分開計算，則連同其他廠房及設備項目（在建工程（「在建工程」）除外）按收購成本減累計折舊及任何可識別減值後列賬。

資產成本包括其購買價及任何使其投入擬定用途之運作狀況及地點之直接應佔成本。

其後成本僅在項目相關之未來經濟利益可能流入本集團及能夠可靠計量項目成本時，在適當情況下入賬資產賬面值或確認為獨立資產。重置部分之賬面值取消確認。所有其他維修及保養成本，均於產生年度於溢利或虧損確認為開支。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Property, plant and equipment (Continued)

Depreciation is provided to write off the cost less their estimated residual values over their estimated useful lives, using straight-line method, at the following rates per annum:

Right-of-use assets	Over the terms of the leases or estimated useful life ranging between 3 to 50 years, whichever is shorter
Buildings	Over the terms of the leases or estimated useful life, ranging between 10 years and 50 years, whichever is shorter
Leasehold improvements	Over the terms of the leases, or estimated useful life of 5 years, whichever is shorter
Plant and machinery	6% to 20%
Furniture, fixtures and office equipment	6% to 50%
Motor vehicles	9% to 30%

The assets' estimated useful lives, estimated residual values and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

CIP, which mainly represents renovation work on buildings and installation of machinery, is stated at cost less any impairment losses. Cost comprises direct costs incurred during the periods of construction, installation and testing. CIP is reclassified to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of CIP until it is completed and ready for its intended use.

The gain or loss arising on retirement or disposal is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### 4.10 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised in the consolidated statement of financial position reflect the prevailing market conditions at the reporting date.

#### 4. 主要會計政策 (續)

##### 4.9 物業、廠房及設備 (續)

折舊按估計可使用年期以直線法撇銷成本減估計剩餘價值計算，年率如下：

使用權資產	租賃年期或估計可使用年期(一般介乎3年至50年間)，以較短者為準
樓宇	租賃年期或估計可使用年期(一般介乎10年至50年間)，以較短者為準
租賃物業裝修	租賃年期或估計可使用年期5年，以較短者為準
廠房及機器	6%至20%
傢具、裝置及辦公室設備	6%至50%
汽車	9%至30%

資產估計可使用年期、估計剩餘價值及折舊方法於各報告期末檢討及視適當情況調整。

在建工程主要指樓宇翻新工程以及機器安裝，按成本減任何減值虧損列賬。成本包括於建造、安裝及測試期間產生之直接成本。當使資產投入擬定用途所必須之絕大部分準備工作完成時，在建工程會重新分類至物業、廠房及設備之適當組別。在建工程於完成及準備作擬定用途前，毋須計提折舊撥備。

廢棄或出售時所產生之收益或虧損按銷售所得款項淨額與資產賬面值之差額釐定，並於溢利或虧損確認。

##### 4.10 投資物業

投資物業指就賺取租金收入及／或資本增值而擁有或以租賃權益持有之土地及／或樓宇。

於初步確認時，投資物業按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按公平值列賬。公平值由具足夠資歷之外聘專業估值師就投資物業之所在地及性質釐定。於綜合財務狀況表確認之賬面值反映於報告日之當時市況。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.10 Investment properties (Continued)

Gains or losses arising from either change in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

##### 4.11 Leasing

###### Accounting as a lessee

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term 12 months or less. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

###### Right-of-use assets

The right-of-use assets should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. For right-of-use asset that meets the definition of an investment property, they are carried at fair value.

The Group accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under HKAS 40 and are carried at fair value.

#### 4. 主要會計政策 (續)

##### 4.10 投資物業 (續)

投資物業公平值變動或銷售產生之收益或虧損於產生期間計入溢利或虧損。

##### 4.11 租賃

###### 作為承租人之會計處理方式

所有租賃均須於綜合財務狀況表內資本化為使用權資產及租賃負債，惟實體擁有會計政策選項，以選擇不資本化 (i) 為短期租賃之租賃及／或 (ii) 相關資產為低價值之租賃。本集團已選擇不對低價值資產及租賃期於開始日期為12個月或以下之租賃確認使用權資產及租賃負債。與該等租賃相關之租賃付款已於租賃期按直線法支銷。

###### 使用權資產

使用權資產應按成本確認及將包括：(i) 租賃負債之初始計量金額 (見下文將租賃負債入賬之會計政策)；(ii) 於開始日期或之前作出之任何租賃付款，減已收取之任何租賃獎勵；(iii) 承租人產生之任何初始直接成本及 (iv) 承租人於拆除及移除相關資產至租賃條款及條件所規定之狀況時將予產生之估計成本 (除非該等成本乃為製造存貨而產生)。除符合投資物業定義的使用權資產或本集團應用重估模型的物業、廠房及設備類別外，本集團應用成本模型計量使用權資產。根據成本模型，本集團按成本計量使用權資產，並減去任何累計折舊及任何減值虧損以及就租賃負債之任何重新計量進行調整。符合投資物業定義的使用權資產按公平值入賬。

本集團將持作租賃或資本升值用途的租賃土地及樓宇根據香港會計準則第40號入賬及按公平值列賬。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.11 Leasing (Continued)

###### Lease liabilities

The lease liabilities are recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liabilities by: (i) increasing the carrying amount to reflect interest on the lease liabilities; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

#### 4. 主要會計政策 (續)

##### 4.11 租賃 (續)

###### 租賃負債

租賃負債應按於租賃開始日期尚未支付之租賃付款之現值確認。倘能夠釐定租賃隱含之利率，則租賃付款須使用該利率貼現。倘未能釐定該利率，本集團將使用本集團之增量借款利率。

以下並無於租賃開始日期付款之於租賃期之相關資產之使用權付款被視為租賃付款：(i) 定額付款減應收之任何租賃獎勵；(ii) 取決於指數或利率之可變租賃付款，初始使用於開始日期之指數或利率計量；(iii) 預期由承租人根據剩餘價值擔保應付之金額；(iv) 購買選擇權之行使價（倘承租人合理確定行使該選擇權）及 (v) 支付終止租賃的罰款（倘租賃期反映承租人行使選擇權終止租賃）。

於開始日期後，本集團須透過以下各項計量租賃負債：(i) 增加賬面值以反映租賃負債之利率；(ii) 減少賬面值以反映所作出之租賃付款；及 (iii) 重新計量賬面值以反映任何重新評估或租賃修訂，或反映經修訂實質定額租賃付款。

本集團修訂其任何租賃期（例如重新評估承租人延長租賃或行使終止權的可能性），將調整租賃負債的賬面值以反映彌補修訂租期的付款，有關付款使用經修訂貼現率貼現。如未來租賃付款的可變因素視乎經修訂的利率或指數而定，本集團將同樣修訂租賃負債的賬面值，惟折讓利率保持不變除外。兩種情況下，本集團將對使用權資產的賬面值作出相同調整，經修訂賬面值於餘下（經修訂）租期攤銷。如使用權資產的賬面值調整至零，任何其他扣減將於損益確認。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.11 Leasing (Continued)

###### Lease liabilities (Continued)

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

###### Accounting as a lessor

The Group has leased out its investment properties to a number of tenants. Rental income from operating leases is recognised in profit or loss 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 as an expense on the straight-line basis over the lease term.

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

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption, then the Group classifies the sub-lease as an operating lease.

#### 4. 主要會計政策 (續)

##### 4.11 租賃 (續)

###### 租賃負債 (續)

當本集團與出租人重新磋商租賃合約條款時，如果重新談判導致以與獲得的額外使用權的獨立價格相稱的金額租賃一項或多項額外資產，則該修訂計為在所有其他情況下，重新談判增加了租賃範圍（無論是對租賃期限的延長，還是正在租賃的一項或多項其他資產）的單獨租賃，則於是修訂日期使用適用於該租賃的貼現率重新計量租賃負債，並且將使用權資產調整相同的金額。

###### 作為出租人之會計處理方式

本集團將投資物業出租予多名租客。來自經營租賃之租金收入於有關租期按直線法於溢利或虧損確認。於磋商及安排一項經營租約引起之初期直接成本乃加於租約資產之賬面值上，並於租期以直線法確認作開支。

當本集團作為出租人，其於租賃開始時釐定各租賃屬於融資租賃或經營租賃。當租賃條款將有關資產擁有權之絕大部分風險及回報轉讓予承租人時，該租賃乃分類為融資租賃。否則，該租賃分類為經營租賃。

當本集團作為中間出租人，分租賃參考主租賃的使用權資產分類為融資租賃或經營租賃。倘主租賃為本集團應用豁免的短期租賃，本集團將分租賃分類為經營租賃。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.12 Intangible assets

##### (i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with definite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. The amortisation expense is recognised in profit or loss.

Supplier and distribution networks	10 years
Brand names	10 years
Patents	10 years

Intangible assets with indefinite useful lives shall not be amortised.

Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses.

##### (ii) Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

### 4. 主要會計政策 (續)

#### 4.12 無形資產

##### (i) 已收購無形資產

獨立收購之無形資產初步以成本確認。於業務合併中收購之無形資產成本為收購日期之公平值。其後，可使用年期有限之無形資產以成本減累計攤銷及累計減值虧損列賬。

攤銷按直線法於以下可使用年期作出撥備。攤銷費用於溢利或虧損確認。

供應商及分銷網絡	10年
品牌名稱	10年
專利權	10年

具無限可使用年期之無形資產毋須作攤銷。

具無限可使用年期之無形資產按成本減任何累計減值虧損列賬。

##### (ii) 內部產生之無形資產 (研發成本)

內部開發產品之支出如能夠證實以下各項，則可撥充資本：

- 開發產品以供出售在技術上可行；
- 具備足夠資源以完成開發；
- 有意完成及銷售該產品；
- 本集團有能力銷售該產品；
- 銷售該產品將帶來未來經濟利益；及
- 有關項目之開支能夠可靠計量。

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 4.12 Intangible assets (Continued)

## (ii) Internally generated intangible assets (research and development costs) (Continued)

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

## (iii) Impairment

Intangible assets with definite useful lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (note 4.7).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount; however, the carrying amount should not be increased above the lower of its recoverable amount and the carrying amount that would have resulted had no impairment loss been recognised for the asset in prior years. All reversals are recognised in the profit or loss immediately.

## 4. 主要會計政策 (續)

## 4.12 無形資產 (續)

## (ii) 內部產生之無形資產 (研發成本) (續)

已撥充資本之開發成本於本集團預期將取得銷售所開發產品之利益期間攤銷。攤銷費用於溢利或虧損中確認。

不符合上述標準之開發支出及內部項目在研究階段之支出於產生時在溢利或虧損中確認。

## (iii) 減值

當有跡象顯示資產可能減值時，具有限可使用年期之無形資產將作減值測試。具無限可使用年期之無形資產及尚未可使用之無形資產會每年進行減值測試，不論是否有跡象顯示該等資產可能減值。無形資產透過比較其賬面值與其可收回金額進行減值測試 (附註4.7)。

當資產之估計可收回金額少於賬面值時，該資產之賬面值將調低至其可收回金額。

減值虧損會即時確認為開支。

倘其後撥回減值虧損，則資產之賬面值會增至其修訂後之估計可收回金額；然而，賬面值不得增至超過其可收回金額與假設該資產於過往年度並無確認減值虧損而可能產生之賬面值兩者中之較低者。所有撥回即時於溢利或虧損確認。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.13 Financial instruments

##### (i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

### 4. 主要會計政策 (續)

#### 4.13 金融工具

##### (i) 金融資產

金融資產(並無重大融資部分的應收賬款除外)初步按公平值加上(倘項目並非按公平值計入溢利或虧損(「按公平值計入溢利或虧損」))其收購或發行直接應佔交易成本計量。並無重大融資部分的應收賬款初步按交易價格計量。

所有按常規方式買賣的金融資產均於交易日(即本集團承諾購買或出售該資產的日期)確認。常規方式買賣指按一般市場規例或規定須於指定期間內交付資產的金融資產買賣。

於確定其現金流量是否僅為本金及利息付款時會全面考慮附帶嵌入式衍生工具的金融資產。

##### 債務工具

債務工具的後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

**攤銷成本：**倘為收取合約現金流量而持有的資產的現金流量僅為本金及利息付款，則該等資產按攤銷成本計量。按攤銷成本計量的金融資產其後採用實際利率法計量。利息收入、外匯收益及虧損以及減值於溢利或虧損確認。終止確認的任何收益於溢利或虧損確認。

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## 綜合財務報表附註

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## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 4.13 Financial instruments (Continued)

## (i) Financial assets (Continued)

## Debt instruments (Continued)

Fair value through other comprehensive income (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

## 4. 主要會計政策 (續)

## 4.13 金融工具 (續)

## (i) 金融資產 (續)

## 債務工具 (續)

按公平值計入其他全面收入 (「按公平值計入其他全面收入」): 倘為收取合約現金流量及出售金融資產而持有的資產的現金流量僅為本金及利息付款, 則該等資產按公平值計入其他全面收入計量。按公平值計入其他全面收入的債務投資其後按公平值計量。採用實際利率法計算的利息收入、外匯收益及虧損以及減值於溢利或虧損確認。其他收益及虧損淨額於其他全面收入確認。於其他全面收入累計的收益及虧損在終止確認時重新分類至溢利或虧損。

按公平值計入溢利或虧損包括持作買賣的金融資產、於初步確認時指定按公平值計入溢利或虧損的金融資產或強制要求按公平值計量的金融資產。倘為於近期出售或購回而收購金融資產, 則該等金融資產分類為持作買賣。衍生工具 (包括獨立嵌入式衍生工具) 亦分類為持作買賣, 惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產, 不論其業務模式如何, 均按公平值計入溢利或虧損分類及計量。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收入分類, 但於初始確認時, 倘能夠消除或顯著減少會計錯配, 則債務工具可指定為按公平值計入溢利或虧損。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.13 Financial instruments (Continued)

##### (i) Financial assets (Continued)

##### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

##### (ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured 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. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

### 4. 主要會計政策 (續)

#### 4.13 金融工具 (續)

##### (i) 金融資產 (續)

##### 股本工具

於初步確認並非持作買賣之股本投資時，本集團可不可撤銷地選擇於其他全面收入呈列投資公平值之後變動。該選擇乃按逐項投資進行。按公平值計入其他全面收入的股本投資按公平值計量。股息收入於溢利或虧損確認，除非股息收入明確表示收回部分投資成本。其他收益及虧損淨額於其他全面收入確認且不會重新分類至溢利或虧損。所有其他股本工具分類為按公平值計入溢利或虧損，而因此產生的公平值、股息及利息收入變動於溢利或虧損確認。

##### (ii) 金融資產減值虧損

本集團就應收賬款、合約資產、按攤銷成本計量的金融資產及按公平值計入其他全面收入計量的債務投資的預期信貸虧損（「預期信貸虧損」）確認虧損撥備。預期信貸虧損將採用以下基準計量：(1) 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件而導致的預期信貸虧損；及(2) 全期預期信貸虧損：指金融工具的預期年期內所有可能發生的違約事件導致的預期信貸虧損。於估計預期信貸虧損時考慮的最長期限為本集團面臨的信貸風險的最長合約期限。

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損乃按根據合約應付本集團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計量。該差額其後按資產原有實際利率相近的差額貼現。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.13 Financial instruments (Continued)

###### (ii) Impairment loss on financial assets (Continued)

The Group measures loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets at amortised cost or at FVOCI, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

For the due from clients and due from banks, except for precious metal, ECL is determined by reference to the estimation of the exposure at default ("EAD"), probability of default ("PD") as well as a loss given default ("LGD"). The 12-months and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the reporting date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (ii) 金融資產減值虧損 (續)

本集團使用香港財務報告準則第9號簡化法將應收賬款之虧損撥備進行計量，並已根據全期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就其他按攤銷成本或按公平值計入其他全面收入計量之債務金融資產而言，預期信貸虧損乃基於12個月預期信貸虧損。然而，當信貸風險自發放貸款起大幅增加，撥備將以全期預期信貸虧損為基準。

就應收客戶款項及應收銀行款項（貴金屬除外），預期信貸虧損乃參考違約風險承擔（「違約風險承擔」）、違約或然率（「違約或然率」）以及違約損失率（「違約損失率」）。12個月及全期違約或然率分別代表未來12個月內違約發生的概率以及該工具的剩餘期限。違約風險承擔指預期違約結餘，經計及自報告日期起至違約事件連同任何預期根據承諾取用融資的本金及利息還款。違約損失率指因違約事件而產生的違約風險承擔預期虧損，乃經計及（其中包括）預期將會變現時抵押品價值的緩減作用及金錢的時間價值。

於釐定金融資產之信貸風險是否自首次確認起已大幅增加，並於估計預期信貸虧損時，本集團會考慮相關及毋須付出過多成本或努力即可獲得之合理及可靠資料。此包括根據本集團過往經驗及已知信貸評估之定量及定性資料及分析以及包括前瞻性資料。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.13 Financial instruments (Continued)

###### (ii) Impairment loss on financial assets (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

In making this reassessment, the Group considers that a default event occurs when (i) the debtor is unlikely to pay its credit obligations to the group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

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

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (ii) 金融資產減值虧損 (續)

本集團假設，倘逾期超過30日，金融資產之信貸風險會大幅增加。

本集團認為金融資產於以下情況下屬信貸減值：(1) 借款人不大大可能在本集團並無追索權採取行動(如變現抵押品)(如持有)的情況下向本集團悉數支付其信貸義務；或(2) 該金融資產逾期超過90日。

信貸減值金融資產的利息收入乃基於金融資產的攤銷成本(即總賬面值減虧損撥備)計算。非信貸減值金融資產的利息收入乃基於總賬面值計算。

在進行此重新評估時，當(i)債務人在本集團並無追索權採取行動(如變現抵押品)(如持有)的情況下不大大可能向本集團悉數支付其信貸義務或(ii)該金融資產逾期90天，本集團將視為發生違約事件。本集團考慮合理且可支持的定量和定性資料，包括無需過多的成本或努力可取得之歷史經驗和前瞻性信息。在評估自初始確認後信貸風險是否顯著增加時會特別考慮以下信息：

- 未能在合同到期日支付本金或利息；
- 金融工具的外部或內部信用評級(如有)有實際或預期的顯著惡化；
- 債務人經營業績有實際或預期顯著惡化；及
- 技術、市場、經濟或法律環境的現有或預測變化，對債務人履行其對本集團義務的能力產生重大不利影響。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.13 Financial instruments (Continued)

###### (ii) Impairment loss on financial assets (Continued)

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

###### (iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

##### Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (ii) 金融資產減值虧損 (續)

對於貸款承諾，為評估預期信貸虧損而初始確認的日期被視為本集團成為不可撤銷承諾的一方的日期。在評估自初始確認貸款承諾以來是否有重大信貸風險增加，本集團考慮貸款承諾所涉及的貸款發生違約風險之變化。

###### (iii) 金融負債

本集團根據負債產生的原因分類其金融負債。按公平值計入溢利或虧損的金融負債初始按公平值計量及按攤銷成本計量的金融負債初始按公平值計量，扣除產生的直接應佔成本。

##### 按公平值計入溢利或虧損的金融負債

按公平值計入溢利或虧損的金融負債包括持作買賣的金融負債及於初始確認時指定按公平值計入溢利或虧損的金融負債。

倘收購金融負債的目的為於短期內出售，則彼等分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類持作買賣，除彼等指定為有效對沖工具除外。持作買賣負債的收益或虧損於溢利或虧損內確認。

倘一項合約包括一項或多項嵌入式衍生工具，則整份混合合約可指定為按公平值計入溢利或虧損的金融負債，除非該嵌入式衍生工具不會對現金流量產生重大改變，或明確禁止將嵌入式衍生工具分開列賬。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.13 Financial instruments (Continued)

###### (iii) Financial liabilities (Continued)

###### Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

###### Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, borrowings, and other financial liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

###### (iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (iii) 金融負債 (續)

###### 按公平值計入溢利或虧損的 金融負債 (續)

倘符合下列條件，金融負債或會於初始確認時被指定為按公平值計入溢利或虧損的負債：(i) 該項指定撤銷或大幅減低因按不同基準而計量負債或確認有關負債的收益或虧損而另行引起的不一致處理方法；(ii) 負債乃一組金融負債的一部分，而該等金融負債乃根據已明文規定的風險管理策略管理及按公平值評定表現；或(iii) 該金融負債包括嵌入式衍生工具須獨立記錄。

於初始確認後，按公平值計入溢利或虧損的金融負債乃按公平值計量，公平值變動於彼等產生的期間內於溢利或虧損確認，惟本集團擁有的於其他全面收入內呈報且其後不會重新分類至溢利或虧損表的信貸風險產生的收益及虧損除外。於溢利或虧損表內確認的公平值收益或虧損淨額並不包括就該等金融負債收取的任何利息。

###### 按攤銷成本列賬的金融負債

按攤銷成本列賬的金融負債(包括應付賬款、借貸及其他金融負債)隨後使用實際利率法按攤銷成本計量。有關利息開支於溢利或虧損內確認。

終止確認負債及於攤銷過程中產生的收益或虧損於溢利或虧損內確認。

###### (iv) 實際利率法

實際利率法是計算金融資產或金融負債的攤銷成本以及於有關期間分配利息收入或利息開支的方法。實際利率為於金融資產或負債的預計年期或適用的較短期間內準確貼現估計未來現金收入或付款的利率。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.13 Financial instruments (Continued)

###### (v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

###### (vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the the accounting policy set out in 4.13(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

###### (vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (v) 股本工具

本公司發行的股本工具按所得款項扣除直接發行成本記賬。

###### (vi) 財務擔保合約

財務擔保合約乃規定發出人向持有人支付指定金額，以補償持有人由於指定欠債人未能根據債務工具原訂或經修訂條款於到期時付款而蒙受的損失。由本集團發出的並非指定為按公平值計入溢利或虧損的財務擔保合約初步按公平值減發出財務擔保合約直接產生的交易成本予以確認。初步確認後，本集團按以下各項較高者計量財務擔保合約：(i) 虧損撥備金額，即根據4.13(ii) 所載會計政策原則計量的預期信貸虧損撥備；及(ii) 初步確認金額減（如適當）根據香港財務報告準則第15號的原則確認的累計攤銷。

###### (vii) 終止確認

凡收取金融資產所帶來的未來現金流量的合約權利屆滿，或金融資產經已轉讓，而轉讓符合香港財務報告準則第9號規定的終止確認準則，則本集團終止確認該金融資產。

當有關合約中訂明的責任獲解除、註銷或屆滿時，則會終止確認金融負債。

倘本集團因重新磋商負債條款而向債權人發行本身之股本工具以償付全部或部分金融負債，所發行之股本工具即所付代價，乃初步按有關金融負債（或當中部分）註銷當日之公平值確認及計量。倘已發行股本工具之公平值無法可靠計量，則股本工具按已註銷金融負債之公平值計量。已註銷金融負債（或當中部分）之賬面值與所付代價間之差額乃於年內在溢利或虧損確認。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.13 Financial instruments (Continued)

###### (viii) Write-off policy

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

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

##### 4.14 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost is determined using weighted average basis, and in the case of work-in-progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expense and the estimated costs necessary to make the sale.

##### 4.15 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, demand deposits with banks, and short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in values.

##### 4.16 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deferred and recognised in profit or loss over the useful life of the asset.

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (viii) 撇銷政策

若無實際機會收回，金融資產的賬面總額可（部分或全部）撇銷，一般是當集團確定債務人沒有資產或收益來源可產生足夠現金流清償需撇銷的金額時發生。

先前被撇銷的資產若其後收回，以減值撥備回撥列入收回資產期間的溢利或虧損。

##### 4.14 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者之較低者列賬。成本按加權平均基準釐定，在製品及製成品之成本包括直接材料、直接勞工及按適當比例計算之生產成本。可變現淨值乃按照日常業務過程中之估計售價減任何適當銷售開支及完成銷售之估計成本計算。

##### 4.15 現金及現金等價物

現金及現金等價物包括之現金及銀行結餘、活期銀行存款及原到期日為三個月或以下之短期高度流通投資，均可隨時轉換為已知數額現金且價值變動風險不大。

##### 4.16 政府補貼

政府補貼於合理確定將可收取及本集團將遵照所附有關條件時予以確認。就所產生開支向本集團補償之撥款，於開支產生之同期有系統地於溢利或虧損中確認為收入。用於抵銷本集團資產成本之補貼則予以遞延並按資產之可使用年期於溢利或虧損中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.17 Provisions and contingent liabilities

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

##### 4.18 Income tax

Income tax comprises current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

#### 4. 主要會計政策 (續)

##### 4.17 撥備及或然負債

當本集團現時因過往事件而須承擔法定或推定責任，而結算債務可能要求流出經濟利益，於能可靠地作出估計時，撥備予以確認。倘貨幣時間價值之影響屬重大，則有關撥備將按預計結算該責任所需費用之現值列賬。

所有撥備均於各報告日進行檢討，並作出調整以反映當前最佳估計。

當流出經濟利益之可能性不大，或未能可靠估計數額，則有關責任會披露為或然負債，除非流出經濟利益之可能性甚微。純粹視乎日後有否出現一項或多項並非完全在本集團控制內之不確定事件而可能產生之責任，亦會披露為或然負債，除非流出經濟利益之可能性甚微。

或然負債於分配收購價至業務合併所購入資產及負債之過程中確認，初步按收購日期公平值計量，其後按上文所述原應於可資比較撥備確認之款額與初步確認款額減任何累計攤銷（如適用）之較高者計量。

##### 4.18 所得稅

所得稅包括即期稅項及遞延稅項。

即期稅項乃根據日常業務之溢利或虧損，就所得稅而言毋須課稅或不可扣稅之項目作出調整，並按報告期末已制定或大致上制定之稅率計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.18 Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arises from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 “Investment Property”. Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

#### 4. 主要會計政策 (續)

##### 4.18 所得稅 (續)

遞延稅項乃就財務報告而言之資產與負債之賬面值與就稅務而言之相關數額之暫時差額而確認。除商譽及不影響會計或應課稅溢利之已確認資產與負債外，就所有應課稅暫時差額確認遞延稅項負債。於有可能出現可運用可扣稅之暫時差額抵銷之應課稅溢利時，遞延稅項資產方會確認，前提為應課稅暫時差額並非由不影響應課稅溢利及會計溢利之業務合併以外的交易中資產及負債的初步確認產生。遞延稅項乃按預期適用於有關資產變現或有關負債結算之方式及於報告期末已制定或大致上制定之稅率計量。

倘投資物業根據香港會計準則第40號「投資物業」按公平值列賬，則可豁免遵守釐定用於計量遞延稅項金額之適用稅率之一般規定。除非推定被駁回，否則該等投資物業之遞延稅項金額按於報告日賬面值出售該等投資物業所適用之稅率計量。倘投資物業可予折舊，且持有該物業之業務模式目標為隨時間消耗該物業絕大部分經濟利益（而非透過銷售），則此假設可予駁回。

除非本集團可以控制暫時差額之撥回，且該撥回在可預見未來不大可能發生者外；於附屬公司及聯營公司之投資所產生有關應課稅暫時差額確認為遞延稅項負債。

所得稅於溢利或虧損確認，惟倘所得稅與於其他全面收入確認之項目有關則除外，在此情況下，所得稅亦於其他全面收入確認，或倘所得稅與直接於權益確認之項目有關，則所得稅亦直接於權益確認。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.18 Income tax (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities 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.

##### 4.19 Revenue recognition

###### (i) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

#### 4. 主要會計政策 (續)

##### 4.18 所得稅 (續)

即期稅項資產及即期稅項負債僅於以下情況按淨額呈列：

- (a) 本集團具有可合法執行權利抵銷已確認款額；及
- (b) 計劃以淨額基準結清或同時變現資產及結清負債。

本集團僅於以下情況按淨額呈列遞延稅項資產及遞延稅項負債：

- (a) 本集團具有可合法執行權利以即期稅項資產抵銷即期稅項負債；及
- (b) 遞延稅項資產及遞延稅項負債與相同稅務機關於以下情況徵收之所得稅有關：
  - (i) 相同應課稅實體；或
  - (ii) 於預期遞延稅項負債或資產重大款額結清或收回之日後每個期間，不同應課稅實體擬按淨額基準結清即期稅項負債及資產或同時變現資產及結清負債。

##### 4.19 收入確認

###### (i) 與客戶訂立合約之收入

與客戶訂立合約之收入於貨品或服務的控制權轉讓予客戶時確認，有關金額反映本集團預期就交換該等貨品或服務有權收取的代價，不包括代表第三方收取的有關金額。收益不包括增值稅或其他銷售稅並扣除任何交易折讓。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.19 Revenue recognition (Continued)

##### (i) Revenue from contract with customers (Continued)

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- 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.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

### 4. 主要會計政策 (續)

#### 4.19 收入確認 (續)

##### (i) 與客戶訂立合約之收入 (續)

視乎合約的條款及合約適用的法律，貨品或服務的控制權可在一段時間或某一時間點轉移。倘本集團在履約過程中符合下列條件，貨品或服務之控制權可在一段時間轉移：

- 提供客戶收到且同時消耗之所有利益；
- 本集團履約時創造及提升客戶所控制之資產；或
- 並無創造對本集團而言有其他用途之資產，而本集團有強制執行權利收取至今已完成履約部分的款項。

倘貨品或服務之控制權可在一段時間轉移，則收入乃於整個合約期間經參考完成履約責任之進度確認。否則，收入於客戶獲得貨品或服務控制權之某一時點確認。

於合約載有於一年以上時間向客戶轉移貨品或服務會為客戶帶來重大融資利益的融資成分時，則收入按應收款項的現值計量，使用本集團與客戶在合約訂立時於個別融資交易內反映的貼現率貼現。

倘合約載有為本集團帶來重大融資利益的融資成分，收入乃根據有關合約確認，包括實際利率法項下合約負債附有的利息開支。就付款與轉移承諾貨品或服務之間的期間為一年以內的合約而言，交易價格不會就重大融資成分的影響作出調整，使用香港財務報告準則第15號中實用的權宜之策。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.19 Revenue recognition (Continued)

###### (i) Revenue from contract with customers (Continued)

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. 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 services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

###### (a) Service fees and commission income

Service fees and commission income is generally recognised when the corresponding service is provided.

Service fees and commission income are recognised at a point in time when the relevant services such as broking services, provided to the customers and there is no unfulfilling performance obligation after services rendering. Except for a few services, such as custody account services, of which revenue is recognised over time so as to depict the pattern of delivery of services.

Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised.

###### (b) Sales of goods

Revenue from sales of goods is recognised at a point in time as when the control of the goods has been transferred to the customer and there is no unfulfilling performance obligation after the acceptance of the goods.

#### 4. 主要會計政策 (續)

##### 4.19 收入確認 (續)

###### (i) 與客戶訂立合約之收入 (續)

合約資產指本集團就換取本集團已向客戶轉讓服務收取代價之權利 (尚未成為無條件)。相反，應收款項指本集團收取代價之無條件權利，即只需待時間過去代價即到期應付。

合約負債指本集團因其已向客戶收取代價 (或到期應收之代價) 而須向客戶轉讓服務之責任。

###### (a) 服務費及佣金收入

服務費及佣金收入於提供相關服務時確認。

服務費及佣金收入於向客戶提供經紀服務等相關服務後並無尚未履行履約責任之某一時間點確認。託管賬戶服務等部分服務的收入乃隨時間確認，以描述提供服務之模式。

本集團因設立或收購金融資產已收/已付之融資或承諾費用予以遞延並確認為實際利率之調整。預期貸款承諾不會導致提取貸款時，確認貸款承諾費用。

###### (b) 貨品銷售

貨品銷售收入於貨品控制權已轉移至客戶且於貨品獲接受後並無尚未履行履約責任之某一時間點確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4.19 Revenue recognition (Continued)

##### (ii) Revenue from other sources

##### (a) Interest income

Interest income arising from the use of entity assets by others is recognised in profit or loss based on the duration and the effective interest rate. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and of allocating the interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, call and similar options) but does not consider future credit losses. The calculation includes all fees and interests paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest on the impaired financial assets is recognised using the rate of interest used to discount future cash flows (“unwinding of discount”) for the purpose of measuring the related impairment loss.

##### (b) Rental income

Rental income under operating leases is recognised on straight-line method over the term of the relevant lease.

##### (c) Dividend income

Dividend is recognised when the right to receive the dividend is established.

### 4. 主要會計政策 (續)

#### 4.19 收入確認 (續)

##### (ii) 其他途徑之收入

##### (a) 利息收入

其他人士使用實體資產所產生之利息收入按時間及實際利率於溢利或虧損中確認。利息收入包括任何折扣或溢價之攤銷或計息工具原賬面值與其按實際利率基準計算之到期金額間之其他差額之攤銷。

實際利率法為計算金融資產及負債之攤銷成本及於相關期間分配利息收入及利息開支之方法。實際利率為於金融工具預期年期或(倘適用)較短期間將估計未來現金付款或收入準確貼現至金融工具之賬面淨額之比率。計算實際利率時，本集團計及所有金融工具之合約條款(如認購期權及類似期權)估計現金流量，惟並無考慮未來信貸虧損。計算項目包括構成實際利率組成部分之訂約方之間所有已付或已收費用及利息、交易成本及所有其他溢價或折扣。

已減值金融資產之利息按就計量相關減值損失而對未來現金流量進行貼現(「折算貼現」)之利率確認。

##### (b) 租金收入

經營租賃之租金收入於有關租賃期間按直線法確認。

##### (c) 股息收入

股息於確立收取股息權利時確認。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.20 Retirement benefits

Retirement benefits to employees are provided through defined contribution plans and defined benefit pension plans.

###### (i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees in Hong Kong 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 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 the PRC are required to participate in a central pension scheme operated by the local municipal government (the “Scheme”). These subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme. The Scheme is responsible for the entire pension obligations payable to the retired employees and the Group has no further obligations for the actual pension payments or other post-retirement benefits beyond the employer contributions. Contributions under the Scheme are charged to profit or loss as they become payable in accordance with the rules of the PRC.

#### 4. 主要會計政策 (續)

##### 4.20 退休福利

僱員退休福利透過定額供款計劃及定額退休金福利計劃撥備。

###### (i) 定額供款計劃

定額供款計劃是一項退休金計劃，本集團根據該計劃向一個獨立實體支付定額供款。於支付定額供款後，本集團並無法定或推定責任支付進一步供款。

就定額供款計劃確認之供款於其到期時列作開支。倘產生繳付不足或預繳即可能就此確認該負債及資產，並因其通常屬短期性質而計入流動負債或流動資產。

本集團亦為合資格參與強制性公積金退休福利計劃（「強積金計劃」）的香港僱員根據強積金計劃條例設有定額供款強積金計劃。供款按僱員基本薪金一定百分比作出，於根據強積金計劃規則應付時在溢利或虧損扣除。強積金計劃資產與本集團資產分開，由獨立管理基金持有。本集團之僱主供款於向強積金計劃作出時全數歸僱員所有。

本集團於中國經營業務之附屬公司之僱員須參與有關地方政府管理之中央退休金計劃（「該計劃」）。該等附屬公司規定須按工資成本若干百分比向中央退休金計劃供款。該計劃負責向已退休僱員支付全部退休金之責任，除僱主供款外，本集團就實際退休款項或其他退休後福利並無進一步責任。該計劃供款於根據中國規則應付時在溢利或虧損內扣除。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.20 Retirement benefits (Continued)

###### (ii) Defined benefit pension plans

Defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflow using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in profit or loss.

###### (iii) Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related services.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

#### 4. 主要會計政策 (續)

##### 4.20 退休福利 (續)

###### (ii) 定額退休金福利計劃

定額退休金福利計劃界定僱員於退休時將領取之退休金福利數額，數額通常視乎年齡、服務年資及薪酬等一項或多項因素而定。

於綜合財務狀況表內就定額退休金計劃確認之負債，為於報告期末之定額福利責任現值減計劃資產之公平值。定額福利責任每年由獨立精算師使用預計單位貸記法計算。定額福利責任現值按以支付福利之同一貨幣計值、且到期日與相關退休福利責任相若之優質公司債券利率貼現估計未來現金流出而釐定。在有關債券並無成熟市場之國家，則使用政府債券之市場利率。

因過往調整及精算假設變動所產生之精算收益及虧損乃於產生期間在權益之其他全面收入扣除或計入。

過往服務成本即時於溢利或虧損確認。

###### (iii) 短期僱員福利

短期僱員福利是指預計在僱員提供相關服務之年度報告期間結算日後十二個月前將全數結付之僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務之年度內確認。

病假及產假等非累積有薪假期於提取假期時方予確認。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.21 Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

Upon exercise of share options, the amount previously recognised in share option reserve and the proceeds received net of any directly attributable transaction costs up to the nominal value of the share issued are reallocated to share capital with any excess being recorded as share premium. When the share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

##### 4.22 Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### 4.23 Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on 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.

#### 4. 主要會計政策 (續)

##### 4.21 僱員股份補償

本集團為其僱員設立股本結算以股份為基礎之補償計劃。

就所有僱員提供服務而授出之任何股份補償按其公平值計算。該等補償乃參考獲授出認購股份權間接釐定。其價值於授出日評估，並不包括任何非市場歸屬條件之影響。

於認購股份權獲行使後，過往於認購股份權儲備確認之款額及所收取之所得款項扣除任何直接應佔交易成本(但不超過已發行股份之面值)將獲重新分配至股本，任何超出部分將記錄為股份溢價。倘認購股份權於到期日失效、被沒收或仍未行使，過往於認購股份權儲備確認之款額將轉撥至保留溢利。

##### 4.22 借貸成本

收購、建設或生產需要長時間籌備作擬定用途或銷售之合資格資產之直接應佔借貸成本，予以資本化作為該等資產成本之一部分。將有待用於該等資產之特定借貸作短期投資所賺取之收入會於已資本化之借貸成本扣除。倘將合資格資產預備作擬定用途或銷售之絕大部分活動完成時，資本化借貸成本將停止。所有其他借貸成本於產生期間於溢利或虧損確認。

##### 4.23 外幣

集團實體以彼等營運所在主要經濟環境之貨幣(「功能貨幣」)以外貨幣訂立之交易乃按於交易日期之匯率記錄。外幣貨幣資產及負債乃按報告期間結算日之匯率換算。以外幣計值按公平值列賬之非貨幣項目乃按釐定公平值日期之當前匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.23 Foreign currency (Continued)

Exchange differences arising on the settlement of monetary items, and on the translation 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 differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange reserve.

##### 4.24 Share capital and share premium

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Share premium includes any premiums received on the issuance of share over the par value. Any transaction costs associated with the issuing of shares are deducted from the share premium (net of any related income tax benefit) to the extent that they are incremental costs directly attributable to the equity transaction.

#### 4. 主要會計政策 (續)

##### 4.23 外幣 (續)

結算貨幣項目及換算貨幣項目所產生之匯兌差額於產生期間內於溢利或虧損中確認。重新換算按公平值列賬之非貨幣項目所產生之匯兌差額計入期內溢利或虧損，惟重新換算有關收益及虧損於其他全面收入確認之非貨幣項目所產生之匯兌差額除外，在此情況下，匯兌差額亦於其他全面收入確認。

綜合賬目時，海外業務之收支項目以年內平均匯率換算為本集團之呈列貨幣(即港元)，除非期內匯率大幅波動，在此情況下，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期間結算日之匯率換算。所產生匯兌差額(如有)於其他全面收入確認，並於權益內累計入賬為外匯儲備(非控股權益應佔外匯儲備(如適用))。於換算構成本集團於所涉海外業務部分投資淨額之長期貨幣項目時，在集團實體獨立財務報表之溢利或虧損內確認之匯兌差額則重新分類至其他全面收入，並於權益內累計入賬為外匯儲備。

出售海外業務時，與截至出售當日該業務有關之外匯儲備確認之累計匯兌差額，重新分類至溢利或虧損作為出售收益或虧損一部分。

於二零零五年一月一日或之後收購海外業務產生之所收購可識別資產之商譽及公平值調整已當作該海外業務之資產及負債，並於報告期間結算日按當前匯率進行換算。所產生之匯兌差額於外匯儲備確認。

##### 4.24 股本及股份溢價

普通股分類為權益。股本採用已發行股份之面值釐定。

股份溢價包括發行股本所收任何溢價減面值。任何有關發行股份之交易成本於股份溢價(扣除任何相關所得稅溢利)內扣減，惟以該權益交易直接應佔遞增成本為限。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.24 Share capital and share premium (Continued)

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued any consideration received net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

##### 4.25 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major lines of business.

The Group has identified the following reportable segments: (a) manufacturing and distribution of watches and timepieces; (b) property investments and (c) banking and financial businesses.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers, if any, are carried out at arm's length prices.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs.

Segment assets include all assets but interests in associates, interests in joint ventures, and certain trading portfolio investments. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include certain borrowings and due to a shareholder and certain lease liabilities related parties.

No asymmetrical allocations have been applied to reportable segments.

#### 4. 主要會計政策 (續)

##### 4.24 股本及股份溢價 (續)

倘任何集團公司購買本公司之權益股本，包括任何直接應佔遞增成本(扣除稅項)之已付代價於本公司擁有人應佔權益內扣除，直至股份獲註銷或重新發行為止。倘此等普通股其後重新發行，則任何已收代價(減去任何直接應佔遞增交易成本及相關所得稅影響)計入本公司擁有人應佔權益中。

##### 4.25 分類報告

本集團根據定期向執行董事呈報之內部財務資料(乃供彼等決定分配資源至本集團各業務環節及檢討該等業務環節之表現)確定其經營分類及編製分類資料。向執行董事所報告內部財務資料中之業務環節按本集團主要業務類別決定。

本集團已確定以下報告分類：(a) 鐘錶及時計產品製造及分銷；(b) 物業投資；及(c) 銀行及金融業務。

由於各產品及服務類別所需資源以及市場方針不同，各經營分類獨立管理。所有分類間轉讓(如有)乃按公平價格計算。

本集團根據香港財務報告準則第8號就報告分類業績所用計量政策與根據香港財務報告準則編製財務報表所用者相同。

分類資產包括所有資產，但不包括於聯營公司之權益、於合營企業之權益、若干交易組合投資。此外，並非直接計入任何經營分類業務活動之公司資產不會分配至分類，主要應用於本集團總部。

分類負債不包括並非直接計入任何經營分類業務活動之公司負債，且不會分配至分類，當中包括若干借貸及應付一名股東款項及若干租賃負債。

並無就可報告分類作出不均分配。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

The Group makes estimates and assumptions concerning the future. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### Impairment assessment of goodwill

The Group tests on an annual basis whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 4.6. The recoverable amounts of the CGUs have been determined based on value-in-use calculations or fair value less costs of disposal ("FVLCD"), whichever is higher. The value-in-use calculations require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Calculation of FVLCD may involve the selection of valuation model, adoption of key assumption, and input data, which are subject to management judgement. Details in impairment assessment are set out in note 30 to the consolidated financial statements.

#### 5. 關鍵會計判斷及估計不確定因素之主要來源

在應用本集團之會計政策時，董事須對無法依循其他途徑即時得知的資產及負債賬面值作出判斷、估計及假設。

估計及相關假設會持續檢討。倘會計估計修訂僅影響修訂估計期間，則有關修訂於該期間確認；或倘有關修訂影響目前及未來期間，則有關修訂於修訂期間及未來期間確認。

本集團對未來作出估計及假設。該等估計及相關假設按過往經驗及其他視為相關之因素作出。顧名思義，因此而作出之會計估計甚少與有關實際結果相符。下文論述可導致下一個財政期間的資產及負債賬面值須作重大調整之主要風險估計及假設：

##### 商譽減值評估

本集團每年根據附註4.6所述會計政策就商譽有否減值進行測試。現金產生單位之可收回金額按所計算之使用價值或公平值減出售成本（「公平值減出售成本」）（以較高者為準）釐定。使用價值計算須採用預期現金產生單位所產生未來現金流量之判斷及估計、現金流量預測時間表以及適合貼現率，以計算現值。於估計預期未來現金流量過程中，管理層就未來收入及溢利作出假設。該等假設與未來事件及情況有關。實際結果或會有所不同，並可能導致下個財政年度之商譽賬面值須作重大調整。釐定合適之貼現率涉及估計市場風險及資產特定風險因素之適當調整。計算公平值減出售成本可能涉及選擇估值模型、採納主要假設及輸入數據，而以上項目均需管理層作出判斷。減值評估詳情載於綜合財務報表附註30。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Provision for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective estimated net realisable value. The assessment of the provision involves management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of inventories and provision charge/write-back in the period in which such estimate has been changed.

##### Depreciation and amortisation

The Group depreciates and amortises its property, plant and equipment and intangible assets with definite useful lives using straight-line method over their respective estimated useful lives, starting from the date on which the assets are available for intended use, in accordance with accounting policy stated in notes 4.9 and 4.12. The estimated useful lives reflect the directors' estimate of the period that the Group intends to derive future economic benefits from the use of these assets.

##### Estimated impairment of trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables on a forward-looking basis. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. Other receivables is considered 12-months expected credit losses, given credit risk has not increase significantly since initial recognition. In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers, actual or expected significant adverse changes in business and customers' financial position. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management.

#### 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

##### 存貨撥備

於釐定陳舊及滯銷存貨之撥備金額時，本集團須評估存貨之賬齡分析並將存貨之賬面值與其各自之估計可變現淨值作比較。評估撥備涉及管理層判斷及估計。倘日後實際結果或預期有別於原定估計，則有關差別將影響存貨賬面值，而撥備會於估計有變期間扣除／撥回。

##### 折舊及攤銷

本集團根據附註4.9及4.12所述會計政策，採用直線法按估計可用年期為物業、廠房及設備以及可用年期有限之無形資產計算折舊及攤銷，自資產可用於擬定用途日期起計算。估計可用年期反映董事估計本集團擬自使用該等資產衍生未來經濟利益之期間。

##### 應收賬款及其他應收款之估計減值

本集團管理層以前瞻性方式釐定應收賬款及其他應收款減值撥備。撥備矩陣乃根據本集團於具有類似信貸風險特徵之應收賬款之預期年期內之歷史觀察違約率釐定，並就前瞻性估計作出調整。鑑於信貸風險自初步確認以來並無大幅增加，其他應收款被視為12個月預期信貸虧損。在作出判斷時，管理層會考慮可得之合理有據前瞻性資料，如客戶經營業績之實際或預期重大變動、業務及客戶財務狀況之實際或預期重大不利變動。於各報告日，本集團管理層會更新歷史觀察違約率，並分析前瞻性估計變動。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Impairment assessment of non-financial assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of non-financial assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The recoverable amount is determined based on value-in-use calculation or fair value less costs of disposal (“FVLCD”). The calculations of value-in-use require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of non-financial assets within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Calculation of FVLCD involves the selection of valuation model, adoption of key assumption, and input data, which are subject to management judgement.

##### Income taxes

The Group is subject to income taxes in Hong Kong, Switzerland, United Kingdom, Liechtenstein and the PRC. Significant judgement is required in determining the amount of the provision for income taxes and the timing of the payments of related taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### Warranty provision

Warranty provision is made for expenditure associated with future variable repair services and repair cost related to warranty claims. The management makes an assessment of the future costs related to this work by using the proportion of actual tasks related to warranty work as the basis for the calculation. The assessment of provision involves management judgement and estimates. When the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of warranty provision and provision charge/write-back in the period in which such estimate has been changed.

#### 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

##### 非金融資產減值評估

本集團透過評價或會導致非金融資產減值之本集團獨有情況，於各報告日評估減值。倘存在觸發減值之情況，則釐定資產可收回款額。可收回金額乃按使用價值計算或公平值減出售成本（「公平值減出售成本」）釐定。使用價值計算須採用預期現金產生單位所產生未來現金流量之判斷及估計、現金流量預測時間表以及適合貼現率，以計算現值。於估計預期未來現金流量過程中，管理層就未來收入及溢利作出假設。該等假設與未來事件及情況有關。實際結果或會有所不同，並可能導致下個財政年度之非金融資產賬面值須作重大調整。釐定合適之貼現率涉及估計市場風險及資產特定風險因素之適當調整。計算公平值減出售成本可能涉及選擇估值模型、採納主要假設及輸入數據，而以上項目均需管理層作出判斷。

##### 所得稅

本集團須繳納香港、瑞士、英國、列支敦士登及中國之所得稅。於決定就所得稅撥備之金額及就有關稅項付款之時間時，須作出重大判斷。於日常業務過程中，有許多交易及計算均難以明確作出最終之稅務釐定。就預計稅項確認負債時，本集團按有否額外稅項即將到期應付而估計。倘此等事項之最後稅項結果與初步記錄金額不同，該等差額將影響作出該項決定期間之所得稅及遞延稅項撥備。

##### 保修撥備

本集團就日後各種維修服務及與保修索賠有關之維修成本相關開支作出保修撥備。管理層採用有關保修工作實際任務比例作為計算基準，以評估有關此工作之未來成本。評估撥備涉及管理層判斷及估計。當日後之實際結果或預期情況與原先估計存在差異，則有關差異將影響該等估計有變期間之保修撥備以及扣除／撥回撥備賬面值。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Estimation of defined benefit obligations

The Group operates three defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, Employee Benefits. Under this method, the cost of providing pensions is charged to the profit or loss in accordance with the advice of the actuaries who carry out a full valuation of the plans. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. All actuarial gains and losses are recognised in full, in the year in which they occur, in other comprehensive income.

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the accounts in accordance with the requirements of HKFRSs.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

##### Valuation adjustments on credit positions

Various factors can influence the expected credit loss allowances for credit positions. Management considers factors such as external rating and days past due to determine the HKFRS 9 staging allocation. Management further estimates the exposure at default, probability of default as well as loss given default to calculate the expected credit losses allowance.

#### 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

##### 定額福利責任估計

本集團營辦三項定額福利計劃。定額福利計劃之退休金成本根據香港會計準則第19號僱員福利之規定，使用預期單位記賬法進行評估。根據此方法，提供退休金之成本按對計劃作出全面估值之精算師意見於溢利或虧損內扣除。退休金責任為估計未來現金流出數額之現值，該現值參照於報告期間結算日與福利責任估計年期之條款及貨幣相若之政府機構或高質素公司債券之市場孳息率釐定之利率計算所得。所有精算收益及虧損於發生年度內在其它全面收入全數確認。

管理層委任精算師對該等退休金計劃進行全面估值，以釐定根據香港財務報告準則規定，須於賬目內披露及入賬之退休金責任。

精算師在釐定定額福利計劃之公平值時使用假設及估計，並每年評估及更新該等假設。在釐定主要精算假設時須運用判斷，以釐定定額福利責任之現值與服務成本。改變所採用之主要精算假設可對未來期間之計劃責任現值與服務成本造成重大影響。

##### 信貸狀況之估值調整

多項因素可影響信貸狀況之預期信貸虧損撥備。管理層會考慮外部評級及逾期日數等因素，以釐定香港財務報告準則第9號之階段分配。管理層進一步估計違約風險承擔、違約或然率及違約損失率計算預期信貸虧損撥備。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Provisions

The Group recognises provisions for imminent threats if in the opinion of the responsible experts the probability that losses will occur is greater than the probability that they will not occur and if their amount can be reliably estimated. In judging whether the creation of a provision and its amount are reasonable, the best-possible estimates and assumptions as at the end of reporting periods are applied. If necessary, these will be adjusted to reflect new knowledge and circumstances at a later date. New knowledge may have a significant effect to profit or loss.

As part of the normal business activities of banking business, the Group is exposed to a wide range of legal risks. These include in particular risks relating to litigation. The Group recognises provisions for such litigation risks if the Group's management and its legal advisors are of the opinion that an outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount. The amount of the provisions and their timing are by their nature subject to uncertainty. However, these uncertainties are evaluated as being low since it was possible to reliably estimate the individual amounts and the majority of the recognised provisions will probably become due within one year.

##### Research and development costs

In accordance with the accounting policy set out in note 4.12, costs associated with research activities are expensed in profit or loss as they are incurred, while costs that are directly attributable to development activities are recognised as intangible assets provided they meet all the requirements as set out in note 4.12. This requires the management to make judgements to distinguish the research phase and development phase of the projects being undertaken. Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research, findings or other knowledge to a plan or design for the production of new or substantially improved materials devices, products, processes, systems or services before the start of commercial production or use. Determining the amounts to be expensed in profit or loss or to be capitalised required management to make judgement, and assumptions regarding the expected progress and outcome of the research and development activities the future expected cash generation of the assets, discount rates to be applied, and also the expected period of, probable future economic benefits. Because of the nature of the Group's research and development activities the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the projects. Hence research costs are generally recognised as expenses in the period in which they are incurred.

#### 5. 關鍵會計判斷及估計不確定因素之主要來源(續)

##### 撥備

倘相關專家認為發生虧損之可能性高於不會發生之可能性並能可靠估計虧損金額時，則本集團就當前威脅確認撥備。於判斷計提撥備及撥備金額有否合理時，應用報告期間結算日之最佳可能估計及假設。如有必要，日後可調整此最佳可能估計及假設以反映新認知及情況。新認知或會對溢利或虧損有重大影響。

作為銀行業務日常業務活動一部分，本集團面臨多類法律風險。該等風險包括與訴訟有關之特定風險。倘本集團管理層及其法律顧問認為體現經濟利益之資源可能流出且金額能可靠估計，則本集團就該訴訟風險確認撥備。撥備金額及其時間根據其性質受不確定因素規限。然而，由於能可靠地估計個別金額及大多數已確認撥備可能於一年內到期，故此經評估該等不確定因素為低。

##### 研發成本

根據附註4.12載列之會計政策，研究活動相關之開支於產生時於溢利或虧損列作開支，而倘直接歸屬於開發活動之開支符合附註4.12載列之所有規定，則其將確認為無形資產。此要求管理層作出判斷以將所承接項目之研究階段及開發階段予以區分。研究乃所進行之原創及受規劃之調查，旨在獲得新科學或技術知識及瞭解。開發乃於開始作商業生產或使用前應用研究、結果或其他知識，以規劃或設計生產全新或重大改良物料器具、產品、工序、系統或服務。釐定於溢利或虧損列作開支或予以資本化之金額時，管理層須作出判斷及有關研發活動之預期進度及結果、資產之未來預期現金產生、將應用之貼現率，及可能未來經濟效益之預期期間之假設。基於本集團之研究及開發活動性質，確認該等成本為資產之條件一般直至達到項目之開發階段後期時方會達成。因此，研究成本一般於產生期間內確認為開支。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Right-of-use assets

The Group uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

##### Fair value measurement

A number of assets and liabilities included in the Group’s financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group’s financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the ‘fair value hierarchy’):

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: observable inputs other than quoted prices included within Level 1; and
- Level 3: unobservable inputs are inputs for which market data are not available.

#### 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

##### 使用權資產

當本集團使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時或當須對利率進行調整以反映租賃的條款及條件時，則須作出利率估計。

當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計。

##### 公平值計量

多項載列於本集團財務報表的資產及負債須作出公平值計量及／或披露。本集團金融及非金融資產及負債之公平值計量乃於可行範圍內盡量使用市場可觀察輸入數值及數據。於釐定公平值計量時使用之輸入數值乃根據所運用之估值技術中使用之輸入數值之可觀察程度而分類為不同層級（「公平值層級」）：

- 第一級：相同資產或負債於活躍市場之未經調整報價；
- 第二級：第一級所包括報價以外之可觀察輸入數值；及
- 第三級：不可觀察輸入數值為無法取得市場數據之輸入數值。

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### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Fair value measurement (Continued)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the following items at fair value:

- Due from banks – precious metals (note 18)
- Trading portfolio investments (note 19)
- Financial assets at fair value through other comprehensive income (note 20)
- Derivative financial assets (note 21)
- Derivative financial liabilities (note 21)
- Investment properties (note 28)
- Due to clients – precious metals (note 32)

For more detailed information in relation to the fair value measurement of the items above, please refer to the respective notes.

### 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

#### 公平值計量 (續)

項目所歸入之上述層級乃依據對該項目公平值計量具有重大影響之最低級輸入數值。不同層級之間之項目轉移於發生期間確認。

本集團計算以下項目之公平值：

- 應收銀行款項—貴金屬 (附註18)
- 交易組合投資 (附註19)
- 按公平值計入其他全面收入之金融資產 (附註20)
- 衍生金融資產 (附註21)
- 衍生金融負債 (附註21)
- 投資物業 (附註28)
- 應付客戶款項—貴金屬 (附註32)

有關上述項目公平值計量之更多詳盡資料，請參閱相關附註。

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## 6. SEGMENT INFORMATION

The chief operating decision-maker is identified as executive directors. The executive directors have identified the Group's product and service lines as operating segments as follows:

- manufacturing and distribution of watches and timepieces;
- property investments; and
- banking and financial businesses.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

2021

## 6. 分類資料

主要營運決策者(即執行董事)已將本集團產品及服務類別分為以下多個經營分類：

- 鐘錶及時計產品製造及分銷；
- 物業投資；及
- 銀行及金融業務。

此等經營分類之監控及策略決定按經調整分類經營業績作出。

二零二一年

		Watches and timepieces 鐘錶及時計產品 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Banking and financial businesses 銀行及金融業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Segment revenue:</b>	<b>分類收入：</b>					
Net interest and dividend income from banking business	銀行業務之利息及股息收入淨額	-	-	94,164	-	94,164
Net service fees and commission income from banking business	銀行業務之服務費及佣金收入淨額	-	-	223,370	-	223,370
Trading income from banking business	銀行業務之交易收入	-	-	36,197	-	36,197
Service fees and commission income from financial business	金融業務之服務費及佣金收入	-	-	5,900	-	5,900
Interest income from financial business	金融業務之利息收入	-	-	330	-	330
Sales of goods from non-banking and financial businesses	非銀行及金融業務之貨品銷售收入	1,555,114	-	-	-	1,555,114
Rental income from non-banking and financial businesses	非銀行及金融業務之租金收入	-	16,024	-	-	16,024
<b>Total revenue</b>	<b>總收入</b>	<b>1,555,114</b>	<b>16,024</b>	<b>359,961</b>	<b>-</b>	<b>1,931,099</b>
<b>Segment results</b>	<b>分類業績</b>	<b>19,002</b>	<b>25,423</b>	<b>47,808</b>	<b>-</b>	<b>92,233</b>
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額	-	-	-	(99,394)	(99,394)
Share of loss of joint ventures	應佔合營企業虧損	-	-	-	(83)	(83)
Share of profit of associates	應佔聯營公司溢利	-	-	-	323	323
Finance costs	財務費用	(29,760)	-	(449)	(37,142)	(67,351)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(10,758)	25,423	47,359	(136,296)	(74,272)
Income tax expense	所得稅開支	(18,391)	-	(11,709)	(1,004)	(31,104)
(Loss)/profit for the year	本年度(虧損)/溢利	(29,149)	25,423	35,650	(137,300)	(105,376)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 6. SEGMENT INFORMATION (Continued)

2021 (Continued)

#### 6. 分類資料 (續)

二零二一年 (續)

		Watches and timepieces 鐘錶及 時計產品 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Banking and financial businesses 銀行及 金融業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Segment assets</b>	<b>分類資產</b>	<b>4,698,865</b>	<b>211,466</b>	<b>14,301,170</b>	<b>-</b>	<b>19,211,501</b>
Unallocated corporate assets:	未分配公司資產：					
Interests in joint ventures	所佔合營企業權益	-	-	-	519	519
Interests in associates	所佔聯營公司權益	-	-	-	113,687	113,687
Trading portfolio investments	交易組合投資	-	-	-	48,820	48,820
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之 金融資產	-	-	-	497,970	497,970
Cash and deposits	現金及存款	-	-	-	18,529	18,529
Other unallocated corporate assets	其他未分配公司資產	-	-	-	71,393	71,393
<b>Consolidated total assets</b>	<b>綜合總資產</b>	<b>4,698,865</b>	<b>211,466</b>	<b>14,301,170</b>	<b>750,918</b>	<b>19,962,419</b>
<b>Segment liabilities</b>	<b>分類負債</b>	<b>1,296,786</b>	<b>33,292</b>	<b>13,088,159</b>	<b>-</b>	<b>14,418,237</b>
Unallocated corporate liabilities:	未分配公司負債：					
Borrowings	借貸	-	-	-	695,188	695,188
Due to a shareholder	應付一名股東之款項	-	-	-	12,000	12,000
Lease liabilities	租賃負債	-	-	-	41,484	41,484
Other unallocated corporate liabilities (note)	其他未分配公司 負債 (附註)	-	-	-	171,970	171,970
<b>Consolidated total liabilities</b>	<b>綜合總負債</b>	<b>1,296,786</b>	<b>33,292</b>	<b>13,088,159</b>	<b>920,642</b>	<b>15,338,879</b>
<b>Other segment information</b>	<b>其他分類資料</b>					
Interest income and other interest income	利息收入及其他利息收入	1,517	2	211	133	1,863
Expected credit losses on trade receivables	應收賬款預期信貸虧損	(2,361)	-	-	-	(2,361)
Expected credit loss on other assets	其他資產預期信貸虧損	(474)	(3)	(78)	(231)	(786)
Provision of expected credit losses on due from banks and customers	應收銀行及客戶款項預期 信貸虧損撥備	-	-	(593)	-	(593)
Reversal of expected credit losses for other financial assets at amortised cost	按攤銷成本列賬之其他金融 資產預期信貸虧損撥回	-	-	2,014	-	2,014
Provision for litigation risks, net	訴訟風險撥備淨額	-	-	(21)	-	(21)
Provision for inventories	存貨撥備	(29,325)	-	-	-	(29,325)
Reversal of provision for inventories	存貨撥備撥回	18,154	-	-	-	18,154
Depreciation and amortisation	折舊及攤銷	(86,583)	-	(13,187)	(18,117)	(117,887)
Additions to non-current assets	添置非流動資產	51,511	-	151,780	-	203,291
Net surplus on revaluation of investment properties	投資物業重估之 盈餘淨額	-	12,736	-	-	12,736

Note: Other unallocated corporate liabilities mainly included amounts due to a related company and associates as at 31 December 2021.

附註：其他未分配公司負債主要包括於二零二一年十二月三十一日應付一間關連公司及聯營公司款項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 6. SEGMENT INFORMATION (Continued)

## 6. 分類資料 (續)

2020

二零二零年

		Watches and timepieces 鐘錶及 時計產品 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Banking and financial businesses 銀行及 金融業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Segment revenue:</b>	<b>分類收入：</b>					
Net interest income from banking business	銀行業務之利息收入淨額	-	-	128,028	-	128,028
Net service fees and commission income from banking business	銀行業務之服務費及佣金收入淨額	-	-	196,994	-	196,994
Trading income from banking business	銀行業務之交易收入	-	-	21,702	-	21,702
Service fees and commission income from financial business	金融業務之服務費及佣金收入	-	-	10,721	-	10,721
Interest income from financial business	金融業務之利息收入	-	-	184	-	184
Sales of goods from non-banking and financial businesses	非銀行及金融業務之貨品銷售收入	1,405,812	-	-	-	1,405,812
Rental income from non-banking and financial businesses	非銀行及金融業務之租金收入	-	11,108	-	-	11,108
<b>Total revenue</b>	<b>總收入</b>	1,405,812	11,108	357,629	-	1,774,549
<b>Segment results</b>	<b>分類業績</b>	(51,611)	16,067	22,531	-	(13,013)
Unallocated corporate income and expenses, net	未分配公司收入及支出淨額	-	-	-	(40,370)	(40,370)
Share of loss of joint ventures	應佔合營企業虧損	-	-	-	(494)	(494)
Share of profit of associates	應佔聯營公司溢利	-	-	-	3,180	3,180
Finance costs	財務費用	(23,863)	-	(543)	(58,550)	(82,956)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(75,474)	16,067	21,988	(96,234)	(133,653)
Income tax expense	所得稅開支	(18,904)	(689)	(5,026)	(557)	(25,176)
(Loss)/profit for the year	本年度(虧損)/溢利	(94,378)	15,378	16,962	(96,791)	(158,829)
<b>Segment assets</b>	<b>分類資產</b>	4,775,170	196,708	15,560,071	-	20,531,949
Unallocated corporate assets:	未分配公司資產：					
Interests in joint ventures	所佔合營企業權益	-	-	-	602	602
Interests in associates	所佔聯營公司權益	-	-	-	113,176	113,176
Trading portfolio investments	交易組合投資	-	-	-	29,054	29,054
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	-	-	-	464,843	464,843
Cash and deposits	現金及存款	-	-	-	151,882	151,882
Other unallocated corporate assets	其他未分配公司資產	-	-	-	93,689	93,689
<b>Consolidated total assets</b>	<b>綜合總資產</b>	4,775,170	196,708	15,560,071	853,246	21,385,195

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 6. SEGMENT INFORMATION (Continued)

2020 (Continued)

		Watches and timepieces 鐘錶及 時計產品 HK\$'000 千港元	Property investments 物業投資 HK\$'000 千港元	Banking and financial businesses 銀行及 金融業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Segment liabilities</b>	<b>分類負債</b>	1,109,730	30,627	14,283,267	-	15,423,624
Unallocated corporate liabilities:	未分配公司負債：					
Borrowings	借貸	-	-	-	1,125,028	1,125,028
Amount due to a shareholder	應付一名股東之款項	-	-	-	12,000	12,000
Lease liabilities	租賃負債	-	-	-	19,336	19,336
Other unallocated corporate liabilities	其他未分配公司負債	-	-	-	68,980	68,980
<b>Consolidated total liabilities</b>	<b>綜合總負債</b>	1,109,730	30,627	14,283,267	1,225,344	16,648,968
<b>Other segment information</b>	<b>其他分類資料</b>					
Interest income and other interest income	利息收入及其他利息收入	3,365	214	630	13	4,222
Expected credit losses on trade receivables	應收賬款預期信貸虧損	(16,960)	-	-	-	(16,960)
Expected credit loss on other assets	其他資產預期信貸虧損	(826)	-	-	-	(826)
Provision of expected credit losses on due from banks and customers	應收銀行及客戶款項預期信貸虧損撥備	-	-	(278)	-	(278)
Provision of expected credit losses for other financial assets at amortised cost	按攤銷成本列賬之其他金融資產預期信貸虧損撥備	-	-	(29,348)	-	(29,348)
Provision for litigation risks, net	訴訟風險撥備淨額	-	-	(1,907)	-	(1,907)
Provision for inventories	存貨撥備	(13,088)	-	-	-	(13,088)
Reversal of provision for inventories	存貨撥備撥回	12,819	-	-	-	12,819
Depreciation and amortisation	折舊及攤銷	(121,057)	-	(21,611)	(19,205)	(161,873)
Additions to non-current assets	添置非流動資產	61,864	-	128,993	87	190,944
Net surplus on revaluation of investment properties	投資物業重估之盈餘淨額	-	9,723	-	-	9,723

Unallocated corporate income and expenses mainly comprised dividend income from trading portfolio investment and financial assets at fair value through other comprehensive income, gain or loss on fair value changes in trading portfolio investments and other corporate income and expenses of the Group's headquarter which are not directly attributable to the business activities of any operating segment. Other corporate expenses mainly included employee costs and directors' remuneration for administrative purpose.

未分配公司收入及支出主要包括來自交易組合投資及按公平值計入其他全面收入之金融資產之股息收入、交易組合投資公平值變動之收益或虧損及不直接歸屬於任何經營分類業務活動之本集團總部其他公司收入及支出。其他公司支出主要包括用於行政目的的僱員成本及董事薪酬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 6. SEGMENT INFORMATION (Continued)

The Group's revenues from external customers and its non-current assets (other than financial assets and deferred tax assets) are divided into the following geographical areas:

		Revenue from external customers 來自外界客戶收入		Non-current assets 非流動資產	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Hong Kong	香港	42,808	35,076	245,563	225,976
PRC	中國	1,344,064	1,162,732	1,464,976	1,418,524
Switzerland	瑞士	3,250	7,412	459,970	464,890
United Kingdom	英國	56,735	48,968	10,661	15,184
Liechtenstein	列支敦士登	353,731	346,724	694,301	652,561
Others	其他	130,511	173,637	1,247	1,282
		<b>1,931,099</b>	1,774,549	<b>2,876,718</b>	2,778,417

The geographical location of revenues from watches and timepieces and property investments segment are based on the location of customers, and the geographical location of revenues from banking and financial businesses segment are based on the location of operations of the cash generating units ("CGUs").

Non-current assets (other than financial assets and deferred tax assets) include interests in joint ventures, interests in associates, property, plant and equipment, investment properties, intangible assets and goodwill. For interest in joint ventures, interest in associates, goodwill and intangible assets, the geographical location is based on the areas of operation of CGUs. The geographical location of other non-current assets is based on the physical location of the assets.

The Group has a large number of customers and there is no significant revenue that is more than 10% of the Group's revenue derived from specific external customers for the years ended 31 December 2021 and 2020.

## 6. 分類資料 (續)

本集團來自外界客戶之收入及非流動資產 (金融資產及遞延稅項資產除外) 按以下地區劃分：

鐘錶及時計產品以及物業投資分類之收入地區以客戶所在地點為準，而銀行及金融業務分類之收入地區以現金產生單位 (「現金產生單位」) 經營所在地為準。

非流動資產 (金融資產及遞延稅項資產除外) 包括所佔合營企業權益、所佔聯營公司權益、物業、廠房及設備、投資物業、無形資產及商譽。所佔合營企業權益、所佔聯營公司權益、商譽及無形資產地區以現金產生單位經營所在地為準。其他非流動資產地區以資產實際所在地點為準。

本集團客戶眾多，截至二零二一年及二零二零年十二月三十一日止年度，概無任何來自特定外界客戶佔本集團收入超過 10% 之重大收入。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 7. REVENUE

The Group is principally engaging in manufacturing and distribution of watches and timepieces, property investments and banking and financial businesses.

For banking and financial businesses, revenue mainly comprises net interest income, net service fees and commission income and trading income (notes 7(a), 7(b), 7(c) and 7(d)). For non-banking and financial businesses, revenue mainly represents the net invoiced value of goods sold, after allowance for returns and trade discounts and rental income received and receivables (note 7(e)).

Revenue recognised during the year is as follows:

### (a) Net interest and dividend income from banking business

## 7. 收入

本集團主要從事鐘錶及時計產品製造及分銷、物業投資以及銀行及金融業務。

就銀行及金融業務而言，收入主要包括利息收入淨額、服務費及佣金收入淨額以及交易收入（附註7(a)、7(b)、7(c)及7(d)）。就非銀行及金融業務而言，收入主要指扣除退貨及貿易折扣售出貨品發票淨值以及已收及應收租金收入（附註7(e)）。

年內確認之收入如下：

### (a) 銀行業務之利息及股息收入淨額

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Interest and dividend income from banking business arising from:</b>	<b>下列各項所產生之銀行業務之利息及股息收入：</b>		
Interest income – due from banks	利息收入－應收銀行款項	54,792	91,259
Interest income – due from clients	利息收入－應收客戶款項	37,400	25,899
Interest income from mortgage loans	按揭貸款之利息收入	22,181	19,240
Interest income from money market papers	貨幣市場票據之利息收入	(585)	551
Interest income from financial assets	金融資產之利息收入	21,066	18,963
Dividend income from trading securities	買賣證券之股息收入	922	–
Negative interest expense on due to clients	應付客戶款項之負利息開支	763	819
		<b>136,539</b>	156,731
<b>Interest expenses from banking business arising from:</b>	<b>下列各項所產生之銀行業務之利息開支：</b>		
Interest expense on due to banks	應付銀行款項之利息開支	(42,215)	(24,437)
Interest expense on due to clients	應付客戶款項之利息開支	–	(3,163)
Negative interest income on due from banks and clients	應收銀行及客戶款項之負利息收入	(160)	(1,103)
		<b>(42,375)</b>	(28,703)
<b>Net interest and dividend income from banking business</b>	<b>銀行業務之利息及股息收入淨額</b>	<b>94,164</b>	128,028

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 7. REVENUE (Continued)

## (b) Net service fees and commission income from banking business

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Service fee and commission income from banking business arising from:</b>	<b>下列各項所產生之銀行業務之服務費及佣金收入：</b>		
Commission income from loans	貸款所得佣金收入	6,785	4,215
Brokerage fees	經紀費	50,703	54,412
Custody account fees	託管賬戶費	28,703	24,714
Commission on investment advice and asset management	投資建議及資產管理佣金	106,952	92,597
Commission income from service fees	服務費佣金收入	41,413	39,554
Commission income from fiduciary fees	信託費佣金收入	390	413
Commission income from retrocession	轉分保佣金收入	5,144	4,923
Other commission income	其他佣金收入	47,201	37,173
		<b>287,291</b>	258,001
Service fees and commission expenses from banking business	銀行業務之服務費及佣金開支	<b>(63,921)</b>	(61,007)
<b>Net service fees and commission income from banking business</b>	<b>銀行業務之服務費及佣金收入淨額</b>	<b>223,370</b>	196,994

## (c) Trading income from banking business

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Debt instruments	債務工具	25	28
Securities	證券	183	30
Forex and precious metals	外匯及貴金屬	52,691	40,915
Funds	基金	(16,702)	(19,271)
<b>Trading income from banking business</b>	<b>銀行業務之交易收入</b>	<b>36,197</b>	21,702

## 7. 收入 (續)

## (b) 銀行業務之服務費及佣金收入淨額

## (c) 銀行業務之交易收入

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

**7. REVENUE** (Continued)

(d) Revenue from financial business

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Service fees and commission income	服務費及佣金收入	5,900	10,721
Interest income	利息收入	330	184
<b>Revenue from financial business</b>	<b>金融業務之收入</b>	<b>6,230</b>	<b>10,905</b>

**7. 收入** (續)

(d) 金融業務之收入

(e) Revenue from non-banking and financial businesses

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Sales of goods	貨品銷售	1,555,114	1,405,812
Rental income	租金收入	16,024	11,108
<b>Revenue from non-banking business and financial businesses</b>	<b>非銀行業務及金融業務之收入</b>	<b>1,571,138</b>	<b>1,416,920</b>

(e) 非銀行及金融業務之收入

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 8. OTHER INCOME AND OTHER NET GAINS OR LOSSES

## 8. 其他收入及其他收益或虧損淨額

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
(Loss)/gain on disposal of a subsidiary	出售一間附屬公司之 (虧損)／收益	(469)	405
Gain on fair value changes in trading portfolio investments from non-banking business, net	非銀行業務交易組合投資的 公平值變動收益淨額	2,290	36,162
Loss on fair value changes in derivative financial liabilities from non-banking business	非銀行業務衍生金融負債之 公平值變動虧損	(1,647)	-
Net surplus on revaluation of investment properties	投資物業重估之盈餘淨額	12,736	9,723
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	925	531
Gain on modification of lease	租賃修改之收益	7,664	-
Bank and other interest income from non-banking business	非銀行業務之銀行及 其他利息收入	1,863	4,222
Dividend income from trading portfolio investments from non-banking business	非銀行業務交易組合投資的 股息收入	11	1,417
Dividend income from financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之 金融資產之股息收入	11,594	8,815
Sales of scrap materials	廢料銷售	-	22
Other operating income	其他經營收入	14,992	14,880
Government subsidies (note)	政府補助金(附註)	9,014	21,474
Provision of litigation risks	訴訟風險撥備	(21)	(1,907)
Provision of expected credit losses for due from banks and clients	應收銀行及客戶款項預期 信貸虧損撥備	(593)	(278)
Reversal of/(provision of) expected credit losses for other financial assets at amortised cost	按攤銷成本列賬之其他金融 資產預期信貸虧損撥回/ (撥備)	2,014	(29,348)
Exchange (loss)/gain, net	外匯(虧損)／收益淨額	(19,672)	27,643
Other sundry income, net	其他雜項收入淨額	180	4,572
		<b>40,881</b>	<b>98,333</b>

Note: Government subsidies mainly comprised of unconditional subsidies received for subsidising the Group's business.

附註：政府補助金主要包括已收無條件補貼本集團業務之補助金。

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#### 9. FINANCE COSTS FROM NON-BANKING BUSINESS

#### 9. 非銀行業務之財務費用

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest charged on bank borrowings, bank overdrafts and other borrowings	銀行借貸、銀行透支及其他借貸的利息開支	65,182	79,456
Margin loan interests	保證金貸款利息	–	109
Interest on lease liabilities	租賃負債利息	2,169	3,391
		<b>67,351</b>	<b>82,956</b>

#### 10. LOSS BEFORE INCOME TAX

#### 10. 除所得稅前虧損

Loss before income tax is arrived at after charging/(crediting):

除所得稅前虧損已扣除／(計入)下列各項後達致：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost of inventories recognised as expense, including:	確認為開支的存貨成本，包括：	745,224	647,405
– Reversal of provision for inventories	– 存貨撥備撥回	(18,154)	(12,819)
– Provision for inventories	– 存貨撥備	29,325	13,088
Depreciation and amortisation	折舊及攤銷	117,887	161,873
– Depreciation for owned assets (note (a))	– 自用資產折舊 (附註(a))	75,331	102,518
– Depreciation for right-of-use assets (note (a))	– 使用權資產折舊 (附註(a))	41,820	57,571
– Amortisation of intangible assets (note (b))	– 無形資產攤銷 (附註(b))	736	1,784
Short term lease expenses	短期租賃開支	29,050	18,014
Auditor's remuneration	核數師酬金	4,900	4,800
Gross rental income	租金收入總額	(16,024)	(11,108)
Less: direct operating expenses	減：直接經營開支	2,280	2,080
Net rental income	租金收入淨額	(13,744)	(9,028)
Research and development expenses (note (b))	研究及開發開支 (附註(b))	39,711	24,526
Expected credit losses on other assets	其他資產預期信貸虧損	786	826
Expected credit losses on trade receivables	應收賬款預期信貸虧損	2,361	16,960
Advertising	廣告	92,010	140,653

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 10. LOSS BEFORE INCOME TAX (Continued)

Notes:

- (a) Depreciation expense of HK\$18,241,000 (2020: HK\$15,047,000) has been included in cost of sales from non-banking and financial businesses, HK\$24,902,000 (2020: HK\$58,746,000) in selling and distribution expenses and HK\$74,008,000 (2020: HK\$86,296,000) in administrative expenses.
- (b) Amortisation expenses and research and development expenses had been included in the administrative expenses.

## 11. INCOME TAX EXPENSE

For the year ended 31 December 2021 and 2020, Hong Kong profit tax has been provided for certain subsidiaries within the Group and is calculated at 16.5% on the estimated assessable profits (2020: 16.5%). The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 25% (2020: 15% and 25%). Overseas tax is calculated at the rates applicable in the respective jurisdictions.

The Group is also subject to PRC withholding tax at the rate of 5% (2020: 5%) in respect of dividend income derived from PRC incorporated company.

## 10. 除所得稅前虧損 (續)

附註：

- (a) 折舊支出18,241,000港元(二零二零年：15,047,000港元)已計入非銀行及金融業務之銷售成本、24,902,000港元(二零二零年：58,746,000港元)計入銷售及分銷費用以及74,008,000港元(二零二零年：86,296,000港元)計入行政費用。
- (b) 攤銷開支以及研究及開發開支已計入行政費用。

## 11. 所得稅開支

截至二零二一年及二零二零年十二月三十一日止年度，本集團已為若干附屬公司計提香港利得稅撥備，並按估計應課稅溢利16.5%(二零二零年：16.5%)計算。於中國成立之附屬公司須按介乎15%至25%(二零二零年：15%至25%)之所得稅率繳稅。海外稅項按相關司法權區適用稅率計算。

本集團亦就其產生自中國註冊成立公司之股息收入按稅率5%(二零二零年：5%)繳交中國預扣稅。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current tax for the year	年內即期稅項		
Hong Kong	香港	1,186	577
PRC	中國	18,427	24,883
Liechtenstein	列支敦士登	12,290	6,767
Switzerland	瑞士	1,497	1,527
Over-provision in respect of prior years	上一年度超額撥備		
Hong Kong	香港	(1,140)	-
Deferred tax for the year	年內遞延稅項	(1,156)	(8,578)
Total income tax expense	所得稅開支總額	31,104	25,176

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 11. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and accounting loss at applicable tax rates:

#### 11. 所得稅開支 (續)

按適用稅率計算之所得稅開支與會計虧損之對賬：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(74,272)	(133,653)
Tax on loss before income tax, calculated at the rates applicable to the tax jurisdictions concerned	除所得稅前虧損之稅項 (根據相關稅務司法權區 適用之稅率計算)	(12,959)	(23,071)
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(7,251)	(11,087)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	13,502	8,893
Effect of change in tax rate (note)	稅率變動之影響(附註)	-	(7,960)
Over-provision in respect of prior year	上一年度超額撥備	(1,140)	-
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	38,952	58,401
Total income tax expense	所得稅開支總額	31,104	25,176

Note: The tax rate applicable to the subsidiaries of the Group in Switzerland has changed from 19.8% to 15% with effective from 1 January 2020.

附註：本集團於瑞士之附屬公司之適用稅率由19.8%變更為15%，自二零二零年一月一日起生效。

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 12. DISPOSAL OF A SUBSIDIARY

- (a) In November 2021, the Group has disposed the entire shares of Bendura Fund Management Alpha AG at CHF2,000,000 (equivalent to HK\$17,084,000) to a related company, which is controlled by Mr. Hon Kwok Lung, a director of the Company. The Group recognised a loss on disposal of approximately HK\$469,000. Details of the Group's loss on disposal of Bendura Fund Management Alpha AG for the year ended 31 December 2021 were set out as follows:

		HK\$'000 千港元
Net assets disposed of:	出售資產淨值：	
Due from banks	應收銀行款項	20,003
Other assets	其他資產	12,406
Other liabilities	其他負債	(14,112)
		18,297
Release of exchange reserve upon disposal	於出售後解除外匯儲備	(744)
		17,553
Less: proceeds from disposal	減：出售所得款項	(17,084)
Loss on disposal	出售之虧損	469

## 12. 出售一間附屬公司

- (a) 於二零二一年十一月，本集團以2,000,000瑞士法郎（相當於17,084,000港元）向一間關連公司（由本公司董事韓國龍先生控制）出售Bendura Fund Management Alpha AG之全部股份。本集團確認出售之虧損約469,000港元。有關本集團於截至二零二一年十二月三十一日止年度出售Bendura Fund Management Alpha AG之虧損詳情載列如下：

		HK\$'000 千港元
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration received	已收現金代價	17,084
Net cash inflow for the year ended 31 December 2021	截至二零二一年十二月三十一日 止年度之現金流入淨額	17,084

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 12. DISPOSAL OF A SUBSIDIARY (Continued)

- (b) On 4 May 2020, the Group redeemed 3,840 shares of Metasequoia Investment Fund SPC – Global Opportunities Fund SP for USD5,907,000 (equivalent to HK\$45,794,000). The Group recognised a gain on disposal of approximately HK\$405,000. Details of the Group's gain on disposal of Metasequoia Investment Fund SPC – Global Opportunities Fund SP for the year ended 31 December 2020 were set out as follows:

#### 12. 出售一間附屬公司 (續)

- (b) 於二零二零年五月四日，本集團贖回水杉資產基金－環球機會基金之3,840股股份，代價為5,907,000美元（相當於45,794,000港元）。本集團確認出售收益約405,000港元。有關本集團於截至二零二零年十二月三十一日止年度出售水杉資產基金－環球機會基金之收益詳情載列如下：

		HK\$'000 千港元
Net assets disposed of:	出售資產淨值：	
Trading portfolio investments	交易組合投資	60,879
Cash and deposits	現金及存款	55,992
Other assets	其他資產	19,126
Other liabilities	其他負債	(21,638)
		114,359
Non-controlling interests	非控股權益	(54,638)
		59,721
Release of exchange reserve upon disposal	於出售後解除外匯儲備	(405)
		59,316
Less: proceeds from disposal	減：出售所得款項	(45,794)
Fair value of trading portfolio investments retained	保留交易組合投資之公平值	(13,927)
Gain on disposal	出售之收益	(405)
		HK\$'000 千港元
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash consideration received	已收現金代價	45,794
Less: cash and deposits disposed of	減：所出售之現金及存款	(55,992)
		(10,198)
Net cash outflow for the year ended 31 December 2020	截至二零二零年十二月三十一日止年度之現金流出淨額	(10,198)

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 13. DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: Nil).

## 13. 股息

董事不建議就截至二零二一年十二月三十一日止年度派付股息(二零二零年：無)。

## 14. LOSS PER SHARE

The calculations of basic and diluted loss per share attributable to owners of the Company are based on the following data:

## 14. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Loss</b>	<b>虧損</b>		
Loss attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	計算每股基本及攤薄虧損所依據之本公司擁有人應佔虧損	(100,907)	(169,233)
		2021 二零二一年 Number of shares 股份數目 '000 千股	2020 二零二零年 Number of shares 股份數目 '000 千股
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of shares for the purpose of calculating basic and diluted loss per share	計算每股基本及攤薄虧損所依據之加權平均股數	4,351,889	4,351,889

The diluted loss per share is the same as the basic loss per share, as the Group has no dilutive potential ordinary shares for the years ended 31 December 2021 and 2020.

由於本集團於截至二零二一年及二零二零年十二月三十一日止年度概無攤薄潛在普通股，故每股攤薄虧損與每股基本虧損相同。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

##### 15.1 Employee benefit expense

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Wages and salaries	工資及薪金	616,514	544,917
Pension costs	退休金成本	70,011	69,580
		<b>686,525</b>	614,497

Employee costs, including directors' emoluments, of HK\$26,216,000 (2020: HK\$54,964,000) has been included in cost of sales from non-banking and financial businesses, HK\$280,928,000 (2020: HK\$160,654,000) in selling and distribution expenses and HK\$379,381,000 (2020: HK\$398,879,000) in administrative expenses.

##### 15.2 Defined benefit pension plans

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Net defined benefit obligations	定額福利責任淨額	68,883	113,354

Net defined benefit liability has been included in "other liabilities" (see note 39) in the consolidated statement of financial position.

The defined benefit pension plans are primarily arising from Eterna AG Uhrenfabrik and its subsidiaries (together the "Eterna Group"), Montres Corum Sàrl and its subsidiaries (together the "Corum Group"), Bendura Bank AG and its subsidiaries (the "Bendura Group"), and also Ernest Borel Holdings Limited and its subsidiaries (the "Ernest Borel Group"). The Group makes contributions to the defined benefit pension plans that provide post-retirement benefits for employees upon retirement. Under the schemes, the employees in Switzerland and Liechtenstein are entitled to retirement benefits based on the plan assets accumulated on attainment of the retirement age and a fixed annual rate. Since there is potential down-side risk for the employer to pay additional contributions in case the plan has a deficit, plans in Switzerland and Liechtenstein are classified as defined benefit pension plans.

#### 15. 僱員福利開支(包括董事酬金)

##### 15.1 僱員福利開支

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Wages and salaries	工資及薪金	616,514	544,917
Pension costs	退休金成本	70,011	69,580
		<b>686,525</b>	614,497

僱員成本(包括董事酬金)26,216,000港元(二零二零年:54,964,000港元)已計入非銀行及金融業務之銷售成本、280,928,000港元(二零二零年:160,654,000港元)已計入銷售及分銷費用以及379,381,000港元(二零二零年:398,879,000港元)已計入行政費用。

##### 15.2 定額退休金福利計劃

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Net defined benefit obligations	定額福利責任淨額	68,883	113,354

定額福利責任淨額已計入綜合財務狀況表「其他負債」(見附註39)項下。

定額退休金福利計劃主要來自Eterna AG Uhrenfabrik及其附屬公司(統稱「綺年華集團」)、Montres Corum Sàrl及其附屬公司(統稱「崑崙集團」)、富地銀行股份有限公司及其附屬公司(「富地集團」)以及依波路控股有限公司及其附屬公司(「依波路集團」)。本集團向定額退休金福利計劃作出供款,為僱員於退休時提供退休後福利。根據計劃,瑞士及列支敦士登僱員可享有退休福利,乃根據達到退休年齡及固定年率所累計之計劃資產釐定。由於一旦計劃出現赤字,僱主須支付額外供款,導致潛在損失風險,故瑞士及列支敦士登計劃分類為定額退休金福利計劃。

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**15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)** (Continued)**15.2 Defined benefit pension plans** (Continued)

The latest independent actuarial valuations of plan assets and the present value of the defined benefit obligation on the Eterna Group were carried out at 31 December 2021 and 2020 by Patrick Bonadei and Victoria Steib, a member of the Swiss Associate of Actuaries in Switzerland, using the projected unit credit method.

The latest independent actuarial valuations of plan assets and the defined benefit obligations on the Corum Group were carried out at 31 December 2021 and 2020 by Nicolas Colozier, a member of the Swiss Associate of Actuaries in Switzerland, using the projected unit credit method.

The latest independent actuarial valuations of plan assets and the defined benefit obligations on the Bendura Group were carried out at 31 December 2021 and 2020 by AXA Pension Solutions AG, a member of Swiss Associate of Actuaries in Switzerland, using the projected unit credit method.

The latest independent actuarial valuations of plan assets and the defined benefit obligations on the Ernest Borel Group were carried out at 31 December 2021 and 2020 by Swiss Life Pension Services AG, a member of the Swiss Associate of Actuaries in Switzerland, using the projected unit credit method.

There were no contributions forfeited by the Group on behalf of its employees who leave the MPF Scheme (as the case may be).

- (a) The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Present value of defined benefit obligations	定額福利責任現值	478,817	563,407
Fair value of plan assets	計劃資產之公平值	(409,934)	(450,053)
Net liability arising from defined benefit obligations	定額福利責任產生之負債淨額	68,883	113,354

**15. 僱員福利開支 (包括董事酬金)** (續)**15.2 定額退休金福利計劃** (續)

綺年華集團計劃資產之最新獨立精算估值及定額福利責任之現值乃由瑞士Swiss Associate of Actuaries之會員Patrick Bonadei及Victoria Steib於二零二一年及二零二零年十二月三十一日使用預測單位入賬方法進行。

崑崙集團計劃資產之最新獨立精算估值及定額福利責任乃由瑞士Swiss Associate of Actuaries之會員Nicolas Colozier於二零二一年及二零二零年十二月三十一日使用預測單位入賬方法進行。

富地集團計劃資產之最新獨立精算估值及定額福利責任乃由瑞士Swiss Associate of Actuaries之會員AXA Pension Solutions AG於二零二一年及二零二零年十二月三十一日使用預測單位入賬方法進行。

依波路集團計劃資產之最新獨立精算估值及定額福利責任乃由瑞士Swiss Associate of Actuaries之會員Swiss Life Pension Services AG於二零二一年及二零二零年十二月三十一日使用預測單位入賬方法進行。

本集團並無代其退出強積金計劃的僱員沒收供款(視乎情況而定)。

- (a) 計入綜合財務狀況表之本集團就其定額福利計劃責任所產生之金額如下：

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#### 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

##### 15.2 Defined benefit pension plans (Continued)

- (b) Movements in the present value of the defined benefit obligations for both the years ended 31 December 2021 and 2020 are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	563,407	509,891
Current service costs	現時服務成本	36,135	36,069
Past service costs	過往服務成本	(94)	(1,381)
Interest cost	利息成本	833	1,199
Actuarial (gains)/loss	精算(收益)/虧損	(31,481)	(7,830)
Benefits paid	已付福利	(75,703)	(35,680)
Contribution by plan participants	計劃參與者供款	12,844	14,100
Exchange realignment	匯兌調整	(27,124)	47,039
At 31 December	於十二月三十一日	478,817	563,407

- (c) Movements in the fair value of the plan assets for both the years ended 31 December 2021 and 2020 are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	450,053	418,983
Interest income	利息收入	918	637
Return on plan assets	計劃資產之回報	16,428	(4,228)
Contributions by the employers	僱主供款	22,545	18,328
Contributions by plan participants	計劃參與者供款	12,844	14,112
Benefit paid	已付福利	(75,703)	(35,680)
Exchange realignment	匯兌調整	(17,151)	37,901
At 31 December	於十二月三十一日	409,934	450,053

#### 15. 僱員福利開支(包括董事酬金) (續)

##### 15.2 定額退休金福利計劃(續)

- (b) 截至二零二一年及二零二零年十二月三十一日止兩個年度定額福利計劃責任現值變動如下：

- (c) 截至二零二一年及二零二零年十二月三十一日止兩個年度計劃資產公平值變動如下：

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**15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)** (Continued)**15.2 Defined benefit pension plans** (Continued)

- (d) Amounts recognised in the consolidated statement of comprehensive income in respect of these defined benefit plans are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Service cost:	服務成本：		
Current service costs	現時服務成本	36,135	36,069
Past services costs	過往服務成本	(94)	(1,381)
Net interest expense	利息開支淨額	(85)	562
Components of defined benefit costs recognised in profit or loss	於溢利或虧損中確認之定額福利成本之組成部分	35,956	35,250
Remeasurement on the net defined benefit obligations:	重新計量定額福利責任淨額：		
Return on plan assets	計劃資產之回報	16,428	(4,228)
Actuarial gains/(losses)	精算收益／(虧損)	31,481	7,830
Deferred tax arising on remeasurement of the net defined benefit liability	重新計量定額福利責任淨額之遞延稅項	(5,394)	44
Components of defined benefit costs recognised in other comprehensive income, net	於其他全面收入中確認之定額福利成本之組成部分淨額	42,515	3,646

The defined benefit cost of HK\$35,956,000 (2020: HK\$35,250,000) has been included in the administrative expenses. The remeasurement of the net defined benefit obligation is included in other comprehensive income.

**15. 僱員福利開支(包括董事酬金)** (續)**15.2 定額退休金福利計劃** (續)

- (d) 就該等定額福利計劃於綜合全面收入表內確認之金額如下：

定額福利成本35,956,000港元(二零二零年：35,250,000港元)已計入行政費用。重新計量定額福利責任淨額計入其他全面收入。

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### 綜合財務報表附註

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#### 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

##### 15.2 Defined benefit pension plans (Continued)

- (e) The major categories of the fair value of the plan assets at the end of reporting period are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Equity instruments	股本工具	114,914	109,208
Debt instruments	債務工具	152,396	165,336
Properties	物業	107,551	116,842
Commodities instruments	商品工具	2,964	3,048
Assets from reinsurance	重新保險資產	7,722	7,942
Hedge funds	對沖基金	13,081	14,109
Cash	現金	10,726	33,021
Other	其他	580	547
		<b>409,934</b>	450,053

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair value of properties, commodities instruments, assets from reinsurance and hedge funds are not based on quoted market prices in active markets.

- (f) The principal assumption used for the purpose of the actuarial valuations was as follows:

		2021 二零二一年	2020 二零二零年
Discount rate(s)	貼現率	<b>0.10%–0.70%</b>	0.10%–0.20%
Expected rate(s) of salary increase	預期薪金增幅	<b>0.1%–1.0%</b>	0.1%–1.0%

#### 15. 僱員福利開支(包括董事酬金) (續)

##### 15.2 定額退休金福利計劃(續)

- (e) 於報告期末計劃資產公平值之主要類別如下：

上述股本及債務工具之公平值按活躍市場之市場報價釐定，而物業、商品工具、重新保險資產及對沖基金之公平值並非按活躍市場之市場報價釐定。

- (f) 用於精算評估目的之主要假設如下：

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## 綜合財務報表附註

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**15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)** (Continued)**15.2 Defined benefit pension plans** (Continued)

## (g) Sensitivity analysis on defined benefit pension plans

Significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary rate of increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher/(lower), the defined benefit obligation would decrease by HK\$22,482 (2020: HK\$43,803,000)/increase by HK\$38,490 (2020: HK\$82,685,000).
- If the expected salary rate of increase/(decreases) by 50 basis points, the defined benefit obligations would increase by HK\$11,463 (2020: HK\$8,267,000)/decrease by HK\$367,000 (2020: HK\$7,731,000).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**15. 僱員福利開支(包括董事酬金)** (續)**15.2 定額退休金福利計劃** (續)

## (g) 定額退休金福利計劃之敏感度分析

釐定定額福利責任之主要精算假設為貼現率及預期薪金增幅比率。下文之敏感度分析乃按當所有其他假設保持不變時，報告期末所產生有關假設合理可能變動而釐定。

- 倘貼現率上升／(下降) 50個基點，定額福利責任將減少22,482港元(二零二零年：43,803,000港元)／增加38,490港元(二零二零年：82,685,000港元)。
- 倘預期薪金增幅比率增加／(減少)50個基點，定額福利責任將增加11,463港元(二零二零年：8,267,000港元)／減少367,000港元(二零二零年：7,731,000港元)。

上述敏感度分析可能並不代表定額福利責任之實際變化，原因為若干假設可能彼此關聯，假設中之變化不大可能單獨出現。

此外，就上述敏感度分析之呈列，於報告期末定額福利責任之現值使用預測單位入賬方法計算，即與於綜合財務狀況表中所確認定額福利負債之計算所應用者相同。

過往年度用以制定敏感度分析之方法及假設概無變動。

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#### 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

#### 16. 董事酬金及高級管理層酬金

##### 16.1 Directors' emoluments

Details of emoluments of the directors of the Company in connection with the management of affairs of the Company and its subsidiaries are set out below:

##### 16.1 董事酬金

有關管理本公司及其附屬公司事宜之本公司董事酬金之詳情載列如下：

	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利	Contributions to pension scheme 退休金 計劃供款	Total 總計
	Directors' fees 董事袍金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>2021</b>			
<b>Executive directors</b>			
Mr. Hon Kwok Lung 韓國龍先生	–	2,115	18
Mr. Shang Jianguang (note (iii)) 商建光先生 (附註 (iii))	–	9,219	96
Mr. Shi Tao 石濤先生	–	1,690	18
Mr. Lam Toi Man (note (iv)) 林代文先生 (附註 (iv))	–	1,430	18
Mr. Bi Bo 畢波先生	–	1,456	18
Ms. Sit Lai Hei 薛黎曦女士	–	1,430	18
Mr. Hon Hau Wong 韓孝煌先生	–	1,430	18
Mr. Teguh Halim Teguh Halim 先生	–	4,279	151
Mr. Siu Chun Wa (note (v)) 蕭進華先生 (附註 (v))	–	–	–
Mr. Hao Xiaohui (note (vi)) 郝曉暉先生 (附註 (vi))	–	–	–
<b>Independent non-executive directors</b>			
Dr. Kwong Chun Wai, Michael 鄺俊偉博士	200	–	–
Mr. Zhang Bin 張斌先生	200	–	–
Mr. Li Ziqing (note (vii)) 李子卿先生 (附註 (vii))	200	–	–
Mr. Kam, Eddie Shing Cheuk (note (viii)) 甘承倬先生 (附註 (viii))	200	–	–
	<b>800</b>	<b>23,049</b>	<b>355</b>
			<b>24,204</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

## 16 董事酬金及高級管理層酬金 (續)

## 16.1 Directors' emoluments (Continued)

## 16.1 董事酬金 (續)

	Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼及實物福利	Contributions to pension scheme 退休金計劃供款	Total
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>2020</b>				
<b>Executive directors</b>				
Mr. Hon Kwok Lung	—	2,025	18	2,043
Mr. Shang Jianguang (note (iii))	—	4,571	96	4,667
Mr. Shi Tao	—	1,612	18	1,630
Mr. Lam Toi Man (note (iv))	—	1,364	18	1,382
Mr. Bi Bo	—	1,389	18	1,407
Ms. Sit Lai Hei	—	1,364	18	1,382
Mr. Hon Hau Wong	—	1,364	18	1,382
Mr. Teguh Halim	—	4,240	148	4,388
<b>Independent non-executive directors</b>				
Mr. Fung Tze Wa (note (ix))	190	—	—	190
Dr. Kwong Chun Wai, Michael	151	—	—	151
Mr. Zhang Bin	151	—	—	151
Mr. Rudolf Heinrich Escher (note (x))	191	—	—	191
Mr. Li Ziqing (note (vii))	31	—	—	31
Mr. Kam, Eddie Shing Cheuk (note (viii))	31	—	—	31
	745	17,929	352	19,026

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

#### 16.1 Directors' emoluments (Continued)

Notes:

- (i) Except for Mr. Teguh Halim, there was no arrangement under which a director waived or agreed to waive any remunerations during the year ended 31 December 2021 (2020: Nil). Mr. Teguh Halim waived his remuneration on the directorship of subsidiaries of HK\$50,000 (2020: Nil) for the year ended 31 December 2021.
- (ii) Save as disclosed in the above table, the Group also provided a quarter to the executive director, Mr. Shi Tao at HK\$10,000 monthly rental for the year ended 31 December 2020. The lease arrangement has been terminated on 31 October 2020.
- (iii) Mr. Shang Jianguang has resigned as chief executive officer and executive director with the effect from 5 January 2022.
- (iv) Mr. Lam Toi Man has resigned as executive director with the effect from 5 January 2022.
- (v) Mr. Siu Chun Wa has been appointed as co-chief executive officer and executive director with the effect from 5 January 2022.
- (vi) Mr. Hao Xiaohui has been appointed as co-chief executive officer and executive director with the effect from 5 January 2022.
- (vii) Mr. Li Ziqing has been appointed as an independent non-executive director of the Company with effect from 6 November 2020.
- (viii) Mr. Kam, Eddie Shing Cheuk has been appointed as an independent non-executive director of the Company with effect from 6 November 2020.
- (ix) Mr. Fung Tze Wa has resigned as an independent non-executive director of the Company with effect from 1 September 2020.
- (x) Mr. Rudolf Heinrich Escher has resigned as an independent non-executive director of the Company with effect from 1 September 2020.

### 16. 董事酬金及高級管理層酬金 (續)

#### 16.1 董事酬金 (續)

附註：

- (i) 除Teguh Halim先生外，截至二零二一年十二月三十一日止年度，並無董事放棄或同意放棄任何酬金之安排(二零二零年：無)。截至二零二一年十二月三十一日止年度，Teguh Halim先生放棄其擔任附屬公司董事之酬金50,000港元(二零二零年：無)。
- (ii) 除上表所披露者外，截至二零二零年十二月三十一日止年度，本集團亦為執行董事石濤先生提供一間宿舍，月租為10,000港元。該租賃協議已於二零二零年十月三十一日終止。
- (iii) 商建光先生已辭任行政總裁兼執行董事，自二零二二年一月五日起生效。
- (iv) 林代文先生已辭任執行董事，自二零二二年一月五日起生效。
- (v) 蕭進華先生已獲委任為聯席行政總裁兼執行董事，自二零二二年一月五日起生效。
- (vi) 郝曉暉先生已獲委任為聯席行政總裁兼執行董事，自二零二二年一月五日起生效。
- (vii) 李子卿先生已獲委任為本公司之獨立非執行董事，自二零二零年十一月六日起生效。
- (viii) 甘承倬先生已獲委任為本公司之獨立非執行董事，自二零二零年十一月六日起生效。
- (ix) 馮子華先生已辭任本公司之獨立非執行董事，自二零二零年九月一日起生效。
- (x) Rudolf Heinrich Escher先生已辭任本公司之獨立非執行董事，自二零二零年九月一日起生效。

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

## 16. 董事酬金及高級管理層酬金 (續)

## 16.2 Five highest paid individuals

The five highest paid individuals of the Group during the year included two (2020: two) directors, details of whose remuneration are reflected in the analysis presented in note 16.1. Details of the remuneration of the remaining three (2020: three) non-director, highest paid individuals of the Group for the year are as follows:

## 16.2 五名最高薪人士

年內，本集團五名最高薪人士包括兩名(二零二零年：兩名)董事，彼等酬金詳情反映於附註16.1所列分析。年內本集團餘下三名(二零二零年：三名)非董事最高薪人士酬金詳情如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	8,834	13,958
Contribution to pension scheme	退休金計劃供款	110	938
		<b>8,944</b>	<b>14,896</b>

The emoluments of non-director highest paid individuals were within following bands:

非董事最高薪人士之薪金介乎以下級別：

		2021 二零二一年 No. of individuals 人數	2020 二零二零年 No. of individuals 人數
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	2	–
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	1	–
HK\$4,000,001 to HK\$4,500,000	4,000,001 港元至 4,500,000 港元	–	1
HK\$4,500,001 to HK\$5,000,000	4,500,001 港元至 5,000,000 港元	–	1
HK\$5,500,001 to HK\$6,000,000	5,500,001 港元至 6,000,000 港元	–	1
		<b>3</b>	<b>3</b>

No emolument was paid by the Group to the directors or the three (2020: three) highest paid employee(s) as an inducement to join or upon joining the Group, or as compensation for loss of office (2020: nil).

本集團並無向董事或三名(二零二零年：三名)最高薪僱員支付酬金作為加入或於加入本集團時之獎勵，或作為離職補償(二零二零年：無)。

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#### 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

##### 16.3 Emoluments to members of senior management

The emoluments to members of senior management (excluding the remunerations to directors which have been disclosed in note 16.1 above) were within the following bands:

	2021 二零二一年 No. of individuals 人數	2020 二零二零年 No. of individuals 人數
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	2
HK\$4,500,001 to HK\$5,000,000	4,500,001 港元至 5,000,000 港元	-
	<b>3</b>	<b>1</b>

#### 16. 董事酬金及高級管理層酬金 (續)

##### 16.3 高級管理層成員酬金

高級管理層成員酬金(不包括已於上文附註16.1披露之董事酬金)介乎以下級別:

#### 17. CASH AND DEPOSITS

#### 17. 現金及存款

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cash and bank balances (note (a) and (b))	現金及銀行結餘(附註(a)及(b))	107,175
Cash held on behalf of clients (note (c))	代客戶持有之現金(附註(c))	122,339
Sight deposits with central banks (note (d))	中央銀行之活期存款(附註(d))	6,302,454
	<b>6,531,968</b>	5,612,645
Cash and deposits as per above	上文現金及存款	6,531,968
Less: Cash held on behalf of clients (note (c))	減: 代客戶持有之現金(附註(c))	(122,339)
Restricted bank deposits	受限制銀行存款	-
	<b>6,409,629</b>	5,500,306

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#### 17. CASH AND DEPOSITS (Continued)

Notes:

- (a) Cash at bank earns interest at the floating rates based on the daily bank deposits rates.
- (b) Included in cash and bank balances of the Group are the amount of approximately HK\$31,792,000 (2020: HK\$119,402,000) denominated in RMB which are placed with the banks in the PRC. RMB is not freely convertible into other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB into foreign currencies through the banks authorised to conduct foreign exchange business.
- (c) In respect of the Group's financial business of securities dealing, the Group maintains segregated trusts accounts with authorised financial institutions to hold client's monies. The Group classifies clients' monies under cash and deposits in the consolidated statement of financial position and has recognised the corresponding balances due to cash and margin clients separately under trade payables (note 33) on the grounds that the Group is liable for any loss or misappropriation of clients' monies and does not have a currently enforceable right to offset those payables with the deposits placed.
- (d) These balances with central banks represent sight deposits placed by the Bendura Group and they can be withdrawn immediately without any restrictions.
- (e) As at 31 December 2021, cash and deposits of HK\$6,449,487,000 (2020: HK\$5,338,687,000) are attributable to banking and financial businesses.

#### 17. 現金及存款 (續)

附註：

- (a) 銀行現金按每日銀行存款利率計算之浮動利率計息。
- (b) 本集團現金及銀行結餘包括為數約31,792,000港元(二零二零年：119,402,000港元)以人民幣計值存於中國之銀行之款額。人民幣不得自由兌換為其他貨幣。根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。
- (c) 就本集團證券買賣之金融業務而言，本集團於獲授權金融機構開設獨立信託賬戶以持有客戶款項。本集團於綜合財務狀況表內將客戶款項分類為現金及存款，並根據其須就客戶款項之任何損失或挪用任何金額負責之基礎而確認為應付賬款項下各自應付予相關客戶之現金及保證金之相應結餘(附註33)，且本集團現時並無可強制執行之權利動用其所存放之存款以抵銷有關應付賬款。
- (d) 該等中央銀行結餘指富地集團所存放之活期存款，可即時提取而無任何限制。
- (e) 於二零二一年十二月三十一日，現金及存款6,449,487,000港元(二零二零年：5,338,687,000港元)乃來自銀行及金融業務。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 18. DUE FROM BANKS AND CLIENTS

#### 18. 應收銀行及客戶款項

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Due from clients – mortgage loans	應收客戶款項—按揭貸款	1,969,124	1,476,436
Due from clients – other	應收客戶款項—其他	1,109,003	994,955
Valuation adjustments for default risk (note (b))	違約風險估值調整(附註(b))	(9,408)	(8,166)
<b>Total due from clients</b>	<b>應收客戶款項總額</b>	<b>3,068,719</b>	<b>2,463,225</b>
Due from banks on a daily basis	應收銀行日常款項	1,830,121	5,229,597
Due from banks other claims	應收銀行其他申索	83,218	107,966
Due from banks – precious metals	應收銀行款項—貴金屬	121,114	130,055
Valuation adjustments for default risk (note (b))	違約風險估值調整(附註(b))	(263)	(1,358)
<b>Total due from banks</b>	<b>應收銀行款項總額</b>	<b>2,034,190</b>	<b>5,466,260</b>

Notes:

附註：

(a) Reconciliation of gross carrying amount for due from banks and clients are as follow:

(a) 應收銀行及客戶款項總賬面值之對賬如下：

		Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2020	於二零二零年一月一日	6,943,986	–	3,730	6,947,716
New financial assets originated, net of amount derecognised	原自新增金融資產，扣 除終止確認金額	212,778	–	–	212,778
Amounts written-off	撇銷金額	–	–	(1,797)	(1,797)
Exchange realignment	匯兌調整	650,028	–	229	650,257
As at 31 December 2020 and 1 January 2021	於二零二零年十二月 三十一日及 二零二一年 一月一日	<b>7,806,792</b>	–	<b>2,162</b>	<b>7,808,954</b>
New financial assets originated, net of amount derecognised	原自新增金融資產，扣 除終止確認金額	(2,459,610)	–	–	(2,459,610)
Amounts written-off	撇銷金額	–	–	(185)	(185)
Exchange realignment	匯兌調整	(357,633)	–	(60)	(357,693)
31 December 2021	於二零二一年十二月 三十一日	<b>4,989,549</b>	–	<b>1,917</b>	<b>4,991,466</b>

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 18. DUE FROM BANKS AND CLIENTS (Continued)

Notes: (Continued)

- (b) Movements in the expected credit losses in respect of due from banks and clients are as follows:

		Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2020	於二零二零年一月一日之結餘	6,475	–	3,730	10,205
Changes in valuation adjustments for default risks	違約風險估值調整變動	278	–	–	278
Amounts written-off	撇銷金額	–	–	(1,797)	(1,797)
Exchange realignment	匯兌調整	609	–	229	838
Balance at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日之結餘	<b>7,362</b>	–	<b>2,162</b>	<b>9,524</b>
Changes in valuation adjustments for default risks	違約風險估值調整變動	<b>593</b>	–	–	<b>593</b>
Amounts written-off	撇銷金額	–	–	(185)	(185)
Exchange realignment	匯兌調整	(201)	–	(60)	(261)
Balance at 31 December 2021	於二零二一年十二月三十一日之結餘	<b>7,754</b>	–	<b>1,917</b>	<b>9,671</b>

- (c) Non-performing loans

No interest income impact from non-performing loans was recognised for the year ended 31 December 2021 and 2020.

## 18. 應收銀行及客戶款項 (續)

附註：(續)

- (b) 應收銀行及客戶款項之預期信貸虧損變動如下：

- (c) 不良貸款

截至二零二一年及二零二零年十二月三十一日止年度，概無確認不良貸款產生之利息收入影響。

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 19. TRADING PORTFOLIO INVESTMENTS

#### 19. 交易組合投資

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Equity instruments</b>	<b>股本工具</b>		
Listed equity instruments in Hong Kong at market value	按市值於香港上市之股本工具	626	649
Listed equity instruments outside Hong Kong at market value	按市值於香港境外上市之股本工具	3,944	4,522
<b>Total equity instrument</b>	<b>股本工具總額</b>	<b>4,570</b>	5,171
<b>Debt instruments</b>	<b>債務工具</b>		
Unlisted debt instruments of financial institutions	金融機構之非上市債務工具	7,234	12,938
<b>Total debt instruments</b>	<b>債務工具總額</b>	<b>7,234</b>	12,938
<b>Investment fund units</b>	<b>投資基金單位</b>		
Unlisted investment fund units	非上市投資基金單位	67,780	55,843
<b>Total investment fund units</b>	<b>投資基金單位總額</b>	<b>67,780</b>	55,843
<b>Investment in other financial products</b>	<b>其他金融產品投資</b>	<b>6,546</b>	6,358
<b>Total trading portfolio investments</b>	<b>交易組合投資總額</b>	<b>86,130</b>	80,310

The investments under trade portfolio investments are held for trading purposes.

Fair value of the listed equity instruments have been determined by reference to their quoted market prices at the reporting date in an active market. Fair value of the listed trading portfolio investments is Level 1 recurring fair value measurement.

Fair value of unlisted debt instruments have been determined using significant inputs, which are market observable, directly or indirectly. The fair value of the unlisted debt investments is Level 2 recurring fair value measurement.

The fair value of certain unlisted investment funds is Level 2 recurring fair value measurement while the fair value of remaining unlisted investment funds is Level 3 recurring fair value measurement. The details of assessment are set out in note 49.9 to the consolidated financial statements.

交易組合投資項下之投資乃持有作買賣用途。

上市股本工具之公平值乃經參考其於報告日在活躍市場所報市價後予以釐定。上市交易組合投資之公平值為第一級經常性公平值計量。

非上市債務工具的公平值乃使用可直接或間接從市場觀察的重大輸入數值釐定。非上市債務投資的公平值屬第二級經常性公平值計量。

若干非上市投資基金的公平值屬第二級經常性公平值計量，而餘下非上市投資基金的公平值屬第三級經常性公平值計量。評估詳情見綜合財務報表附註49.9。

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## 綜合財務報表附註

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## 19. TRADING PORTFOLIO INVESTMENTS (Continued)

Other financial products are referring to the insurance policy entered by the Group. The fair value of investments in insurance policies are determined based on the account value as stated in cash surrender value statements issued by insurers. Fair value of other financial products is Level 2 recurring fair value measurement.

There is no transfer under the fair value hierarchy classification for the years ended 31 December 2021 and 2020.

The fair value gain during the year was amounted to HK\$2,290,000(2020: HK\$36,162,000), which has been recognised in the consolidated statement of comprehensive income as “other ordinary income and other net gains or losses” (note 8) for the year ended 31 December 2021.

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group designated its listed equity instruments in or outside Hong Kong and unlisted equity investments at FVOCI as below, as those investments are held for strategic purposes.

## 19. 交易組合投資 (續)

其他金融產品指本集團投購的保單。保單投資的公平值按保險公司發出的現金退保單的賬面值釐定。其他金融產品的公平值為第二級經常性公平值計量。

截至二零二一年及二零二零年十二月三十一日止年度，公平值級別間並無轉撥。

本年度之公平值收益為2,290,000港元(二零二零年：36,162,000港元)，已於截至二零二一年十二月三十一日止年度之綜合全面收入表內確認為「其他日常收入及其他收益或虧損淨額」(附註8)。

## 20. 按公平值計入其他全面收入之金融資產

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Listed equity instruments in Hong Kong (note (a))	於香港上市之股本工具 (附註(a))	(a)	350,837	333,207
Listed equity instruments outside Hong Kong (note (b))	於香港境外上市之股本工具 (附註(b))	(b)	147,133	131,636
Unlisted equity investments	非上市股本投資		6,147	5,951
			<b>504,117</b>	470,794

本集團按下列方式將其於香港境內或境外之上市股本工具及非上市股本投資指定為按公平值計入其他全面收入，原因為該等投資乃就策略用途持有。

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### 綜合財務報表附註

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#### 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

- (a) As at 31 December 2021, the listed equity investments in Hong Kong represented 14.76% (2020: 14.76%) equity interest in Min Xin Holdings Limited (“Min Xin Shares”). As at 31 December 2021, the Group held 88,150,000 (2020: 88,150,000) Min Xin Shares. A dividend income totalling HK\$8,815,000 (2020: HK\$8,815,000) was recognised by the Group in profit or loss in the consolidated statement of comprehensive income for the year ended 31 December 2021.

Particulars of the Group’s investments in Min Xin Shares are as follows:

Name	Country of incorporation	Particulars of issued shares held	Number of shares held by the Group	Percentage of ownership interest attributable to the Group
名稱	註冊成立國家	所持已發行股份詳情	本集團所持股份數目	本集團應佔擁有權益百分比
Min Xin Holdings Limited 閩信集團有限公司	Hong Kong 香港	Ordinary Share 普通股	88,150,000	14.76%

- (b) The listed equity investment at fair value of HK\$147,133,000 (2020: HK\$131,636,000) represented the investment in Citychamp Dartong Company Limited (referred to “Dartong” and its shares referred to as the “Dartong Shares”). During the year, dividend income of RMB0.7 per 10 shares totalling HK\$2,779,000 (2020: Nil) is recognised by the Group in profit or loss in the consolidated statement of comprehensive income for the year ended 31 December 2021.

Ms. Sit Lai Hei and Mr. Hon Hau Wong, the executive directors of the Company are also the executive directors of Dartong. Dartong is owned as to approximately 33.95% (2020: 33.95%) by Fujian Fengrong Investment Company Limited (“Fengrong”). Ms. Sit Lai Hei and Ms. Lu Xiaojun are the daughters-in-law of Mr. Hon Kwok Lung and the beneficial owners of Fengrong. Mr. Hon Hau Wong, an executive Director of the Company, is the spouse of Ms. Lu Xiaojun.

#### 20. 按公平值計入其他全面收入之金融資產(續)

- (a) 於二零二一年十二月三十一日，於香港上市之股本投資指於閩信集團有限公司之14.76%（二零二零年：14.76%）股權（「閩信股份」）。於二零二一年十二月三十一日，本集團持有88,150,000股（二零二零年：88,150,000股）閩信股份。本集團於截至二零二一年十二月三十一日止年度之綜合全面收入表的損益確認股息收入合共8,815,000港元（二零二零年：8,815,000港元）。

本集團於閩信股份的投資詳情如下：

- (b) 按公平值列賬之上市股本投資147,133,000港元（二零二零年：131,636,000港元）指於冠城大通股份有限公司（「大通」，其股份稱為「大通股份」）之投資。年內，本集團於截至二零二一年十二月三十一日止年度於綜合全面收入表的損益確認股息收入每10股人民幣0.7元合共2,779,000港元（二零二零年：無）。

本公司執行董事薛黎曦女士及韓孝煌先生亦為大通之執行董事。大通由福建豐榕投資有限公司（「豐榕」）持有約33.95%（二零二零年：33.95%）。薛黎曦女士及陸曉珺女士均為韓國龍先生之兒媳兼豐榕之實益擁有人。本公司執行董事韓孝煌先生為陸曉珺女士之配偶。

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## 綜合財務報表附註

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## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

(b) (Continued)

Particulars of the Group's investment in Dartong Shares are as follows:

Name	Country of incorporation	Particulars of issued shares held	Number of shares held by the Group	Percentage of ownership interest attributable to the Group
名稱	註冊成立國家	所持已發行股份詳情	本集團所持股份數目	本集團應佔擁有權權益百分比
Citychamp Dartong Company Limited 冠城大通股份有限公司	PRC 中國	Ordinary A Share A股普通股	30,389,058	2.04%

During the year, the increase in fair value of financial assets at fair value through other comprehensive income of HK\$33,127,000 (2020: increase of HK\$47,933,000) has been dealt with in other comprehensive income and FVOCI reserve. There is no transfer of cumulative gain or loss within equity during the year.

## 20. 按公平值計入其他全面收入之金融資產 (續)

(b) (續)

本集團於大通股份的投資詳情如下：

年內，按公平值計入其他全面收入之金融資產公平值增加33,127,000港元(二零二零年：增加47,933,000港元)已於其他全面收入及按公平值計入其他全面收入儲備內處理。年內，權益內概無轉撥累計收益或虧損。

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

## 21. 衍生金融工具

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Derivative financial assets</b>	<b>衍生金融資產</b>			
Forward and option contracts	遠期及期權合約	(a)	34,608	29,224
<b>Derivative financial liabilities</b>	<b>衍生金融負債</b>			
Forward and option contracts	遠期及期權合約	(a)	46,308	(31,334)
Interest rate swap contracts	利率掉期合約	(b)	1,647	-
			<b>47,955</b>	<b>(31,334)</b>

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## 21. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes:

- (a) Forward and option contracts arising in banking business

The Group's subsidiaries under the banking business segment act as an intermediary to offer derivative products including interest rate and currency forwards and swap to its customers. These derivative positions are managed through entering back-to-back deals with external parties to ensure the remaining exposures are within acceptable risk levels.

The following tables and notes provide an analysis of the nominal amounts of derivatives and the corresponding fair values as at the year ended date. The nominal amounts of the derivatives indicate the volume of transactions outstanding as at the reporting date; they do not represent amounts at risk.

## 21. 衍生金融工具 (續)

附註：

- (a) 來自銀行業務之遠期及期權合約

本集團銀行業務分部下之附屬公司作為中介向其客戶提供衍生工具產品，包括利率以及貨幣遠期及掉期。該等衍生工具持倉乃透過與外界人士訂立背對背交易進行管理以確保餘下風險於可接受風險水平內。

下表及附註就截至該日止年度之衍生工具面值及相應公平值提供分析。衍生工具之面值顯示於報告日尚未完成之交易量而並無呈現風險金額。

		31 December 2021 二零二一年十二月三十一日		
		Nominal amount 面值 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Non-hedging instruments	非對沖工具			
– Currency derivatives	– 貨幣衍生工具	7,020,076	34,608	(46,308)
– Option	– 期權	195	–*	–*
		<b>7,020,271</b>	<b>34,608</b>	<b>(46,308)</b>

		31 December 2020 二零二零年十二月三十一日		
		Nominal amount 面值 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Non-hedging instruments	非對沖工具			
– Currency derivatives	– 貨幣衍生工具	4,575,322	29,224	(31,334)
– Option	– 期權	194	–*	–*
		<b>4,575,516</b>	<b>29,224</b>	<b>(31,334)</b>

\* Represents the amount less than HK\$1,000.

\* 指金額少於1,000港元。

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## 綜合財務報表附註

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## 21. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

- (a) Forward and option contracts arising in banking business (Continued)

Nominal amount analysed by remaining maturity

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 3 months	3個月內	5,468,640	3,760,096
Between 3 months and 1 year	3個月至1年	1,551,631	23,728
Between 1 year and 5 years	1年至5年	-	791,692
		<b>7,020,271</b>	4,575,516

The remaining term to maturity of derivatives does not represent the Group's intended holding period. Change in the fair value of forward and option contracts arising in banking business has been recognised in the consolidated statement of comprehensive income under "Trading income from banking business".

- (b) Interest rate swap contracts arising in non-banking business

The Company has entered interest swap contracts with the bank. These derivative positions are managed through entering back-to-back deals with external parties to ensure the remaining exposures are within acceptable risk levels.

The following tables and notes provide an analysis of the nominal amounts of derivatives and the corresponding fair values as at the year ended date. The nominal amounts of the derivatives indicate the volume of transactions outstanding as at the reporting date; they do not represent amounts at risk.

## 21. 衍生金融工具 (續)

附註：(續)

- (a) 來自銀行業務之遠期及期權合約 (續)

按餘下到期日分析之面值

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 3 months	3個月內	5,468,640	3,760,096
Between 3 months and 1 year	3個月至1年	1,551,631	23,728
Between 1 year and 5 years	1年至5年	-	791,692
		<b>7,020,271</b>	4,575,516

衍生工具到期日餘下期限並不代表本集團之擬持有期。來自銀行業務之遠期及期權合約之公平值變動已於綜合全面收入表內「銀行業務之交易收入」項下確認。

- (b) 來自非銀行業務之利率掉期合約

本公司已與銀行訂立利率掉期合約。該等衍生工具持倉乃透過與外界人士訂立背對背交易進行管理以確保餘下風險於可接受風險水平內。

下表及附註就截至該日止年度之衍生工具面值及相應公平值提供分析。衍生工具之面值顯示於報告日尚未完成之交易量而並無呈現風險金額。

			31 December 2021 二零二一年十二月三十一日		
		Nominal amount 面值 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	
Non-hedging instruments	非對沖工具				
- Interest rate swap	- 利率掉期	531,000	-	1,647	

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 21. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes: (Continued)

(b) Interest rate swap contracts arising in non-banking business (Continued)

Nominal amount analysed by remaining maturity

#### 21. 衍生金融工具 (續)

附註：(續)

(b) 來自非銀行業務之利率掉期合約 (續)

按餘下到期日分析之面值

		2021 二零二一年 HK\$'000 千港元
Between 3 months and 1 year	3個月至1年	<b>531,000</b>

The remaining term to maturity of derivatives does not represent the Group's intended holding period. Change in the fair value of interest rate swap contracts arising in non-banking business has been recognised in the consolidated statement of comprehensive income under "Other income and other net gains or losses".

衍生工具到期日餘下期限並不代表本集團之擬持有期。來自非銀行業務之利率掉期合約之公平值變動已於綜合全面收入表內「其他收入及其他收益或虧損淨額」項下確認。

#### 22. TRADE RECEIVABLES

#### 22. 應收賬款

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade receivables arising from watches and timepieces business: (note (a))	鐘錶及時計產品業務產生之應收賬款：(附註(a))		
Trade receivables	應收賬款	<b>452,838</b>	458,698
Less: Provision for impairment loss	減：減值虧損撥備	<b>(80,641)</b>	(76,607)
		<b>372,197</b>	382,091
Trade receivables arising from financial business: (note (b))	金融業務產生之應收賬款：(附註(b))		
– Margin clients	– 保證金客戶	<b>2,199</b>	402
– Cash clients	– 現金客戶	<b>3,708</b>	4,631
– Clearing house	– 結算所	<b>123</b>	4,623
		<b>6,030</b>	9,656
Trade receivables, net	應收賬款淨額	<b>378,227</b>	391,747

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 22. TRADE RECEIVABLES (Continued)

Notes:

- (a) The Group's trading terms with its customers of watches and timepieces business are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of one to six months (2020: one to six months) for major customers. The credit term for customers is determined by the management according to industry practice together with consideration of their creditability. In view of the aforementioned and the fact that the Group's trade receivables relate to a wide range of customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

Impairment losses in respect of trade receivables arising from watches and timepieces business are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

Movements in the expected credit losses of trade receivables arising from watches and timepieces business are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	76,607	58,347
Expected credit losses for the year	年內預期信貸虧損	2,361	16,960
Exchange realignment	匯兌調整	1,673	1,300
At 31 December	於十二月三十一日	80,641	76,607

The Group does not hold any collateral over these balances.

## 22. 應收賬款 (續)

附註：

- (a) 除若干客戶須預先付款外，本集團與其鐘錶及時計產品業務客戶訂立之買賣條款主要為記賬方式。主要客戶一般可獲一至六個月（二零二零年：一至六個月）之信貸期。客戶之信貸期由管理層根據行業慣例並考慮客戶之信譽釐定。鑒於上述事項及本集團應收賬款涉及大量不同客戶，故並無高度集中信貸風險。應收賬款並不計息。

鐘錶及時計產品業務產生之應收賬款減值虧損乃使用撥備賬列賬，除非本集團信納收回有關金額之可能性極低則作別論，在此情況下，減值虧損會直接撇銷應收賬款。

鐘錶及時計產品業務產生之應收賬款之預期信貸虧損變動如下：

本集團並無就該等結餘持有任何抵押品。

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 22. TRADE RECEIVABLES (Continued)

Notes: (Continued)

(a) (Continued)

Ageing analysis of trade receivables arising from watches and timepieces business as at the reporting date, based on invoice dates, and net of provisions, is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
1 to 3 months	1 至 3 個月	219,217	267,893
4 to 6 months	4 至 6 個月	36,300	29,796
Over 6 months	超過 6 個月	116,680	84,402
		<b>372,197</b>	<b>382,091</b>

The directors of the Company consider that as trade receivables arising from watches and timepieces business are expected to be recovered within one year, their fair values are not materially different from their carrying amounts because these balances have short maturity periods on their inception at the reporting date.

(b) The settlement term of trade receivables arising from the financial business of securities dealing is two business days after trade date ("T+2").

Margin loans due from margin clients are current and repayable on demand. Margin clients are required to pledge securities as collateral to the Group in order to obtain credit facilities for securities trading. As at 31 December 2021, the total market value of securities pledged as collateral in respect of the receivables from margin clients are approximately HK\$20,178,000 (2020: HK\$840,000). Margin loans are interest bearings at fixed rate of 8.25% (2020: 8.25%) per annum. Subject to certain conditions, the Group is allowed to repledge collateral from margin clients. There was no repledge of collateral from margin clients as at 31 December 2021 and 2020. No aging analysis is disclosed for trade receivables from margin clients. In the opinion of the directors, aging analysis is not meaningful in view of the business nature of securities dealing.

### 22. 應收賬款 (續)

附註：(續)

(a) (續)

鐘錶及時計產品業務產生之應收賬款(扣除撥備)按照發票日期於報告日之賬齡分析如下：

本公司董事認為，於報告日，由於鐘錶及時計產品業務產生之應收賬款預期將於一年內收回，且有關結餘自其開始以來之到期日偏短，故其公平值與其賬面值並無重大差異。

(b) 證券買賣之金融業務所產生應收賬款之結算期限為交易日後兩個營業日("T+2")。

應收保證金客戶之保證金貸款屬即期且須於要求時償還。保證金客戶須抵押證券抵押品予本集團，方可取得證券交易之信貸融資。於二零二一年十二月三十一日，與應收保證金客戶賬款有關作為抵押品抵押之證券市值總額約為20,178,000港元(二零二零年：840,000港元)。保證金貸款乃按固定年利率8.25%(二零二零年：8.25%)計息。在若干條件規限下，本集團可再抵押保證金客戶之抵押品。於二零二一年及二零二零年十二月三十一日，概無再抵押保證金客戶之任何抵押品。由於董事認為，鑒於證券買賣之業務性質，賬齡分析並無意義，故並無披露應收保證金客戶賬款之賬齡分析。

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 22. TRADE RECEIVABLES (Continued)

Notes: (Continued)

(b) (Continued)

Trade receivable from cash clients related to a wide range of customers for whom there was no recent history of default. Based on the past experience, current assessment and the available forward-looking information, the management believes that no additional impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

Trade receivables from clearing house, i.e. Hong Kong Securities Clearing Limited, is current which represents pending trades arising from the financial business of securities dealing and are normally due on "T+2" day in accordance with the requirements of Hong Kong Exchange and Clearing Limited.

The Group has policy for impairment allowance which requires management's judgement and estimation as mentioned in note 4.13. The directors are in opinion that no impairment allowance is necessary in respect of trade receivables arising from the financial business of securities dealing as at 31 December 2021 and 2020.

## 22. 應收賬款 (續)

附註：(續)

(b) (續)

與大量客戶有關之應收現金客戶賬款最近並無拖欠記錄。根據過往經驗、現時評估及可用前瞻性資料，管理層相信，無須就該等結餘作額外減值撥備，乃由於信貸質量並無重大變動且結餘被認為可悉數收回。

應收結算所(即香港中央結算有限公司)賬款為即期，其指證券買賣之金融業務產生之待決交易，且一般按照香港交易及結算所有限公司之規定於「T+2」日到期。

如附註4.13所述，本集團就計提減值撥備設有政策，要求管理層作出判斷及估計。董事認為，於二零二一年及二零二零年十二月三十一日，毋須就證券買賣之金融業務所產生應收賬款而計提減值撥備。

## 23. OTHER FINANCIAL ASSETS AT AMORTISED COST

## 23. 按攤銷成本列賬之其他金融資產

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Listed debt instruments, at amortised cost	上市債務工具，按攤銷成本列賬	<b>1,852,934</b>	1,449,886
Issued by:	由以下人士發行：		
Governments and public sector	政府及公營部門	<b>334,076</b>	84,447
Financial institutions	金融機構	<b>1,014,986</b>	1,053,351
Corporations	企業	<b>503,872</b>	312,088
		<b>1,852,934</b>	1,449,886

The listed debt investments represented the investments in listed debt instruments mainly issued by financial institutions and corporations in Europe.

上市債務投資指主要由歐洲金融機構及企業發行之上市債務工具投資。

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### 綜合財務報表附註

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### 23. OTHER FINANCIAL ASSETS AT AMORTISED COST (Continued)

- (a) Reconciliation of gross carrying amount for other financial assets at amortised cost are as follow:

		Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
1 January 2020	二零二零年一月一日	1,308,809	-	-	1,308,809
New financial assets originated, net of amount derecognised	原自新增金融資產，扣除終止確認金額	50,389	-	-	50,389
Transfers:	轉撥：				
– Transfer to stage 2	– 轉撥至第2階段	(2,737)	2,737	-	-
– Transfer to stage 3	– 轉撥至第3階段	(31,177)	-	31,177	-
Exchange realignment	匯兌調整	120,734	114	1,939	122,787
As at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	<b>1,446,018</b>	<b>2,851</b>	<b>33,116</b>	<b>1,481,985</b>
New financial assets originated, net of amount derecognised	原自新增金融資產，扣除終止確認金額	<b>442,005</b>	<b>(2,760)</b>	-	<b>439,245</b>
Exchange realignment	匯兌調整	<b>(38,087)</b>	<b>(91)</b>	<b>(917)</b>	<b>(39,095)</b>
31 December 2021	二零二一年十二月三十一日	<b>1,849,936</b>	-	<b>32,199</b>	<b>1,882,135</b>

- (b) Movements in the expected credit losses in respect of other financial assets at amortised cost are as follows:

		Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2020	於二零二零年一月一日之結餘	849	-	-	849
Change in valuation adjustments for default risks	違約風險估值調整變動	(38)	45	29,341	29,348
Transfers:	轉撥：				
– Transfer to stage 2	– 轉撥至第2階段	(8)	8	-	-
– Transfer to stage 3	– 轉撥至第3階段	(91)	-	91	-
Exchange realignment	匯兌調整	68	3	1,831	1,902
Balance at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	<b>780</b>	<b>56</b>	<b>31,263</b>	<b>32,099</b>
Change in valuation adjustments for default risks	違約風險估值調整變動	<b>879</b>	<b>(55)</b>	<b>(2,838)</b>	<b>(2,014)</b>
Exchange realignment	匯兌調整	<b>(17)</b>	<b>(1)</b>	<b>(866)</b>	<b>(884)</b>
Balance at 31 December 2021	於二零二一年十二月三十一日之結餘	<b>1,642</b>	-	<b>27,559</b>	<b>29,201</b>

### 23. 按攤銷成本列賬之其他金融資產 (續)

- (a) 按攤銷成本列賬之其他金融資產之總賬面值對賬如下：

- (b) 按攤銷成本列賬之其他金融資產之預期信貸虧損變動如下：

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## 24. INVENTORIES

## 24. 存貨

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Raw materials	原材料	382,625	358,304
Work-in-progress	在製品	328,663	75,528
Finished goods and merchandises	製成品及商品	1,481,993	1,821,721
		<b>2,193,281</b>	2,255,553

A reversal of provision of HK\$18,154,000 (2020: HK\$12,819,000), was recognised in cost of sales and consolidated statement of profit or loss and other comprehensive income, which made in prior years against the carrying value of raw materials and finished goods have been reversed due to an increase in the estimated net realisable value of certain products as a result of the increase in the demand of products as well as the production needs.

由於產品需求及生產需求增加導致部分產品的預計可變現淨值增加，已撥回於銷售成本及綜合損益及其他全面收益表中確認的撥備18,154,000港元(二零二零年：12,819,000港元)，有關撥備乃已於過往年度就抵銷原材料及製成品的賬面值而作出。

## 25. INTERESTS IN JOINT VENTURES

## 25. 所佔合營企業權益

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	602	1,096
Share of total comprehensive income of joint ventures	應佔合營企業之全面收入總額	(83)	(494)
At 31 December	於十二月三十一日	519	602

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#### 25. INTERESTS IN JOINT VENTURES (Continued)

Particulars of the joint ventures, which are accounted for using equity method in the consolidated financial statements, are as follows:

Name 名稱	Particulars of issued capital 已發行 股本詳情	Place of incorporation 註冊成立地點	Percentage of interest held 持有權益 所佔百分比 2021 and 2020 二零二一年及 二零二零年	Principal activities and principal place of operation 主要業務及主要營業地點
Corum Investment Management Limited (“Corum Investment”)	US\$100 100 美元	Cayman Islands 開曼群島	40%	Investment holding in Hong Kong 於香港投資控股
Corum Capital Partners Limited (“Corum Capital”)	US\$10,000 10,000 美元	Cayman Islands 開曼群島	40%	Investment holding in Hong Kong 於香港投資控股

Despite the Group’s holding of 40% equity interest in Corum Investment and Corum Capital respectively, the directors have confirmed that neither the Group nor other shareholders of the joint ventures has unilateral control over the operating and financing decision of the joint ventures in accordance with the joint venture agreement. These joint arrangements are classified as joint ventures and have been accounted for in the consolidated financial statements using equity method.

綜合財務報表採用權益法入賬之合營企業詳情如下：

儘管本集團分別持有 Corum Investment 及 Corum Capital 之 40% 股本權益，根據合資協議，董事確認概無本集團或合營企業之其他股東可單方面控制合營企業之經營及財務決策。該等合營安排被分類為合營企業且於綜合財務報表採用權益法入賬。

#### 26. INTERESTS IN ASSOCIATES

#### 26. 所佔聯營公司權益

		2021 二零二一年 HK\$’000 千港元	2020 二零二零年 HK\$’000 千港元
At 1 January	於一月一日	113,176	115,486
Share of total comprehensive income of associates	應佔聯營公司之全面收入總額	511	2,690
Dividend income from an associates	聯營公司之股息收入	-	(5,000)
At 31 December	於十二月三十一日	113,687	113,176

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## 26. INTERESTS IN ASSOCIATES (Continued)

Particulars of the principal associate, which is a limited liability company, at 31 December 2021 are as follows:

Name	Particulars of issued capital	Place of incorporation	Percentage of interest held	Principal activities and place of operation
名稱	已發行股本詳情	註冊成立地點	持有權益所佔百分比	主要業務及主要營業地點
Fair Future Industrial Limited ("Fair Future") 俊光實業有限公司(「俊光」)	HK\$600,000 600,000 港元	Hong Kong 香港	25% (2020: 25%) (二零二零年: 25%)	Manufacturing of watches and related accessories in the PRC 於中國製造鐘錶及相關配件

## 26. 所佔聯營公司權益(續)

於二零二一年十二月三十一日，主要聯營公司(為有限公司)之詳情如下：

The summarised financial information of the Group's material associate extracted from its management accounts for the years ended 31 December 2021 and 2020 is as follows:

以下為截至二零二一年及二零二零年十二月三十一日止年度本集團重大聯營公司之財務資料概要(摘錄自其管理賬目)：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Fair Future</b>	<b>俊光</b>		
<b>As at 31 December</b>	<b>於十二月三十一日</b>		
Current assets	流動資產	632,295	581,866
Non-current assets	非流動資產	133,826	163,699
Current liabilities	流動負債	(459,176)	(429,906)
Non-current liabilities	非流動負債	(3,376)	(14,517)
<b>Net assets</b>	<b>資產淨值</b>	<b>303,569</b>	<b>301,142</b>
Less: Non-controlling interests	減：非控股權益	(699)	(654)
<b>Net assets attributable to owners of the associate</b>	<b>聯營公司擁有人應佔資產淨值</b>	<b>302,870</b>	<b>300,488</b>
<b>Reconciliation to the Group's interest in Fair Future:</b>	<b>本集團於俊光之權益之對賬：</b>		
Proportion of the Group's ownership	本集團擁有權之比例	25%	25%
Group's share of net assets of the associate	本集團應佔聯營公司之資產淨值	75,892	75,286
Goodwill on acquisition	收購之商譽	37,987	37,987
Effect of unrealised profits arising from the transactions with an associate	來自與一間聯營公司交易之未實現溢利影響	(457)	(379)
Other reconciliation items	其他對賬項目	120	132
Carrying amount of the investment	投資賬面值	113,542	113,026

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**26. INTERESTS IN ASSOCIATES (Continued)****26. 所佔聯營公司權益 (續)**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>For the year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Revenue	收入	<b>976,221</b>	796,706
Profit for the year	本年度溢利	<b>1,651</b>	9,771
Other comprehensive income	其他全面收入	<b>755</b>	(1,960)
Total comprehensive income	全面收入總額	<b>2,406</b>	7,811
Profit for the year attributable to owners of an associate	一間聯營公司擁有人應佔 本年度溢利	<b>1,606</b>	9,880
Total comprehensive income for the year attributable to owners of an associate	一間聯營公司擁有人應佔本年度 全面收入總額	<b>2,361</b>	7,921
<b>Reconciliation to the Group's share of results of Fair Future:</b>	<b>本集團應佔俊光業績之對賬：</b>		
Proportion of the Group's ownership	本集團擁有權之比例	<b>25%</b>	25%
Group's share of profits of the associate	本集團應佔聯營公司之溢利	<b>401</b>	2,470
Effects of unrealised profits arising from the transactions with an associate	來自與一間聯營公司交易之 未實現溢利影響	<b>(78)</b>	710
Share of profit of the associate for the year	應佔年內聯營公司溢利	<b>323</b>	3,180
Group's share of other comprehensive income of the associate	本集團應佔聯營公司之其他 全面收入	<b>188</b>	(490)
Share of total comprehensive income of the associate	應佔聯營公司之全面收入總額	<b>511</b>	2,690

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## 27. PROPERTY, PLANT AND EQUIPMENT

## 27. 物業、廠房及設備

		Right-of-use assets 使用權資產 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	CIP 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 1 January 2020</b>	於二零二零年一月一日								
Cost	成本	532,527	440,798	101,878	200,823	594,244	46,768	1,963,076	
Accumulated depreciation	累計折舊	(55,434)	(47,434)	(66,617)	(137,088)	(472,051)	(36,403)	(815,027)	
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>477,093</b>	<b>393,364</b>	<b>35,261</b>	<b>63,735</b>	<b>122,193</b>	<b>10,365</b>	<b>1,148,049</b>	
<b>Year ended 31 December 2020</b>	截至二零二零年十二月三十一日止年度								
Opening net book amount	年初賬面淨值	477,093	393,364	35,261	63,735	122,193	10,365	1,148,049	
Additions	添置	4,875	6,676	20,750	78	22,492	549	190,944	
Lease modification	租賃修改	9,071	-	-	-	-	-	9,071	
Transfer	轉撥	-	123,815	-	-	-	(123,815)	-	
Depreciation	折舊	(57,571)	(8,479)	(25,912)	(10,895)	(54,613)	(2,619)	(160,089)	
Disposal	出售	-	-	-	(538)	(1,668)	(277)	(2,483)	
Exchange realignment	匯兌調整	23,955	44,254	1,551	3,659	7,859	441	85,234	
<b>Closing carrying amount</b>	<b>年末賬面淨值</b>	<b>457,423</b>	<b>559,630</b>	<b>31,650</b>	<b>56,039</b>	<b>96,263</b>	<b>8,459</b>	<b>1,270,726</b>	
<b>At 31 December 2020 and 1 January 2021</b>	於二零二零年十二月三十一日及二零二一年一月一日								
Cost	成本	573,477	672,243	129,172	212,569	646,963	46,167	2,341,853	
Accumulated depreciation	累計折舊	(116,054)	(112,613)	(97,522)	(156,530)	(550,700)	(37,708)	(1,071,127)	
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>457,423</b>	<b>559,630</b>	<b>31,650</b>	<b>56,039</b>	<b>96,263</b>	<b>8,459</b>	<b>1,270,726</b>	
<b>Year ended 31 December 2021</b>	截至二零二一年十二月三十一日止年度								
Opening net book amount	年初賬面淨值	457,423	559,630	31,650	56,039	96,263	8,459	1,270,726	
Additions	添置	-	-	12,460	3,674	17,283	2,638	203,291	
Lease modification	租賃修改	59,180	-	-	-	-	-	59,180	
Transfer	轉撥	-	141,163	-	142	-	(141,305)	-	
Depreciation	折舊	(41,820)	(7,699)	(8,441)	(11,253)	(45,522)	(2,416)	(117,151)	
Disposal	出售	-	(30,848)	-	(19)	(699)	(509)	(32,075)	
Exchange realignment	匯兌調整	3,491	(46,614)	1,257	1,651	1,828	107	(35,817)	
<b>Closing carrying amount</b>	<b>年末賬面值</b>	<b>478,274</b>	<b>615,632</b>	<b>36,926</b>	<b>50,234</b>	<b>69,153</b>	<b>8,279</b>	<b>1,348,154</b>	
<b>At 31 December 2021</b>	於二零二一年十二月三十一日								
Cost	成本	634,998	779,360	145,717	222,345	671,411	43,559	2,587,046	
Accumulated depreciation	累計折舊	(156,724)	(163,728)	(108,791)	(172,111)	(602,258)	(35,280)	(1,238,892)	
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>478,274</b>	<b>615,632</b>	<b>36,926</b>	<b>50,234</b>	<b>69,153</b>	<b>8,279</b>	<b>1,348,154</b>	

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#### 27. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 December 2021, land and buildings in Switzerland with an aggregated carrying value of HK\$103,641,000 (2020: HK\$108,017,000) have been pledged to secure banking facilities granted to the Group (note 35).

At 31 December 2021, right-of-use assets in PRC with an aggregated carrying value of HK\$205,932,000 (2020: HK\$202,101,000) have been pledged to secure banking facilities granted to the Group (note 35).

#### 27. 物業、廠房及設備 (續)

於二零二一年十二月三十一日，本集團已抵押位於瑞士賬面總值103,641,000港元（二零二零年：108,017,000港元）之土地及樓宇以獲授銀行融資（附註35）。

於二零二一年十二月三十一日，本集團已抵押位於中國賬面總值205,932,000港元（二零二零年：202,101,000港元）之使用權資產以獲授銀行融資（附註35）。

Right-of-use assets 使用權資產	Land and buildings 土地及樓宇 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	475,423	1,670	477,093
Additions	4,875	-	4,875
Lease modification	9,071	-	9,071
Depreciation	(57,057)	(514)	(57,571)
Exchange realignment	23,902	53	23,955
As at 31 December 2020 and 1 January 2021	<b>456,214</b>	<b>1,209</b>	<b>457,423</b>
Lease modification	<b>59,180</b>	-	<b>59,180</b>
Depreciation	<b>(41,371)</b>	<b>(449)</b>	<b>(41,820)</b>
Exchange realignment	<b>3,507</b>	<b>(16)</b>	<b>3,491</b>
As at 31 December 2021	<b>477,530</b>	<b>744</b>	<b>478,274</b>

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## 28. INVESTMENT PROPERTIES

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Changes to the carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	195,427	182,186
Net surplus on revaluation of investment properties	投資物業重估之盈餘淨額	12,736	9,723
Exchange realignment	匯兌調整	1,996	3,518
Carrying amount at 31 December	於十二月三十一日之賬面值	210,159	195,427

The carrying amounts of the Group's investment properties situated in Hong Kong and the PRC held under medium-term leases are analysed as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Hong Kong	香港	27,400	27,400
PRC	中國	182,759	168,027
		210,159	195,427

As at 31 December 2021, the Group has not obtained the relevant title certificates for investment properties with an aggregate carrying value of HK\$46,580,000 (2020: HK\$45,615,000). The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these investment properties. The directors are now in process of obtaining the title certificates from the relevant government authorities.

## 28. 投資物業

本集團所有就賺取租金或資本增值而以經營租約持有之物業權益，乃按公平值模式計量，並分類及入賬為投資物業。

於綜合財務狀況表呈列之賬面值變動概述如下：

本集團位於香港及中國以中期租約持有之投資物業之賬面值分析如下：

於二零二一年十二月三十一日，本集團並未就賬面總值46,580,000港元（二零二零年：45,615,000港元）之投資物業取得相關業權證明。本集團法律顧問已確認，本集團為該等投資物業之合法權益擁有人。董事現正向相關政府機關取得業權證明。

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#### 28. INVESTMENT PROPERTIES (Continued)

Investment properties were revalued at 31 December 2021 by Asset Appraisal Limited (“Asset Appraisal”) and Chung, Chan & Associates, independent professionally qualified valuers, at HK\$210,159,000 (2020: HK\$195,427,000) in aggregate. Asset Appraisal is a member of Hong Kong Institutes of Surveyors and Chung, Chan & Associates is a member of Royal Institution of Chartered Surveyors. Both have appropriate qualifications and relevant experiences in the location and category of properties being valued.

##### Fair value hierarchy

The fair value of investment properties is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

#### 28. 投資物業 (續)

投資物業於二零二一年十二月三十一日由獨立專業合資格估值師中誠達資產評估顧問有限公司(「中誠達」)及Chung, Chan & Associates重估為合共210,159,000港元(二零二零年: 195,427,000港元)。中誠達為香港測量師學會成員, Chung, Chan & Associates則為英國皇家特許測量師學會成員。兩者均於經估值物業之位置及分類方面具備適當資格及相關經驗。

##### 公平值級別

投資物業之公平值為第三層經常性公平值計量。年初及年末公平值結餘之對賬載列如下。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Opening balance (Level 3 recurring fair value)	年初結餘(第三層經常性公平值)	195,427	182,186
Net surplus on revaluation of investment properties charge to profit or loss	扣自溢利或虧損之投資物業重估之盈餘淨額	12,736	9,723
Exchange realignment	匯兌調整	1,996	3,518
Closing balance (Level 3 recurring fair value)	年末結餘(第三層經常性公平值)	210,159	195,427
Change in unrealised gain for the year included in profit or loss for assets held at 31 December	就十二月三十一日所持有資產計入溢利或虧損之年度未變現收益變動	12,736	9,723

During the years ended 31 December 2021 and 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至二零二一年及二零二零年十二月三十一日止年度,第一層與第二層之間並無轉撥,亦無轉撥入第三層或自第三層轉撥出。本集團之政策為於發生之報告期末確認各公平值級別水平之間之轉撥。

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## 28. INVESTMENT PROPERTIES (Continued)

### Fair value hierarchy (Continued)

For the fair value measurement for investment properties in the PRC under income approach, the fair value was determined by taking into account the net rental incomes of the properties derived from the existing tenancies with due allowance for the reversionary income potential of the tenancies, which are then capitalised into the values at appropriate capitalisation rates.

### Significant unobservable inputs

	Range
Capitalisation rate	2.70% to 6.10% (2020: 2.65% to 6.10%)
Market unit rent per square metre	HK\$5.56 to HK\$113.2 (2020: HK\$5.56 to HK\$105.6)

A lower in the capitalisation rate and a higher in the market unit rent used would result in an increase in the fair value measurement of the investment properties, and vice versa.

For the fair value measurement for investment property in Hong Kong and certain investment properties in the PRC under direct comparison method, it is assumed that each of the properties is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets.

One of the key inputs used under direct comparison method in valuing the investment property in Hong Kong was the price per square feet and taking into account location and other individual factors. The price per square feet used is approximately HK\$17,692 (2020: HK\$17,692). An increase in the price per square feet would result in an increase in the fair value measurement of the investment property, and vice versa.

One of the key inputs used under direct comparison method in valuing the investment property in PRC was the price per square meter and taking into account location and other individual factors. The price per square meter used is approximately range from HK\$6,185 to HK\$74,005 (2020: from HK\$6,742 to HK\$67,425). An increase in the price per square meter would result in an increase in the fair value measurement of the investment property, and vice versa.

There has been no change from the valuation technique used in the prior year. The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

## 28. 投資物業 (續)

### 公平值級別 (續)

就按收益法評估之中國投資物業公平值計量，公平值乃計入該等物業從現有租賃產生之租金收入淨額，並考慮到租賃復歸之後收入潛力，其後按適當資本化比率撥充資本計出價值。

重大不可觀察輸入數值	範圍
資本化比率	2.70% 至 6.10% (二零二零年：2.65% 至 6.10%)
單位市場租金 (每平方米)	5.56 港元至 113.2 港元 (二零二零年：5.56 港元 至 105.6 港元)

使用較低資本化比率及較高單位市場租金會導致投資物業之公平值增加，反之亦然。

就根據直接比較法計量香港投資物業及若干中國投資物業公平值而言，乃假設各項物業可按其現狀交吉出售，並參考有關市場可得之可比較銷售憑證。

評估香港投資物業時，直接比較法項下主要輸入數值之一為每平方呎價格，且計及位置及其他個別因素。所用每平方呎價格約為 17,692 港元 (二零二零年：17,692 港元)。每平方呎價格上升會導致投資物業公平值計量增加，反之亦然。

評估中國投資物業時，直接比較法項下主要輸入數值之一為每平方米價格，且計及位置及其他個別因素。所用每平方米價格介乎於 6,185 港元至 74,005 港元 (二零二零年：6,742 港元至 67,425 港元)。每平方米價格上升會導致投資物業公平值計量增加，反之亦然。

於上一年度使用之估值方法並無變動。公平值乃根據上述物業之最高及最佳用途為基準計算，該等用途與其實際用途並無不同。

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## 29. INTANGIBLE ASSETS

## 29. 無形資產

		Supplier and distribution networks 供應商 及分銷網絡 HK\$'000 千港元	Brand names 品牌名稱 HK\$'000 千港元	Patents 專利權 HK\$'000 千港元	Trading rights 交易權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 1 January 2020</b>	於二零二零年 一月一日					
Cost	成本	20,670	276,662	32,581	7,246	337,159
Accumulated amortisation and impairment losses	累計攤銷及減值 虧損	(18,424)	(234,065)	(32,581)	-	(285,070)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>2,246</b>	<b>42,597</b>	<b>-</b>	<b>7,246</b>	<b>52,089</b>
<b>Year ended 31 December 2020</b>	截至二零二零年十二月 三十一日止年度					
Opening carrying amount	年初賬面值	2,246	42,597	-	7,246	52,089
Amortisation	攤銷	(1,712)	(72)	-	-	(1,784)
Exchange realignment	匯兌調整	299	3,811	-	-	4,110
<b>Closing carrying amount</b>	<b>年末賬面值</b>	<b>833</b>	<b>46,336</b>	<b>-</b>	<b>7,246</b>	<b>54,415</b>
<b>At 31 December 2020 and 1 January 2021</b>	於二零二零年 十二月三十一日及 二零二一年一月一日					
Cost	成本	21,909	295,965	35,516	7,246	360,636
Accumulated amortisation and impairment losses	累計攤銷及減值 虧損	(21,076)	(249,629)	(35,516)	-	(306,221)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>833</b>	<b>46,336</b>	<b>-</b>	<b>7,246</b>	<b>54,415</b>
<b>Year ended 31 December 2021</b>	截至二零二一年十二月 三十一日止年度					
Opening carrying amount	年初賬面值	833	46,336	-	7,246	54,415
Amortisation	攤銷	(659)	(77)	-	-	(736)
Exchange realignment	匯兌調整	9	(1,277)	-	-	(1,268)
<b>Closing carrying amount</b>	<b>年末賬面值</b>	<b>183</b>	<b>44,982</b>	<b>-</b>	<b>7,246</b>	<b>52,411</b>
<b>At 31 December 2021</b>	於二零二一年 十二月三十一日					
Cost	成本	22,242	290,173	34,551	7,246	354,212
Accumulated amortisation and impairment losses	累計攤銷及減值 虧損	(22,059)	(245,191)	(34,551)	-	(301,801)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>183</b>	<b>44,982</b>	<b>-</b>	<b>7,246</b>	<b>52,411</b>

As at 31 December 2021, intangible assets of HK\$45,165,000 (2020: HK\$47,169,000) are attributable to watches and timepieces business while intangible assets of HK\$7,246,000 (2020: HK\$7,246,000) are attributable to financial business.

於二零二一年十二月三十一日，無形資產 45,165,000 港元 (二零二零年：47,169,000 港元) 歸屬於鐘錶及時計產品業務，而無形資產 7,246,000 港元 (二零二零年：7,246,000 港元) 則歸屬於金融業務。

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#### 29. INTANGIBLE ASSETS (Continued)

Intangible assets with indefinite useful lives amounted to HK\$107,665,000 (2020: HK\$110,730,000) are attributable to the CGU of Corum Group. The intangible assets of Corum Group had been fully impaired in previous years.

Intangible assets with indefinite useful lives amounted to HK\$100,771,000 (2020: HK\$101,216,000) and intangible assets with definite useful lives amounted to HK\$754,000 (2020: HK\$757,000) are attributable to the CGU of The Dreyfuss Group Limited and its subsidiaries (“Dreyfuss Group”). The intangible assets of Dreyfuss Group had been fully impaired in previous years.

Intangible assets with indefinite useful lives amounted to HK\$2,850,000 (2020: HK\$2,850,000) and HK\$4,396,000 (2020: HK\$4,396,000) are attributable to the CGU of Shun Heng Securities Limited (“Shun Heng”) and Hong Kong Metasequoia Capital Management Limited (“Metasequoia Capital”) respectively. Details of the impairment assessment of the CGU of Shun Heng and Metasequoia Capital are set out in note 30 to the consolidated financial statements.

Intangible assets with indefinite useful lives amounted to HK\$44,982,000 (2020: HK\$46,265,000) are attributable to the CGU of Ernest Borel Group. The recoverable amount of the CGU are determined by the directors based on fair value less costs of disposal. Details of the impairment assessment of the CGU of Ernest Borel Group are set out in note 30 to the consolidated financial statements.

#### 29. 無形資產 (續)

具有無限可使用年期之無形資產 107,665,000 港元 (二零二零年：110,730,000 港元) 歸屬於現金產生單位崑崙集團。崑崙集團的無形資產於往年已全數減值。

具有無限可使用年期之無形資產 100,771,000 港元 (二零二零年：101,216,000 港元) 及具有有限可使用年期之無形資產 754,000 港元 (二零二零年：757,000 港元) 歸屬於現金產生單位 The Dreyfuss Group Limited 及其附屬公司 (「帝福時集團」)。帝福時集團的無形資產於往年已全數減值。

具有無限可使用年期之無形資產 2,850,000 港元 (二零二零年：2,850,000 港元) 及 4,396,000 港元 (二零二零年：4,396,000 港元) 分別歸屬於現金產生單位信亨証券有限公司 (「信亨」) 及香港水杉資產管理有限公司 (「水杉資產」)。現金產生單位信亨及水杉資產之減值評估詳情載於綜合財務報表附註 30。

具有無限可使用年期之無形資產 44,982,000 港元 (二零二零年：46,265,000 港元) 歸屬於現金產生單位依波路集團。該現金產生單位可收回金額經董事按照公平值減出售成本釐定。現金產生單位依波路集團之減值評估詳情載於綜合財務報表附註 30。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 30. GOODWILL

The amount of goodwill capitalised as an asset recognised in the consolidated statement of financial position, arising from business combinations, is as follows:

### 30. 商譽

業務合併產生之於綜合財務狀況表內確認為資產之資本化商譽金額如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>At 1 January</b>			
Gross carrying amount	於一月一日 賬面總值	<b>1,296,629</b>	1,210,135
Accumulated impairment losses	累計減值虧損	<b>(152,558)</b>	(145,084)
Net carrying amount	賬面淨值	<b>1,144,071</b>	1,065,051
<b>Year ended 31 December</b>			
Opening carrying amount	截至十二月三十一日止年度 年初賬面值	<b>1,144,071</b>	1,065,051
Exchange realignment	匯兌調整	<b>7,717</b>	79,020
Closing carrying amount	年末賬面值	<b>1,151,788</b>	1,144,071
<b>At 31 December</b>			
Gross carrying amount	於十二月三十一日 賬面總值	<b>1,302,404</b>	1,296,629
Accumulated impairment losses	累計減值虧損	<b>(150,616)</b>	(152,558)
Net carrying amount	賬面淨值	<b>1,151,788</b>	1,144,071

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 30. GOODWILL (Continued)

For the purpose of impairment testing, goodwill is allocated to the CGUs under watch and timepieces segment and banking and financial businesses segment. The CGUs were identified as follows:

Segment 分類		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Jia Cheng Investment Limited and its subsidiaries 佳城投資有限公司及其附屬公司	Watches and timepieces 鐘錶及時計產品	670,859	649,530
Corum Group 崑崙集團	Watches and timepieces 鐘錶及時計產品	52,963	54,471
Dreyfuss Group 帝福時集團	Watches and timepieces 鐘錶及時計產品	97,653	98,087
Bendura Group 富地集團	Banking business 銀行業務	262,086	269,549
Shun Heng 信亨	Financial business 金融業務	801	801
Metasequoia Capital 水杉資產	Financial business 金融業務	2,279	2,279
Ernest Borel 依波路集團	Watches and timepieces 鐘錶及時計產品	215,763	221,912
Gross carrying amount 賬面總值		1,302,404	1,296,629

The Group's management has engaged Asset Appraisal to perform valuations for the purpose to assess the recoverable amount of the goodwill arising from the acquisitions. The keys assumptions as adopted in the valuations, including the expected profit margins and the managements' expectations for the future market performance.

## 30. 商譽 (續)

就進行減值測試，商譽分配至鐘錶及時計分類以及銀行及金融業務分類之現金產生單位。現金產生單位已識別為：

本集團管理層已委聘中誠達進行估值，以評估收購所產生商譽之可收回金額。估值時採納之主要假設包括預期邊際溢利及管理層對日後市場表現的預期。

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### 綜合財務報表附註

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### 30. GOODWILL (Continued)

#### Jia Cheng Investment Limited and its subsidiaries

The recoverable amount of this CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, followed by an extrapolation of expected cash flow at zero growth rate (2020: zero) which do not exceed the long-term growth rate for the business in which the CGU operates, and a discount rate of 17.65% per annum (2020: 17.05%). The discount rate used is pre-tax and reflect specific risks relating to the CGU. The directors believe that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of the CGU as at 31 December 2021 and 2020. No impairment loss was recognised for this CGU since the acquisition of Jia Cheng Investment Limited and its subsidiaries.

#### Corum Group

The goodwill arising from the acquisition of Corum Group in the watch and timepieces segment had been fully impaired in previous years.

#### Dreyfuss Group

The goodwill arising from the acquisition of Dreyfuss Group in the watch and timepieces segment had been fully impaired in previous years.

#### Bendura Group

The recoverable amount of this CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, followed by an extrapolation of expected cash flow at zero growth rate (2020: zero) which do not exceed the long-term growth rate for the business in which the CGU operates, and a discount rate of 15.67% (2020: 14.77%) per annum. The discount rate used is pre-tax and reflect specific risks relating to the CGU. The directors believe that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of the CGU as at 31 December 2021 and 2020. No impairment loss was recognised for this CGU since the acquisition of Bendura Group.

### 30. 商譽 (續)

#### 佳城投資有限公司及其附屬公司

該現金產生單位之可收回金額乃以計算使用價值釐定，有關計算使用董事所批准覆蓋五年期之財務預算之現金流量預測，再按零增長率(二零二零年：零)(其不超過於現金產生單位經營之業務之長期增長率)及年貼現率17.65%(二零二零年：17.05%)推斷預期現金流量。所用貼現率為反映現金產生單位特定風險之除稅前比率。董事認為，根據主要假設之任何合理可能變動計得之可收回金額不會致使賬面總值超過現金產生單位於二零二一年及二零二零年十二月三十一日之可收回款項總額。收購佳城投資有限公司及其附屬公司後，該現金產生單位並無確認減值虧損。

#### 崑崙集團

因收購崑崙集團於鐘錶及時計產品分類產生的商譽於往年已全數減值。

#### 帝福時集團

因收購帝福時集團於鐘錶及時計產品分類產生的商譽於往年已全數減值。

#### 富地集團

該現金產生單位之可收回金額乃以計算使用價值釐定，有關計算使用董事所批准覆蓋五年期之財務預算之現金流量預測，再按零增長率(二零二零年：零)(其不超過於現金產生單位經營之業務之長期增長率)及年貼現率15.67%(二零二零年：14.77%)推斷預期現金流量。所用貼現率為反映現金產生單位特定風險之除稅前比率。董事認為，根據主要假設之任何合理可能變動計得之可收回金額不會致使賬面總值超過現金產生單位於二零二一年及二零二零年十二月三十一日之可收回款項總額。自收購富地集團以來並無確認該現金產生單位之減值虧損。

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### 綜合財務報表附註

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### 30. GOODWILL (Continued)

#### Shun Heng

The recoverable amounts of these CGUs are determined by the directors based on fair value less costs of disposal. The determination of fair value less costs of disposal of these CGU is based on fair value less costs of disposal of the underlying assets. The fair value less cost of disposal of these CGUs are level 3 recurring fair value measurement. The key significant unobservable inputs to determine the fair value less cost of disposal are the discount specific to the condition of the underlying assets of those CGUs. The higher in the discount would result in a lower the fair value less cost of disposal of the CGUs, and vice versa. The directors of the Company concluded that, based on the assessment result, no impairment loss on goodwill has been recognised for the year (2020: Nil).

#### Metasequoia Capital

The recoverable amount of this CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, followed by an extrapolation of expected cash flow at zero growth rate (2020: zero) which do not exceed the long-term growth rate for the business in which the CGU operates, and a discount rate of 21.45% (2020: 21.2%) per annum. The discount rate used is pre-tax and reflect specific risks relating to the CGU. The directors believe that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of the CGU as at 31 December 2021 and 2020. No impairment loss was recognised for this CGU since the acquisition of Bendura Group.

#### Ernest Borel

The recoverable amount of the CGU are determined by the directors based on fair value less costs of disposal. The determination of fair value less costs of disposal is based on the market price of Ernest Borel's share. The fair value less cost of disposal of the CGU is level 1 fair value measurement. The directors of the Company concluded that, based on the assessment result, no impairment loss on goodwill has been recognised for the year (2020: Nil).

#### Goodwill arising from business combinations prior to 2001

Goodwill arising from business combinations prior to 2001 had been eliminated against the consolidated reserves. As at 31 December 2021, the carrying amount of goodwill in the consolidated reserves was HK\$15,300,000 (2020: HK\$15,300,000).

### 30. 商譽 (續)

#### 信亨

該等現金產生單位之可收回金額由董事根據公平值減出售成本釐定。釐定公平值減出售成本乃基於公平值減相關資產之出售成本。該等現金產生單位之公平值減出售成本為第三層經常性公平值計量。釐定公平值減出售成本之主要重大不可觀察輸入數值為該等現金產生單位相關資產狀況之特有貼現率。貼現越高，現金產生單位之公平值減出售成本越低，反之亦然。本公司董事之結論為，基於評估結果，本年度並無確認商譽減值虧損 (二零二零年：無)。

#### 水杉資產

該現金產生單位之可收回金額乃以計算使用價值釐定，有關計算使用董事所批准覆蓋五年期之財務預算之現金流量預測，再按零增長率 (二零二零年：零) (其不超過於現金產生單位經營之業務之長期增長率) 及年貼現率 21.45% (二零二零年：21.2%) 推斷預期現金流量。所用貼現率為反映現金產生單位特定風險之除稅前比率。董事認為，根據主要假設之任何合理可能變動計得之可收回金額不會致使賬面總值超過現金產生單位於二零二一年及二零二零年十二月三十一日之可收回款項總額。自收購富地集團起，並無確認該現金產生單位之減值虧損。

#### 依波路

現金產生單位之可收回金額由董事按公平值減出售成本釐定。釐定公平值減出售成本乃基於依波路股份之市場價格。現金產生單位之公平值減出售成本為第一層公平值計量。本公司董事之結論為，基於評估結果，本年度並無確認商譽減值虧損 (二零二零年：無)。

#### 二零零一年前業務合併產生之商譽

於二零零一年前業務合併產生之商譽已於綜合儲備對銷。於二零二一年十二月三十一日，於綜合儲備內之商譽賬面值為 15,300,000 港元 (二零二零年：15,300,000 港元)。

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### 31. OTHER ASSETS

### 31. 其他資產

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Other receivables	其他應收款	163,476	182,385
Dividend receivable from an associate (note 45.1)	應收一間聯營公司股息 (附註45.1)	10,000	10,000
Amounts due from an associate (note 45.1)	應收一間聯營公司款項 (附註45.1)	38,316	18,315
Amounts due from related companies (note 45.1)	應收關連公司款項(附註45.1)	1,065	1,065
Prepayments	預付款項	153,829	95,002
Deposits	按金	14,084	23,770
Management and performance fees receivables	應收管理及履約費	-	11,636
Other interest receivables	其他應收利息	8,047	28,240
Settlement and clearing account	交收及結算賬戶	3,071	461
		<b>391,888</b>	370,874

Other receivables represented cash advance to staff, VAT receivable, other advances and deposits in the securities accounts.

其他應收款即指預付員工之現金、增值稅應收款項、其他墊款及證券賬戶存款。

As at 31 December 2021, the amount of the Group's other assets expected to be recovered or recognised as expense after one year is HK\$12,461,000 (2020: HK\$7,144,000). The remaining other assets are expected to be recovered or recognised as expense within one year.

於二零二一年十二月三十一日，本集團其他資產預計將於一年後收回或確認為開支之金額為12,461,000港元(二零二零年：7,144,000港元)。餘下其他資產預計於一年內收回或確認為開支。

Movements in expected credit losses for the other assets are as follows:

其他資產之預期信貸虧損變動如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	8,377	7,111
Expected credit losses for the year	年內預期信貸虧損	786	826
Exchange realignment	匯兌調整	270	440
At 31 December	於十二月三十一日	<b>9,433</b>	8,377

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## 綜合財務報表附註

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## 32. DUE TO CLIENTS

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Due to clients – precious metals	應付客戶款項 – 貴金屬	121,250	130,119
Other amounts due to clients, mainly bank deposits	其他應付客戶款項 (主要為銀行存款)	12,629,042	13,835,358
		<b>12,750,292</b>	13,965,477

## 32. 應付客戶款項

## 33. TRADE PAYABLES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade payables arising from watches and timepiece business (note a)	鐘錶及時計產品業務產生之 應付賬款(附註a)	286,617	245,246
Trade payables arising from financial business (note b):	金融業務產生之應付賬款 (附註b):		
– Cash clients	– 現金客戶	120,077	107,208
– Margin clients	– 保證金客戶	2,533	8,170
– Clearing house	– 結算所	328	–
		<b>122,938</b>	115,378
Trade payables	應付賬款	<b>409,555</b>	360,624

## 33. 應付賬款

(a) The credit terms of trade payables arising watches and timepieces business vary according to the terms agreed with different suppliers. Trade payables to watches and timepieces business are non-interest bearing.

(a) 鐘錶及時計產品業務產生之應付賬款之信貸期根據與不同供應商協定之條款而各異。鐘錶及時計產品業務之應付賬款為不計息。

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### 綜合財務報表附註

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### 33. TRADE PAYABLES (Continued)

(a) (Continued)

Ageing analysis of trade payables arising from watches and timepieces business as at the reporting dates, based on the invoice dates, is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
1 to 3 months	1 至 3 個月	251,146	190,025
4 to 6 months	4 至 6 個月	15,994	2,200
Over 6 months	超過 6 個月	19,477	53,021
		<b>286,617</b>	<b>245,246</b>

(b) The settlement term of trade payables arising from securities dealing of the financial business is “T+2”. Trade payables arising from securities dealing of financial business during the “T+2” period are current whereas those which are outstanding after the “T+2” period are repayable on demand.

### 34. CONTRACT LIABILITIES

The contract liabilities mainly represented the advance consideration received from customers. As at 31 December 2021, the aggregated amount of transaction price allocated to performance obligations under the Group's existing contract is HK\$26,510,000 (2020: HK\$13,824,000). The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur in the next 12 month.

### 33. 應付賬款 (續)

(a) (續)

鐘錶及時計產品業務所產生之應付賬款按照發票日期於報告日之賬齡分析如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
1 to 3 months	1 至 3 個月	251,146	190,025
4 to 6 months	4 至 6 個月	15,994	2,200
Over 6 months	超過 6 個月	19,477	53,021
		<b>286,617</b>	<b>245,246</b>

(b) 證券買賣金融業務產生之應付賬款之結算期限為「T+2」。於「T+2」期間，證券買賣金融業務產生之應付賬款屬即期，而於「T+2」期間後，尚未償還之應付賬款則須按要求償還。

### 34. 合約負債

合約負債主要為自客戶收取之預付代價。於二零二一年十二月三十一日，分配至本集團現有合約下履約責任之交易價格總額為26,510,000港元(二零二零年：13,824,000港元)。未來，本集團將於或就完成工程確認預期收入，即預期將於未來12個月進行。

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## 34. CONTRACT LIABILITIES (Continued)

## Movement of contract liabilities

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Balance as at 1 January	於一月一日之結餘	13,824	18,565
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因年內確認於年初計入合約負債之收益使合約負債減少	(13,552)	(18,419)
Increase in contract liabilities as a result of receipts in advance	因預收款項使合約負債增加	26,125	13,084
Exchange realignment	匯兌調整	113	594
Balance as at 31 December	於十二月三十一日之結餘	26,510	13,824

## 34. 合約負債 (續)

## 合約負債變動

## 35. BORROWINGS

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Bank overdrafts (note 35.1)	銀行透支 (附註35.1)	58,305	52,711
Bank borrowings (note 35.1)	銀行借貸 (附註35.1)	1,086,830	1,512,111
Other loans (note 35.2)	其他貸款 (附註35.2)	31,500	-
		1,176,635	1,564,822

## 35. 借貸

## 35.1 Bank overdrafts and bank borrowings

As at 31 December 2020, including in the bank borrowings that the syndicated loans with outstanding principal amount is HK\$732,630,000. During the year ended 31 December 2021, the Group has fully repaid the syndicated loans.

As at 31 December 2021, the amount of the Group's bank overdrafts and bank borrowings repayable within one year or on demand is HK\$867,736,000 (2020: HK\$1,554,724,000).

## 35.1 銀行透支及銀行借貸

於二零二零年十二月三十一日，銀行借貸包括尚未償還本金為732,630,000港元的銀團貸款。截至二零二一年十二月三十一日止年度，本集團已悉數償還銀團貸款。

於二零二一年十二月三十一日，本集團須於一年內償還或按要求償還之銀行透支及銀行借貸金額為867,736,000港元(二零二零年：1,554,724,000港元)。

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### 35. BORROWINGS (Continued)

#### 35.1 Bank overdrafts and bank borrowings (Continued)

Based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause. Borrowings are repayable as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Borrowings payable:	應付借貸：		
Within one year	於一年內	416,386	1,477,347
In the second year	於第二年	215,119	5,696
In the third to fifth year	於第三至第五年	480,543	81,779
After fifth year	五年以上	33,087	-
		728,749	87,475
		1,145,135	1,564,822

The abovementioned borrowings are charged at floating rates ranging from 0% to 5.75% (2020: 0% to 5.94%) per annum.

At the reporting dates, the Group's borrowings were secured by:

- (i) corporate guarantees provided by certain subsidiaries within the Group as at 31 December 2021 and 2020;
- (ii) entire equity interest of certain subsidiaries within the Group as at 31 December 2021 and 2020;
- (iii) subordination deeds signed by the Directors of the Group as at 31 December 2021 and 2020;
- (iv) guarantee provided by the government of certain country as at 31 December 2021 and 2020;
- (v) personal guarantee provided by an non-controlling interests of a subsidiary of the Group and certain independent third parties as at 31 December 2021 and 2020;

### 35. 借貸 (續)

#### 35.1 銀行透支及銀行借貸 (續)

根據載於貸款協議之計劃還款日期，且不計及按要求償付條款之影響。借貸須按下列方式償付：

上述借貸按浮動年利率介乎0%至5.75%（二零二零年：0%至5.94%）計息。

於報告日，本集團之借貸以下列各項作抵押：

- (i) 本集團若干附屬公司於二零二一年及二零二零年十二月三十一日所提供之公司擔保；
- (ii) 本集團若干附屬公司於二零二一年及二零二零年十二月三十一日之全部股權；
- (iii) 本集團董事於二零二一年及二零二零年十二月三十一日簽署之次級契據；
- (iv) 若干國家政府於二零二一年及二零二零年十二月三十一日所提供之擔保；
- (v) 本集團一間附屬公司之非控股權益及若干獨立第三方於二零二一年及二零二零年十二月三十一日所提供之個人擔保；

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### 35. BORROWINGS (Continued)

#### 35.1 Bank overdrafts and bank borrowings (Continued)

- (vi) certain assets of the non-controlling interests of a subsidiary of the Group and certain independent third parties as at 31 December 2021 and 2020;
- (vii) a legal charge over the Group's property, plant and equipment with the carrying amount of HK\$309,573,000 (2020: HK\$310,118,000) as at 31 December 2021;
- (viii) a legal charge over the Group's certain financial assets at fair value through other comprehensive income of not less than 52,890,000 shares of Min Xin Holdings Limited as at 31 December 2021;
- (ix) a standby letter of credit with the correspondent borrowings' balances as at 31 December 2021; and
- (x) personnel guarantee provided by a director of the Company.

Certain of bank overdrafts and bank borrowings contain clause which give the banks the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations. Borrowings due for repayment after one year which contain a repayment on demand clause and are expected to be settled within one year. The carrying amounts of the bank overdrafts and bank borrowings are approximate to their fair value.

#### 35.2 Other loans

As at 31 December 2021, other loans are unsecured, charged at 5% per annum and repayable within one year.

### 35. 借貸 (續)

#### 35.1 銀行透支及銀行借貸 (續)

- (vi) 本集團一間附屬公司之非控股權益及若干獨立第三方於二零二一年及二零二零年十二月三十一日之若干資產；
- (vii) 本集團於二零二一年十二月三十一日賬面值為309,573,000港元(二零二零年：310,118,000港元)之物業、廠房及設備之法定押記；
- (viii) 於二零二一年十二月三十一日不少於52,890,000股閩信集團有限公司股份之本集團若干按公平值計入其他全面收入之金融資產之法定押記；
- (ix) 於二零二一年十二月三十一日的備用信用證連同相關借貸結餘；及
- (x) 本公司董事提供的個人擔保。

若干銀行透支及銀行借貸包含給予銀行可要求於任何時間即時償付之全權酌情權之條文，而不論本集團是否已遵守契諾及符合計劃償付責任。於一年後到期償付之借貸包含按要求償付條文，預期於一年內結付。銀行透支及銀行借貸賬面值與其公平值相若。

#### 35.2 其他貸款

於二零二一年十二月三十一日，其他貸款為無抵押、按5%的年利率計息及須於一年內償還。

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### 36. PROVISIONS

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Provision for litigation and tax risks</b>	<b>訴訟及稅務風險撥備</b>		
At 1 January	於一月一日	368	–
Utilised in accordance with designated purpose	根據指定用途動用	–	(1,654)
Newly formed and charged to profit or loss	新成立及於溢利或虧損中扣除	21	1,907
Exchange realignment	匯兌調整	(10)	115
At 31 December	於十二月三十一日	379	368
<b>Maturity of the provisions</b>	<b>撥備到期日</b>		
Within one year	一年內	379	368

During the year ended 31 December 2021, provision for litigation risks of HK\$21,000 (2020: provision for litigation risks of HK\$1,907,000) has been recognised in the consolidated statement of comprehensive income.

As part of the normal business activities of banking business, the Group is exposed to a wide range of legal risks. These include in particular risks relating to litigation. The Group recognises provisions for such litigation risks if the Group's management and its legal advisors are of the opinion that an outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount. The amount of the provisions and their timing are by their nature subject to uncertainty. However, these uncertainties are evaluated as being low since it was possible to reliably estimate the individual amounts and the majority of the recognised provisions will probably become due within one year.

截至二零二一年十二月三十一日止年度，訴訟風險撥備21,000港元（二零二零年：訴訟風險撥備1,907,000港元）已於綜合全面收入表中確認。

作為銀行業務日常業務活動一部分，本集團面臨多類法律風險。該等風險包括與訴訟有關之特定風險。倘本集團管理層及其法律顧問認為體現經濟利益之資源可能流出且金額能可靠估計，則本集團就該訴訟風險確認撥備。撥備金額及其時間根據其性質受不確定因素規限。然而，由於能可靠地估計個別金額及大多數已確認撥備可能於一年內到期，故此經評估該等不確定因素為低。

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## 37. LEASE LIABILITIES

The amount included in the consolidated statement of financial position in respect of the carrying amounts of lease liabilities and the movements during the year is as follows:

## 37. 租賃負債

年內計入綜合財務狀況表內有關租賃負債賬面值的金額以及變動如下：

		<b>Land and buildings</b>	<b>Motor vehicles</b>	<b>Total</b>
		土地及樓宇	汽車	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
As at 1 January 2020	於二零二零年一月一日	82,036	1,939	83,975
Additions	添置	4,875	-	4,875
Interest expenses	利息開支	3,327	64	3,391
Lease modification	租賃修改	8,926	-	8,926
Lease payments	租賃付款	(44,451)	(536)	(44,987)
Exchange realignment	匯兌調整	1,341	49	1,390
As at 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日 及二零二一年一月一日	<b>56,054</b>	<b>1,516</b>	<b>57,570</b>
Interest expenses	利息開支	<b>2,125</b>	<b>44</b>	<b>2,169</b>
Lease modification	租賃修改	<b>51,516</b>	-	<b>51,516</b>
Lease payments	租賃付款	<b>(41,335)</b>	<b>(469)</b>	<b>(41,804)</b>
Exchange realignment	匯兌調整	<b>8,108</b>	<b>(331)</b>	<b>7,777</b>
As at 31 December 2021	於二零二一年十二月三十一日	<b>76,468</b>	<b>760</b>	<b>77,228</b>

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### 綜合財務報表附註

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### 37. LEASE LIABILITIES (Continued)

Future lease payments are due as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Minimum lease payment due	最低租賃付款到期狀況		
– Within one year	— 一年內	34,556	35,755
– In the second to fifth years, inclusive	— 第二至第五年 (首尾兩年包括在內)	44,199	18,793
– After fifth years	— 五年以上	16,998	17,850
		<b>95,753</b>	72,398
Less: future interest expenses	減：未來利息開支	<b>(18,525)</b>	(14,828)
Present value of lease liabilities	租賃負債現值	<b>77,228</b>	57,570
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Short term leases expenses	短期租賃開支	29,050	18,014
Aggregate undiscounted commitments for short term leases	短期租賃未貼現承諾總額	<b>14,729</b>	9,134

### 37. 租賃負債 (續)

未來租賃付款的到期狀況如下：

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## 38. DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using the applicable tax rates prevailing in the jurisdictions in which the Group operates.

Details of the Group's deferred tax assets/(liabilities) recognised and movements are as follows:

## 38. 遞延稅項

遞延稅項按負債法採用本集團業務所在司法權區之現行適用稅率就暫時差額全面計算。

本集團之已確認遞延稅項資產／(負債)及其變動詳情載列如下：

		Revaluation of intangible assets 重估 無形資產 HK\$'000 千港元	Revaluation of property, plant and equipment 重估物業、 廠房及設備 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Decelerated tax depreciation 減速稅項 折舊 HK\$'000 千港元	Other temporary differences 其他 暫時差額 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	(11,515)	(32,434)	4,311	2,228	(10,845)	(48,255)
Credited/(charged) to profit or loss (note 11)	於溢利或虧損中計入/ (扣除) (附註11)	-	386	(243)	(986)	1,461	618
Effect of change in Switzerland tax rate credited to profit or loss (note 11)	於溢利或虧損中計入的 瑞士稅率變動之影響 (附註11)	-	-	-	-	7,960	7,960
Charge to other comprehensive income (note 15.2)	於其他全面收入中扣除 (附註15.2)	-	-	-	-	44	44
Exchange realignment	匯兌調整	883	(2,661)	45	(95)	45	(1,783)
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及 二零二一年一月一日	(10,632)	(34,709)	4,113	1,147	(1,335)	(41,416)
Credited/(charged) to profit or loss (note 11)	於溢利或虧損中計入/ (扣除) (附註11)	-	157	(10)	(21)	1,030	1,156
Charge to other comprehensive income (note 15.2)	於其他全面收入中扣除 (附註15.2)	-	-	-	-	(5,394)	(5,394)
Exchange realignment	匯兌調整	(275)	78	50	45	(245)	(347)
At 31 December 2021	於二零二一年十二月三十一日	(10,907)	(34,474)	4,153	1,171	(5,944)	(46,001)

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### 38. DEFERRED TAX (Continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	9,179	13,961
Deferred tax liabilities	遞延稅項負債	(55,180)	(55,377)
		(46,001)	(41,416)

As at 31 December 2021, the Group has estimated unused tax losses arising in Hong Kong of HK\$570,455,000 (2020: HK\$493,223,000), subject to the agreement of Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

As at 31 December 2021, the Group has estimated unused tax losses in United Kingdom of HK\$174,879,000 (2020: HK\$177,563,000), subject to the agreement of tax bureau in United Kingdom, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. No deferred tax assets (2020: nil) have been recognised in respect of these estimated unused tax losses as these were incurred by the companies that have been loss-making for some time.

As at 31 December 2021, the Group has estimated unused tax losses in Switzerland of HK\$1,419,285,000 (2020: HK\$1,332,094,000), subject to the agreement of tax bureau in Switzerland, that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets of HK\$4,153,000 (2020: HK\$4,113,000) have been recognised in respect of these estimated unused tax losses to the extent of deferred tax liabilities recognised in respect of revaluation of identifiable assets as a result of the acquisitions. Deferred tax assets have not been recognised in respect of the estimated unused tax losses as these were incurred by the subsidiaries that have been loss-making for some time. These estimated unused tax losses will be available for offsetting against future taxable profit for a maximum period of five years from the reporting date.

### 38. 遞延稅項 (續)

為於綜合財務狀況表中呈報，若干遞延稅項資產及負債已予抵銷。以下為用於財務報告之遞延稅項結餘分析：

於二零二一年十二月三十一日，本集團於香港產生估計未動用稅項虧損570,455,000港元(二零二零年：493,223,000港元)，有待與稅務局協議，可無期限用作抵銷產生虧損公司之日後應課稅溢利。

於二零二一年十二月三十一日，本集團於英國產生估計未動用稅項虧損174,879,000港元(二零二零年：177,563,000港元)，有待與英國稅務局協議，可無限期用作抵銷產生虧損公司之日後應課稅溢利。並無就該等估計未動用稅項虧損確認遞延稅項資產(二零二零年：無)，乃由於有關虧損產生自於一段時間內錄得虧損之公司。

於二零二一年十二月三十一日，本集團於瑞士產生估計未動用稅項虧損1,419,285,000港元(二零二零年：1,332,094,000港元)，有待與瑞士稅務局協議，可用作抵銷產生虧損公司之日後應課稅溢利。以收購重估可識別資產之已確認遞延稅項負債為限，就該等估計未動用稅項虧損確認之遞延稅項資產為4,153,000港元(二零二零年：4,113,000港元)。並無就該等估計未動用稅項虧損確認遞延稅項資產，乃由於有關虧損產生自於一段時間內錄得虧損之附屬公司。該等估計未動用稅項虧損可用作抵銷最長為由報告日起計五年之日後應課稅溢利。

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**38. DEFERRED TAX** (Continued)

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders during the year.

As at 31 December 2021, deferred taxation has not been provided in the consolidated financial statements in respect of taxable temporary differences attributable to the profits earned by the PRC subsidiaries amounted to HK\$1,918,165,000 (2020: HK\$1,873,215,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

**39. OTHER LIABILITIES**

Accruals	應計費用	82,832	81,518
Warranty provision	保養撥備	1,069	1,383
Net defined benefit obligations	定額福利責任淨額	68,883	113,354
Accrued interests and commission	應計利息及佣金	6,097	11,332
Other tax payable	其他應付稅款	5,860	30,644
Interest payable	應付利息	7,120	6,269
Commission payable	應付佣金	61,250	34,308
Other payables	其他應付款	428,834	248,093
		<b>661,945</b>	<b>526,901</b>

Other payables represented accrued management and performance fees, accrued services fee, accrued salaries and bonus, accrued audit fee and accrued other operating expenses, amount due to a related company and amount due to associates.

As at 31 December 2021, the amount of the Group's other liabilities expected to be due after more than one year is HK\$68,883,000 (2020: HK\$115,480,000). The remaining other liabilities are expected to be due within one year.

**38. 遞延稅項** (續)

年內，本公司並無因向其股東支付股息而須承擔任何所得稅後果。

於二零二一年十二月三十一日，綜合財務報表並無就中國附屬公司所賺取溢利應佔之應扣稅暫時差額1,918,165,000港元(二零二零年：1,873,215,000港元)作出遞延稅項撥備，原因為本集團能夠控制撥回暫時差額之時間，加上暫時差額很可能不會於可見將來撥回。

**39. 其他負債**

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Accruals	82,832	81,518
Warranty provision	1,069	1,383
Net defined benefit obligations	68,883	113,354
Accrued interests and commission	6,097	11,332
Other tax payable	5,860	30,644
Interest payable	7,120	6,269
Commission payable	61,250	34,308
Other payables	428,834	248,093
	<b>661,945</b>	<b>526,901</b>

其他應付款即指應計管理及履約費、應計服務費、應計工資及花紅、應計審計費及應計其他營運開支、應付一間關連公司款項及應付聯營公司款項。

於二零二一年十二月三十一日，本集團預期超過一年後到期之其他負債金額為68,883,000港元(二零二零年：115,480,000港元)。餘下其他負債預期將於一年內到期。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 40. SHARE CAPITAL

#### 40. 股本

	2021 二零二一年		2020 二零二零年	
	Number of shares 股份數目 '000 千股	HK\$'000 千港元	Number of shares 股份數目 '000 千股	HK\$'000 千港元
Authorised: 法定： Ordinary shares of HK\$0.10 於一月一日及十二月 each at 1 January and 三十一日每股 31 December 面值0.10港元之 普通股	6,000,000	600,000	6,000,000	600,000
Issued and fully paid: 已發行及繳足： At 1 January and 於一月一日及 31 December 十二月三十一日	4,351,889	435,189	4,351,889	435,189

#### 41. RESERVES

#### 41. 儲備

##### Group

The amounts of the Group's reserves and movements therein during the year are presented in the consolidated statement of changes in equity.

The share premium account mainly includes shares issued at a premium.

The share options reserve represents the cumulative expenses recognised on the granting of share options to the employees over the vesting period.

Other reserve represents (i) the cumulative expenses recognised on the granting of share options to an independent third party and (ii) the effect of transactions with non-controlling interests as disclosed in note 46 to the consolidated financial statements and (iii) the effect of the redemption of convertible bond.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against the consolidated reserves.

In accordance with the PRC regulations, certain of the Group's subsidiaries established in the PRC are required to transfer part of their profits after tax to the statutory reserve before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of the directors of these subsidiaries, in accordance with their joint venture agreements and/or articles of association. The statutory reserve is non-distributable and has restricted use.

##### 本集團

本集團於年內之儲備數額及有關變動於綜合權益變動表中呈列。

股份溢價賬主要包括按溢價發行之股份。

認購股份權儲備指於歸屬期間向僱員授出認購股份權中確認之累計開支。

其他儲備指(i)向一名獨立第三方授出認購股份權中確認之累計開支；(ii)與非控股權益進行交易之影響(於綜合財務報表附註46披露)及(iii)贖回可換股債券之影響。

於過往年度收購附屬公司所產生之若干商譽仍於綜合儲備對銷。

按照中國法規，本集團若干於中國成立之附屬公司於作出溢利分派前，須將其部分除稅後溢利轉撥至法定儲備。轉撥款額須由該等附屬公司之董事會按各自之合營協議及／或公司章程細則批准。法定儲備不可分派，且用途有所限制。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 41. RESERVES (Continued)

## Group (Continued)

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations in accordance with the accounting policy adopted in note 4.23.

Fair value through other comprehensive income reserve represents gains or losses on remeasuring the financial assets classified as financial assets at fair value through other comprehensive income.

Revaluation reserve for property, plant and equipment is the revaluation gain arising from the transfer of property, plant and equipment to investment properties.

## Company

The reserves of the Company as at 31 December 2021 and 2020 are as follows:

		Share premium account	Fair value through other comprehensive income reserve 按公平值計入其他全面收入儲備	Other reserve	Retained profits	Total
		股份溢價賬 HK\$'000 千港元	全面收入儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總額 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	682,028	(86,383)	22,693	142,330	760,668
Profit and total comprehensive income for the year	本年度溢利及全面收入總額	-	44,212	-	242,584	286,796
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	682,028	(42,171)	22,693	384,914	1,047,464
Loss and total comprehensive income for the year	本年度虧損及全面收入總額	-	15,246	-	(79,384)	(64,138)
At 31 December 2021	於二零二一年十二月三十一日	682,028	(26,925)	22,693	305,530	983,326

Under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

## 41. 儲備 (續)

## 本集團 (續)

根據附註4.23內所採納之會計政策，外匯儲備包括換算海外業務財務報表所產生之所有匯兌差額。

按公平值計入其他全面收入儲備指重新計量分類為按公平值計入其他全面收入之金融資產之金融資產之收益或虧損。

物業、廠房及設備重估儲備為將物業、廠房及設備轉撥至投資物業時產生之重估收益。

## 本公司

本公司於二零二一年及二零二零年十二月三十一日之儲備如下：

根據開曼群島公司法第22章(一九六一年第3條法例，經綜合及修訂)，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中到期之債務。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 42. OPERATING LEASE ARRANGEMENTS/ COMMITMENTS

42.1 At 31 December 2020 and 2021, total future minimum lease receipts by the Group under non-cancellable operating leases are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within one year	一年內	4,675	3,242
In the first to second year	第一年至第二年	1,985	1,209
In the second to third year	第二年至第三年	1,124	1,209
In the third to fourth year	第三年至第四年	–	1,209
		<b>7,784</b>	<b>6,869</b>

The Group leases certain of its properties under operating lease arrangements, with leases negotiated for initial terms ranging from one to five years. None of the leases include contingent rentals.

42.2 The Group is required to pay an annual fee in respect of the leasehold land in the PRC from 1992 up to 2042 with a 20% increment for every five years. During the year ended 31 December 2021, an annual fee of HK\$600,000 (2020: HK\$559,000) was charged as an expense in profit or loss of the Group.

#### 42. 經營租約安排／承擔

42.1 於二零二零年及二零二一年十二月三十一日，根據不可註銷之經營租約，本集團應收未來最低租賃款項總額如下：

本集團根據經營租約安排租賃若干物業，議定之初步租約為期一年至五年不等。該等租約不包括或然租金。

42.2 本集團自一九九二年至二零四二年止，須就中國之一幅租賃土地支付年費，年費每五年增加20%。截至二零二一年十二月三十一日止年度，年費600,000港元（二零二零年：559,000港元）已於本集團溢利或虧損內按開支支銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 43. CAPITAL COMMITMENTS

At the reporting date, the Group had the following outstanding commitments:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Contracted, but not provided for</b>		
– Investment in an associate – Citychamp Allied International Limited (note (b))	<b>270,000</b>	270,000
<b>已訂約但未撥備</b>		
– 於聯營公司之投資 – 冠城聯合國際有限公司 (附註(b))		

Note: On 28 September 2016, Union United Investment Limited (“Union United”), a wholly-owned subsidiary of the Company, entered into an agreement with Citychamp Dartong (Hong Kong) Limited (“CD(HK)”) and Fengrong Investment (Hong Kong) Company Limited (“FI(HK)”), in relation to the formation of the joint venture company (“JV Company”) in the British Virgin Island. JV Company shall be owned as to 40% by FI(HK), 30% by CD(HK) and 30% by Union United. JV Company is engaged in potential overseas equity investment. Pursuant to the agreement, Union United agreed to contribute the maximum capital commitment of HK\$270,000,000 to JV Company. Details of the transaction are set out in the Company’s announcement dated 28 September 2016.

## 43. 資本承擔

於報告日，本集團未履行之承擔如下：

附註：於二零一六年九月二十八日，本公司全資附屬公司聯和投資有限公司（「聯和」）與冠城大通（香港）有限公司（「冠城大通（香港）」）及豐榕投資（香港）有限公司（「豐榕投資（香港）」）訂立協議，內容有關於英屬處女群島成立合營公司（「合營公司」）。豐榕投資（香港）、冠城大通（香港）及聯和將分別擁有合營公司40%、30%及30%權益。合營公司從事潛在境外股本投資業務。根據該協議，聯和同意向合營公司作出最高資本承擔270,000,000港元。交易詳情載於本公司日期為二零一六年九月二十八日之公告。

## 44. OFF BALANCE SHEET ITEMS

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Irrevocable commitments	<b>30,707</b>	34,122
Contract volume	<b>7,020,271</b>	4,575,516
Fiduciary transactions with third-party banks	<b>573,706</b>	407,207
	<b>7,624,684</b>	5,016,845

## 44. 資產負債表外項目

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 45. RELATED PARTY TRANSACTIONS

45.1 Save as disclosed elsewhere in these consolidated financial statements, the Group had the following transactions carried out with related parties:

(i) **Transactions with an associate, Fair Future and its subsidiaries**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Sales of goods	貨品銷售	2	94
Purchases of goods	購買貨品	17,781	13,287
Rental expenses paid	已付租金開支	354	354
Inspection fee paid	已付檢查費用	96	55
Interest expenses	利息開支	1,236	1,095

(ii) **Transactions between Shun Heng and the related parties of the Group**

Name of related party 關連人士名稱	Nature of transaction 交易性質	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Directors of the company and their close family members 本公司董事及其直系親屬	Services fees and commission income 服務費及佣金收入	–	10
	Interest income 利息收入	9	4
Related company 關連公司	Services fees and commission income 服務費及佣金收入	12	92
	Interest income 利息收入	27	8

The related company is controlled by Mr. Hon Kwok Lung, a director of the Company.

該關連公司由本公司董事韓國龍先生控制。

#### 45. 關連人士交易

45.1 除於綜合財務報表其他部分所披露者外，本集團曾與關連人士進行以下交易：

(i) 與一間聯營公司、俊光及其附屬公司之交易

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 45. RELATED PARTY TRANSACTIONS (Continued)

## 45. 關連人士交易 (續)

## 45.1 (Continued)

## (iii) Outstanding related party balances included in trade receivables, other assets, trade payables and other liabilities

## 45.1 (續)

## (iii) 計入應收賬款、其他資產、應付賬款及其他負債之未償付關連人士結餘

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Dividend receivable from an associate <sup>#</sup>	應收一間聯營公司股息 <sup>#</sup>	10,000	10,000
Due from an associate (note (a)) <sup>#</sup>	應收一間聯營公司款項 (附註(a)) <sup>#</sup>	38,316	18,315
Trade receivables from associates	應收聯營公司賬款	4,224	4,108
Due from related companies (note (b)) <sup>#</sup>	應收關連公司款項 (附註(b)) <sup>#</sup>	1,065	1,065
Due to a shareholder (note (d))	應付一名股東之款項 (附註(d))	12,000	12,000
Trade payables to associates	應付聯營公司賬款	44,955	58,616
Due to directors (note (c))	應付董事款項 (附註(c))	73,315	21,233
Due to a related company (note (e))*	應付一間關連公司款項 (附註(e))*	88,000	-
Due to an associate (note (f))*	應付一間聯營公司款項 (附註(f))*	10,000	-

<sup>#</sup> Included in other assets<sup>#</sup> 計入其他資產

\* Included in other liabilities

\* 計入其他負債

Notes:

附註:

(a) The balance was unsecured, interest-free and repayable on demand. The maximum outstanding balance of amounts due from associates during the year was HK\$38,316,000 (2020: HK\$18,315,000).

(a) 有關結餘為無抵押、免息及須應要求償還。於年內，最高未償付應收聯營公司款項結餘為38,316,000港元(二零二零年: 18,315,000港元)。

(b) The amounts were due from companies of which Mr. Shang Jianguang, Ms. Sit Lai Hei and Mr. Hon Hau Wong, directors of the Company are also the directors of the related companies. The balance was unsecured, interest-free and repayable on demand. The maximum amount outstanding during the year was HK\$1,065,000 (2020: HK\$1,065,000).

(b) 該等款項為應收公司款項，而本公司董事商建光先生、薛黎曦女士及韓孝煌先生亦為該等關連公司之董事。有關結餘為無抵押、免息及須應要求償還。於年內，最高未償付金額為1,065,000港元(二零二零年: 1,065,000港元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 45. RELATED PARTY TRANSACTIONS (Continued)

#### 45.1 (Continued)

#### (iii) Outstanding related party balances included in trade receivables, other assets, trade payables and other liabilities (Continued)

Notes: (Continued)

- (c) As at 31 December 2021 and 2020, amounts due to Mr. Shang Jianguang and Mr Teguh Halim, directors of the Company, were unsecured, interest bearing 5% per annum and repayable within one year. During the year ended 31 December 2021, interest expense of HK\$5,535,000 (2020: HK\$946,000) was payable to the directors.
- (d) As at 31 December 2021, amounts due to a shareholder of aggregate principal amount of HK\$12,000,000 (2020: HK\$12,000,000) was unsecured, interest bearing at 5% per annum and repayable within one year.
- (e) As at 31 December 2021, amounts due to a related company of aggregate principal amount of HK\$88,000,000 (2020: Nil) was unsecured, interest bearing at 5% per annum and repayable within one year. The related company is controlled by Mr. Hon Kwok Lung, a director of the Company.
- (f) As at 31 December 2021, amounts due to associates of aggregate principal amount of HK\$10,000,000 (2020: Nil) was unsecured, interest bearing at 5% per annum and repayable within one year.

#### (iv) Financial guarantee provided to Fair Future

As 31 December 2021, the Group has provided a corporate guarantee in respect of a banking facility of up to HK\$145,000,000 (2020: HK\$55,000,000) granted to Fair Future (note 49.1). The corporate guarantee is ending on the expiry of the term of the revolving loan facility.

The above transactions were conducted in accordance with the terms mutually agreed between the Group and the related companies controlled by the directors.

### 45. 關連人士交易 (續)

#### 45.1 (續)

#### (iii) 計入應收賬款、其他資產、應付賬款及其他負債之未償付關連人士結餘 (續) 附註：(續)

- (c) 於二零二一年及二零二零年十二月三十一日，應付本公司董事商建光先生及Teguh Halim先生款項為無抵押、按年利率5%計息及須於一年內償還。截至二零二一年十二月三十一日止年度，應向董事支付利息開支5,535,000港元(二零二零年：946,000港元)。
- (d) 於二零二一年十二月三十一日，本金總額為12,000,000港元(二零二零年：12,000,000港元)的應付一名股東之款項為無抵押、按年利率5%計息及須於一年內償還。
- (e) 於二零二一年十二月三十一日，本金總額為88,000,000港元(二零二零年：無)的應付一間關連公司款項為無抵押、按年利率5%計息及須於一年內償還。該關連公司由本公司董事韓國龍先生控制。
- (f) 於二零二一年十二月三十一日，本金總額為10,000,000港元(二零二零年：無)的應付聯營公司款項為無抵押、按年利率5%計息及須於一年內償還。

#### (iv) 向俊光提供之財務擔保

於二零二一年十二月三十一日，本集團就授予俊光一項最多145,000,000港元(二零二零年：55,000,000港元)之銀行融資提供公司擔保(附註49.1)。公司擔保於循環貸款融資期限屆滿時終止。

上述交易乃按本集團與董事控制之關連公司互相協定之條款進行。

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 45. RELATED PARTY TRANSACTIONS (Continued)

## 45.2 Key management personnel compensation:

Included in staff costs are key management personnel compensation and comprises the following categories:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	24,002	18,674
Post-employment benefits	離職後福利	355	352
		<b>24,357</b>	19,026

The key management represents all directors of the Company. Further details of directors' emoluments are included in note 16.1 to the consolidated financial statements.

## 45. 關連人士交易 (續)

## 45.2 主要管理人員之酬金：

主要管理人員之酬金計入員工成本內，包括以下類別：

主要管理人員為本公司所有董事。有關董事酬金之進一步詳情載於綜合財務報表附註16.1。

## 46. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

## (a) Deeded acquisition of additional interest in Bendura Group

In May 2021, Bendura Bank AG ("Bendura Bank") repurchased 3,000 equity share of Bendura Bank at cash consideration CHF2,456,370 (equivalent to HK\$20,997,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 1.31%. The Group recognised a decrease in non-controlling interest of HK\$12,719,000 and a increase in equity attributable to owners of the Company of HK\$8,278,000.

In June 2021, Bendura Group repurchased 6,000 equity share of Bendura Bank at cash consideration CHF4,620,000 (equivalent to HK\$39,491,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 2.75%. The Group recognised a decrease in non-controlling interest of HK\$25,975,000 and a increase in equity attributable to owners of the Company of HK\$13,516,000.

In August 2021, Bendura Group repurchased 100 equity share of Bendura Bank at cash consideration CHF45,000 (equivalent to HK\$384,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.05%. The Group recognised a decrease in non-controlling interest of HK\$359,000 and a increase in equity attributable to owners of the Company of HK\$25,000.

## 46. 與非控股權益之交易

## (a) 視為收購富地集團之額外權益

於二零二一年五月，富地銀行股份有限公司（「富地銀行」）以現金代價2,456,370瑞士法郎（相當於20,997,000港元）購回3,000股富地銀行權益股。購回後，本公司於富地集團之實際股權增加1.31%。本集團確認非控股權益減少12,719,000港元及本公司擁有人應佔權益增加8,278,000港元。

於二零二一年六月，富地集團以現金代價4,620,000瑞士法郎（相當於39,491,000港元）購回6,000股富地銀行權益股。購回後，本公司於富地集團之實際股權增加2.75%。本集團確認非控股權益減少25,975,000港元及本公司擁有人應佔權益增加13,516,000港元。

於二零二一年八月，富地集團以現金代價45,000瑞士法郎（相當於384,000港元）購回100股富地銀行權益股。購回後，本公司於富地集團之實際股權增加0.05%。本集團確認非控股權益減少359,000港元及本公司擁有人應佔權益增加25,000港元。

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

**46. TRANSACTIONS WITH NON-CONTROLLING INTERESTS** (Continued)

**(a) Deeded acquisition of additional interest in Bendura Group**  
(Continued)

The effect of changes in the ownership interest of Bendura Group on the equity attributable to owners of the Company during the year is summarised as below:

		2021 二零二一年 HK\$'000 千港元
Carrying amount of non-controlling interests acquired	已收購非控股權益之賬面值	39,053
Consideration paid for acquisition of non-controlling interests	收購非控股權益已支付之代價	(60,872)
Excess of consideration paid recognised within equity	於股權內確認之已支付代價之超出差額	(21,819)

**(b) Deeded acquisition of additional interest in Bendura Group**

In May 2020, Bendura Bank repurchased 400 equity shares at cash consideration CHF326,000 (equivalent to HK\$2,610,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.17%. The Group recognised a decrease in non-controlling interests of HK\$1,730,000 and a decrease in equity attributable to owners of the Company of HK\$880,000.

**46. 與非控股權益之交易 (續)**

**(a) 視為收購富地集團之額外權益**  
(續)

年內，富地集團擁有權權益之變動對本公司擁有人應佔權益之影響概述如下：

**(b) 視為收購富地集團之額外權益**

於二零二零年五月，富地銀行以現金代價326,000瑞士法郎（相當於2,610,000港元）購回400股權益股。購回後，本公司於富地集團之實際股權增加0.17%。本集團確認非控股權益減少1,730,000港元及本公司擁有人應佔權益減少880,000港元。

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## 46. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

## (b) Deeded acquisition of additional interest in Bendura Group (Continued)

In June 2020, Bendura Bank repurchased 100 equity shares at cash consideration CHF45,000 (equivalent to HK\$369,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.04%. The Group recognised a decrease in non-controlling interests of HK\$400,000 and a increase in equity attributable to owners of the Company of HK\$31,000. The effect of changes in the ownership interest of Bendura Group on the equity attributable to owners of the Company during the year is summarised as below:

## 46. 與非控股權益之交易 (續)

## (b) 視為收購富地集團之額外權益 (續)

於二零二零年六月，富地銀行以現金代價45,000瑞士法郎(相當於369,000港元)購回100股權益股。購回後，本公司於富地集團之實際股權增加0.04%。本集團確認非控股權益減少400,000港元及本公司擁有人應佔權益增加31,000港元。年內，富地集團擁有權權益之變動對本公司擁有人應佔權益之影響概述如下：

		2020 二零二零年 HK\$'000 千港元
Carrying amount of non-controlling interests acquired	已收購非控股權益之賬面值	2,130
Consideration paid for acquisition of non-controlling interests	收購非控股權益已支付之代價	(2,979)
Excess of consideration paid recognised within equity	於股權內確認之已支付代價之超出差額	(849)

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### 綜合財務報表附註

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#### 47. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### 47. 綜合現金流量表附註

Reconciliation of liabilities arising from financing activities:

融資活動產生之負債之對賬：

		Borrowings excluding bank-overdrafts 借貸， 銀行透支除外 HK\$'000 千港元	Due to a shareholder 應付一名 股東之款項 HK\$'000 千港元	Due to directors 應付董事 之款項 HK\$'000 千港元	Due to related company 應付一間 關連公司款項 HK\$'000 千港元	Due to associates 應付 聯營公司款項 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元
As at 1 January 2021	於二零二一年一月一日	1,512,111	12,000	21,233	-	-	57,570
Proceeds from new loans	新貸款之所得款項	1,134,366	-	-	-	-	-
Repayment of borrowings	償還借貸	(1,552,823)	-	-	-	-	-
Advance to the Group	向本集團墊款	-	-	60,300	126,000	20,000	-
Repayment from the Group	本集團還款	-	-	(8,018)	(38,000)	(10,000)	-
Repayment of principal portion of the lease liabilities	償還租賃負債本金部分	-	-	-	-	-	(39,635)
Interest paid	已付利息	(57,765)	-	(625)	-	(1,236)	(2,169)
Total changes from financing cash flow	融資現金流量變動總額	(476,222)	-	51,657	88,000	8,764	(41,804)
Other changes:	其他變動：						
Interest expenses	利息開支	57,765	-	5,535	646	1,236	2,169
Transfer to accruals	轉撥至應計費用	-	-	(4,910)	(646)	-	-
Lease modification	租賃修改	-	-	-	-	-	51,516
Exchange adjustments	匯兌調整	24,676	-	-	-	-	7,777
As at 31 December 2021	於二零二一年十二月三十一日	1,118,330	12,000	73,515	88,000	10,000	77,228

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

47. NOTES TO THE CONSOLIDATED STATEMENT  
OF CASH FLOWS (Continued)

## 47. 綜合現金流量表附註 (續)

		Borrowings excluding bank-overdrafts 借貸、 銀行透支除外 HK\$'000 千港元	Due to a shareholder 應付一名 股東之款項 HK\$'000 千港元	Due to directors 應付董事 之款項 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元
<b>As at 1 January 2020</b>	於二零二零年一月一日	1,692,068	12,000	22,241	83,975
Proceeds from new loans	新貸款之所得款項	765,148	-	-	-
Advance from directors	董事墊款	-	-	3,992	-
Repayment of loan	償還貸款	-	-	(5,000)	-
Repayment of borrowings	償還借貸	(939,838)	-	-	-
Repayment of principal portion of the lease liabilities	償還租賃負債本金部分	-	-	-	(41,596)
Interest paid	已付利息	(78,378)	-	(1,187)	(3,391)
<b>Total changes from financing cash flow</b>	<b>融資現金流量變動總額</b>	<b>(253,068)</b>	<b>-</b>	<b>(2,195)</b>	<b>(44,987)</b>
Other changes:	其他變動：				
Interest accrued	應計利息	78,378	-	1,187	3,391
Increase in lease liabilities from entering into new leases during the year	年內因訂立新租約使 租賃負債增加	-	-	-	4,875
Lease modification	租賃修改	-	-	-	8,926
Exchange adjustments	匯兌調整	(5,267)	-	-	1,390
<b>As at 31 December 2020</b>	於二零二零年十二月三十一日	<b>1,512,111</b>	<b>12,000</b>	<b>21,233</b>	<b>57,570</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 48. FINANCIAL GUARANTEES AND CREDIT CARD COMMITMENTS

### 48. 財務擔保及信用卡承擔

#### 48.1 Financial guarantees

#### 48.1 財務擔保

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial guarantees 財務擔保	<b>145,000</b>	55,000

At 31 December 2021, the Group had provided a corporate guarantee in respect of a banking facility of up to HK\$145,000,000 (2020: HK\$55,000,000) granted to an associate. The corporate guarantee is ending on the expiry of the term of the revolving loan facility.

In the opinion of the directors, it is unlikely that a claim will be made against the Group and no cash outflow under the financial guarantee contract. The directors have assessed and considered the financial impact arising from the above guarantee is insignificant.

於二零二一年十二月三十一日，本集團就一間聯營公司獲授最多145,000,000港元（二零二零年：55,000,000港元）之銀行融資提供公司擔保。公司擔保於循環貸款融資期限屆滿時終止。

董事認為，根據財務擔保合約對本集團作出申索之機會甚微，且並無現金流出。董事已評估並認為上述擔保產生之財務影響並不重大。

#### 48.2 Credit card commitments

As 31 December 2021, the Group had credit card commitments of approximately HK\$94,657,000 (2020: approximately HK\$93,762,000) given to third parties. Credit card commitments represents the undrawn amount of credit card limits. In the opinion of the directors, those credit commitments are given with collateral and financial impact arising from the undrawn amount of credit card limits is insignificant.

#### 48.2 信用卡承擔

於二零二一年十二月三十一日，本集團擁有就授予第三方之信用卡承擔約94,657,000港元（二零二零年：約93,762,000港元）。信用卡承擔指信用卡額度之未提取金額。董事認為，該等信貸承擔是以抵押品之形式所提供，未提取之信用卡額度所產生之財務影響微乎其微。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial assets and financial liabilities such as trading portfolio investments, derivative financial assets, cash and deposits, due from banks and clients, trade receivables, financial assets at fair value through other comprehensive income, other financial assets at amortised cost, other assets, derivative financial liabilities, due to banks and clients, trade payables, borrowings, due to a shareholder, due to directors, lease liabilities and other liabilities, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk, fair value risk and equity price risk.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. Its treasury department works under the policies approved by the directors and identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the directors. The board has reviewed and agreed policies periodically for managing each of these risks and they are summarised below.

#### 49. 財務風險管理目標及政策

本集團有直接源自業務之金融資產及金融負債，例如交易組合投資、衍生金融資產、現金及存款、應收銀行及客戶款項、應收賬款、按公平值計入其他全面收入之金融資產、按攤銷成本列賬之其他金融資產、其他資產、衍生金融負債、應付銀行及客戶款項、應付賬款、借貸、應付一名股東之款項、應付董事之款項、租賃負債及其他負債。本集團金融工具所產生主要風險為利率風險、外匯風險、信貸風險、流動資金風險、公平值風險及股本價格風險。

本集團之政策並非就投機目的積極買賣金融工具。其庫務部門根據經董事批准之政策行事，並確定涉足金融市場之方法及監察本集團所面對財務風險，並定期向董事提供報告。董事會定期檢討及協定管理上述各項風險之政策，有關政策概述如下。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 49. 財務風險管理目標及政策 (續)

##### 49.1 Summary of financial assets and financial liabilities by category

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 December 2021 and 2020 are categorised as follows:

##### 49.1 金融資產及金融負債分類概要

於二零二一年及二零二零年十二月三十一日確認之本集團金融資產及金融負債賬面值分類如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Financial assets at fair value:	按公平值列賬之金融資產：		
– Due from banks	– 應收銀行款項	121,114	130,055
– Trading portfolio investments	– 交易組合投資	86,130	80,310
– Derivative financial assets	– 衍生金融資產	34,608	29,224
		<b>241,852</b>	<b>239,589</b>
Financial assets at amortised cost:	按攤銷成本列賬之金融資產：		
– Cash and deposits	– 現金及存款	6,531,968	5,612,645
– Due from clients	– 應收客戶款項	3,068,719	2,463,225
– Due from banks	– 應收銀行款項	1,913,076	5,336,205
– Trade receivables	– 應收賬款	378,227	391,747
– Other financial assets at amortised cost	– 按攤銷成本列賬之其他金融資產	1,852,934	1,449,886
– Other assets	– 其他資產	234,988	258,809
		<b>13,979,912</b>	<b>15,512,517</b>
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	504,117	470,794
		<b>14,725,881</b>	<b>16,222,900</b>
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities at fair value:	按公平值列賬之金融負債：		
– Due to clients	– 應付客戶款項	121,250	130,119
– Derivative financial liabilities	– 衍生金融負債	47,955	31,334
		<b>169,205</b>	<b>161,453</b>
Financial liabilities measured at amortised cost:	按攤銷成本計量之金融負債：		
– Due to banks	– 應付銀行款項	15,126	2,639
– Due to clients	– 應付客戶款項	12,629,042	13,835,358
– Trade payables	– 應付賬款	409,555	360,624
– Borrowings	– 借貸	1,176,635	1,564,822
– Lease liabilities	– 租賃負債	77,228	57,570
– Due to a shareholder	– 應付一名股東之款項	12,000	12,000
– Due to directors	– 應付董事之款項	73,515	21,233
– Other liabilities	– 其他負債	586,133	381,520
		<b>14,979,234</b>	<b>16,235,766</b>
		<b>15,148,439</b>	<b>16,397,219</b>

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#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.2 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from borrowings and bank deposits. Borrowings and bank deposits bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The interest rate and repayment terms of the borrowings outstanding at the end of the reporting period are disclosed in note 35.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings and bank deposits with a floating interest rate.

##### Sensitivity Analysis

At 31 December 2021, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss after income tax and increase/decrease the Group's retained profits by approximately HK\$16,219,000 (2020: increase/decrease the Group's loss after income tax and retained profits by approximately HK\$16,427,000). The assumed changes have no impact on the Group's other components of equity.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period. The assumed changes in interest rates are considered to be reasonably possible changes on observation of current market conditions and represent management's assessment of a reasonably possible change in interest rates over the next twelve month period.

The calculation is based on a change in average market interest rates for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variable are held constant. The sensitivity analysis for the year ended 31 December 2020 has been prepared on the same basis.

#### 49. 財務風險管理目標及政策 (續)

##### 49.2 利率風險

利率風險與金融工具之公平值或現金流量因市場利率變動而波動之風險有關。本集團之利率風險主要源自借貸及銀行存款。本集團分別因按浮息及定息計息之借貸及銀行存款面對現金流量利率風險及公平值利率風險。於報告期末尚未償還借貸之利率及償還條款於附註35披露。

本集團所面對市場利率變動風險主要與本集團按浮息計息之借貸及銀行存款有關。

##### 敏感度分析

於二零二一年十二月三十一日，假設所有其他因素維持不變，估計假如利率整體上調／下調50個基點，將導致本集團之除所得稅後虧損減少／增加及本集團之保留溢利增加／減少約16,219,000港元(二零二零年：本集團之除所得稅後虧損及保留溢利增加／減少約16,427,000港元)。所假設變動對本集團權益內其他項目並無影響。

上述敏感度分析乃假設利率於報告期末出現變動。利率之假設變動乃經觀察現行市況後被視為合理可能出現之變動，並為管理層對未來十二個月期間利率之合理可能變動之評估。

計算乃依據各期間市場平均利率變動及於各報告日所持對利率變動敏感度高之金融工具作出。所有其他因素保持不變。截至二零二零年十二月三十一日止年度之敏感度分析乃按相同基準編製。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.3 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong, Switzerland, United Kingdom, Liechtenstein and the PRC with most of the transactions denominated and settled in HK\$, US\$, Euro, CHF, GBP and RMB. The Group's exposure to foreign currency risk primarily arise from certain financial instruments including financial assets at fair value through other comprehensive income, other assets, cash and deposits, due from clients and banks, trading portfolio investments, derivative financial assets, other financial assets at amortised cost, due to clients, derivative financial liabilities, other liabilities and borrowings which are denominated in US\$, Euro, CHF, GBP and RMB. The management continuously monitors the foreign exchange exposure.

The following table summarises the Group's major financial assets and financial liabilities denominated in currencies other than the functional currencies of the respective group companies as at 31 December 2021 and 2020.

#### 49. 財務風險管理目標及政策 (續)

##### 49.3 外匯風險

外匯風險指金融工具之公平值或未來現金流量因匯率變動而波動之風險。本集團主要於香港、瑞士、英國、列支敦士登及中國經營，大部分交易以港元、美元、歐元、瑞士法郎、英鎊及人民幣列值及結算。本集團面對之外匯風險主要源自若干以美元、歐元、瑞士法郎、英鎊及人民幣列值之金融工具，包括按公平值計入其他全面收入之金融資產、其他資產、現金及存款、應收客戶及銀行款項、交易組合投資、衍生金融資產、按攤銷成本列賬之其他金融資產、應付客戶款項、衍生金融負債、其他負債及借貸。管理層一直監察外匯風險。

下表概述於二零二一年及二零二零年十二月三十一日本集團以有關集團公司各自功能貨幣以外之貨幣列值之主要金融資產及金融負債。

		Expressed in HK\$'000 以千港元呈列				
		US\$ 美元	Euro 歐元	CHF 瑞士法郎	GBP 英鎊	RMB 人民幣
<b>As at 31 December 2021</b>	<b>於二零二一年十二月三十一日</b>					
Cash and deposits	現金及存款	1,413	4,597,020	-	-	49
Due from clients	應收客戶款項	209,224	1,743,799	-	-	-
Due from banks	應收銀行款項	1,393,182	84,626	-	-	-
Trading portfolio investments	交易組合投資	9,558	-	-	-	-
Derivative financial assets	衍生金融資產	24,940	205	-	-	-
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	-	-	-	-	147,133
Financial assets at amortised cost	按攤銷成本列賬之金融資產	1,167,302	401,302	-	-	-
Other assets	其他資產	24,267	3,321	-	-	-
Due to clients	應付客戶款項	(6,824,021)	(3,701,856)	-	-	-
Due to banks	應付銀行款項	-	-	-	-	-
Derivative financial liabilities	衍生金融負債	(23,107)	(23,202)	-	-	-
Borrowings	借貸	-	-	-	-	-
Other liabilities	其他負債	(11,719)	(2,479)	-	-	-
<b>Overall net exposure</b>	<b>整體風險淨額</b>	<b>(4,028,961)</b>	<b>3,102,736</b>	<b>-</b>	<b>-</b>	<b>147,182</b>

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49. 財務風險管理目標及政策 (續)

## 49.3 Foreign currency risk (Continued)

## 49.3 外匯風險 (續)

		Expressed in HK\$'000 以千港元呈列				
		US\$ 美元	Euro 歐元	CHF 瑞士法郎	GBP 英鎊	RMB 人民幣
<b>As at 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>					
Cash and deposits	現金及存款	101,794	1,819,104	544	350	1,193
Due from clients	應收客戶款項	151,392	1,561,935	-	-	-
Due from banks	應收銀行款項	4,084,914	204,320	-	-	-
Trading portfolio investments	交易組合投資	-	26,118	-	-	-
Derivative financial assets	衍生金融資產	232	28,306	-	-	-
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	-	-	-	-	131,636
Financial assets at amortised cost	按攤銷成本列賬之金融資產	908,663	484,138	-	-	-
Other assets	其他資產	47,106	1,904	-	-	10,198
Due to clients	應付客戶款項	(8,122,566)	(4,073,165)	-	-	-
Due to banks	應付銀行款項	(2,639)	-	-	-	-
Derivative financial liabilities	衍生金融負債	(30,738)	(360)	-	-	-
Borrowings	借貸	(732,630)	-	-	-	-
Other liabilities	其他負債	(6,312)	(2,915)	-	-	-
<b>Overall net exposure</b>	<b>整體風險淨額</b>	<b>(3,600,784)</b>	<b>49,385</b>	<b>544</b>	<b>350</b>	<b>143,027</b>

The following table indicates the approximate change in the Group's loss/profit for the year and fair value through other comprehensive income reserve (due to the change in fair value of the financial assets at fair value through other comprehensive income) in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between Group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower. A positive number below indicates decrease in loss (2020: a decrease in loss) and increase in fair value through other comprehensive income reserve where the underlying functional currency weakens against the relevant foreign currency. For a strengthening of the underlying functional currency against the relevant foreign currency, there would be an equal and opposite impact on the loss/profit and fair value through other comprehensive income, and the balances below would be negative.

下表顯示本集團(因按公平值計入其他全面收入之金融資產之公平值變動)就本集團於報告期末有重大風險之外匯匯率之合理可能變動所作出之本年度虧損/溢利及按公平值計入其他全面收入儲備之概約變動。敏感度分析包括本集團公司間之結餘,結餘以非貸款人或借款人之功能貨幣之貨幣列值。以下正數表示相關功能貨幣兌有關外幣貶值情況下,虧損減少(二零二零年:虧損減少)及按公平值計入其他全面收入儲備增加。倘相關功能貨幣兌有關外幣升值,則對虧損/溢利及按公平值計入其他全面收入有相等及相反影響,而以下結餘將為負數。

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### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 49. 財務風險管理目標及政策 (續)

#### 49.3 Foreign currency risk (Continued)

#### 49.3 外匯風險 (續)

		2021 二零二一年			2020 二零二零年		
		Change in foreign exchange rates	Effect on loss for the year	Effect on fair value through other comprehensive income reserve 對按公平值 計入其他 全面收入儲備 之影響	Change in foreign exchange rates	Effect on loss for the year	Effect on fair value through other comprehensive income reserve 對按公平值 計入其他 全面收入儲備 之影響
		匯率變動	對本年度 虧損之影響 HK\$'000 千港元	全面收入儲備 之影響 HK\$'000 千港元	匯率變動	對本年度 虧損之影響 HK\$'000 千港元	全面收入儲備 之影響 HK\$'000 千港元
US\$	美元	+5%	201,448	–	+5%	148,338	–
		-5%	(201,448)	–	-5%	(148,338)	–
Euro	歐元	+5%	(151,136)	–	+5%	2,469	–
		-5%	151,136	–	-5%	(2,469)	–
CHF	瑞士法郎	+5%	–	–	+5%	(27)	–
		-5%	–	–	-5%	27	–
GBP	英鎊	+5%	–	–	+5%	(18)	–
		-5%	–	–	-5%	18	–
RMB	人民幣	+5%	(2)	7,356	+5%	(569)	6,582
		-5%	2	(7,356)	-5%	569	(6,582)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In this respect, it is assumed that there is no significant exposure expected on financial assets and liabilities denominated in US\$ for Group companies whose functional currency is HK\$ since HK\$ are pegged to USD. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit for the year and equity measured in the respective functional currencies, translated into HK\$ at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2020.

列示之變動代表管理層對外匯匯率於直至下一年度報告日止期間之合理可能變動之評估。就此而言，由於港元與美元掛鈎，故已假設功能貨幣為港元之本集團公司以美元所計值之金融資產及負債不會承擔任何重大風險。上表呈列之分析結果，代表對各集團實體本年度溢利及股本（以各自功能貨幣計量及按報告期末規定作呈列用途之匯率換算為港元）之總體影響。二零二零年進行之分析採用相同基準。

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instruments and cause a financial loss to the Group.

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

It considers available reasonable and supportive forward looking information. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant expected changes in the performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery.

The assessment of credit risk and the estimation of ECL are unbiased and probability-weighted, and incorporate all available information that is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

#### 49. 財務風險管理目標及政策 (續)

##### 49.4 信貸風險

信貸風險指金融工具之交易對手未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。

本集團於初步確認資產時考慮違約或然率及於各報告期內持續考慮信貸風險有否大幅增加。為評估信貸風險有否大幅增加，本集團將於報告日資產發生違約之風險與於初步確認日期之違約風險作比較。

本集團考慮可得之合理及有理據前瞻性資料，特別包括下列指標：

- 外部信貸評級 (如適用)
- 預期會導致交易對手履行責任之能力發生重大變動之業務、財務或經濟狀況之實際或預期重大不利變動
- 交易對手經營業績之實際或預期重大變動
- 交易對手之表現及行為出現重大預期變動，包括集團內交易對手之付款狀況變動及交易對手經營業績之變動

倘交易對手未能於合約付款到期時支付，則屬金融資產違約。

倘無合理預期可收回款項時，則撇銷金融資產。

評估信貸風險及估計預期信貸虧損採用公正及概率加權方式，並計入所有與評估相關之可得資料，包括有關過往事件之資料、現行狀況、有關未來事件之合理及有理據預測以及報告日之經濟狀況。此外，預期信貸虧損估計應計及貨幣時間價值。

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### 綜合財務報表附註

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#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.4 Credit risk (Continued)

The credit risk of the Group is primarily attributable to the cash and deposit, due from clients and banks, trade receivables, other financial assets at amortised cost and other assets.

The credit risk of the cash and deposit is limited because the majority of the counterparties are banks with good reputation. No impairment had been provided under 12-month expected credit loss assessment.

The credit risk of due from clients and banks (excluding the precious metal) is determined based on the combination of the internal and external credit rating, the average debt recovery, peer review information and comparison with publically available data. The Group calculates ECL using three main components: a probability of default, a loss given default ('LGD') and the exposure at default ('EAD'). The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD instead. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. Expected credit losses for due from banks and clients of HK\$593,000 has been recognised (2020: expected credit losses for due from banks and clients of HK\$278,000) under expected credit loss assessment for the year ended 31 December 2020.

The balance of due from clients also subject to concentration risk which the ten largest single exposures encompass HK\$1,402,533,000 (2020: HK\$1,116,031,000), which are related to due from clients of the banking business as of 31 December 2021.

#### 49. 財務風險管理目標及政策 (續)

##### 49.4 信貸風險 (續)

本集團之信貸風險主要產生自現金及存款、應收客戶及銀行款項、應收賬款、按攤銷成本列賬之其他金融資產以及其他資產。

由於大部分交易對手為信譽良好之銀行，現金及存款之信貸風險有限。概無根據12個月預期信貸虧損評估計提減值撥備。

應收客戶及銀行款項(不包括貴金屬)信貸風險乃結合內部及外部信貸評級、平均債務收款、同行檢討資料及與公開資料比較而釐定。本集團以三個主要組成部分計算預期信貸虧損：違約或然率、違約損失率(「違約損失率」)及違約風險承擔(「違約風險承擔」)。12個月預期信貸虧損乃將12個月違約或然率與違約損失率及違約風險承擔相乘而計算。全期預期信貸虧損則使用全期違約或然率計算。12個月及全期違約或然率分別指未來12個月及工具剩餘年內發生違約之概率。違約風險承擔指預期違約結餘，並經計及結算日至違約事件期間之本金及利息還款及承諾融資的任何預期提取額。違約損失率指出現違約事件時違約風險承擔之預期虧損，並經計及(包括其他特性)預期變現抵押品價值時之緩和影響及貨幣時間價值。截至二零二零年十二月三十一日止年度，根據預期信貸虧損評估確認應收銀行及客戶款項的預期信貸虧損593,000港元(二零二零年：應收銀行及客戶款項的預期信貸虧損278,000港元)。

應收客戶款項結餘亦面對集中風險，十大單一風險包括於二零二一年十二月三十一日之1,402,533,000港元(二零二零年：1,116,031,000港元)，乃與應收銀行業務客戶賬款相關。

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#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.4 Credit risk (Continued)

The Group adopts the “ECL model” on its debt instruments which are classified as financial assets measured at amortised cost in accordance with the provisions of HKFRS 9. For financial assets that are included in the measurement of ECL, the Group evaluates whether the credit risks of related financial assets have increased significantly since initial recognition. The “three stage” impairment model is used to measure their loss allowances respectively to recognise ECL and their movements. The ECL assessment made by the Group mainly reference to the internal and market credit rating information. Amount to HK\$2,014,000 (2020: provision for impairment allowance of HK\$29,348,000) impairment allowance on other financial assets at amortised cost has been reversed after the assessment during the year.

For the trade receivables, the Group carries out regular review on these balances and follow-up action on any overdue amounts to minimise exposures to credit risk. The Group measures the lifetime expected credit losses based on the outstanding balances and historical credit loss experience adjusted to reflect the Group’s view of current and forecast economic conditions that may affect the ability of the debtors to settle receivables. Amounted to HK\$2,361,000 (2020: HK\$16,960,000) impairment allowance had been provided under expected credit loss assessment which calculated using simplified approach according to the ageing by due date disclose in note 22.

#### 49. 財務風險管理目標及政策 (續)

##### 49.4 信貸風險 (續)

本集團對債務工具採納「預期信貸虧損模式」，根據香港財務報告準則第9號之規定，有關債務工具分類為按攤銷成本計量之金融資產。就預期信貸虧損計量涉及之金融資產而言，本集團評估相關金融資產之信貸風險自初步確認起有否大幅增加，並就確認預期信貸虧損及其變動分別使用「三階段」減值模式計量虧損撥備。本集團進行預期信貸虧損評估時，主要參照內部及市場信貸評級資料。年內，於評估後已就按攤銷成本計量之金融資產撥回減值撥備2,014,000港元（二零二零年：已計提減值撥備29,348,000港元）。

至於應收賬款，本集團定期檢討結餘及對任何逾期金額採取跟進行動，以盡量降低信貸風險。本集團根據未償還結餘及過往信貸虧損經驗計量全期預期信貸虧損，並作出調整以反映本集團對可能影響債務人償付應收款項能力之現時及預測經濟狀況的看法。根據附註22所披露按到期日劃分賬齡採用簡化方法計算之預期信貸虧損評估，已計提減值撥備2,361,000港元（二零二零年：16,960,000港元）。

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#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.4 Credit risk (Continued)

The loss allowance as at 31 December 2021 was determined for trade receivables arising from watches and timepieces business as follows:

31 December 2021

		Expected credit loss rate – weighted average (%) 預期信貸虧損率 – 加權平均 (%)	Gross carrying amount (after excluding credit-impaired balance) 賬面總值 (扣除信貸減值結餘後) HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Not yet pass due	尚未逾期	0.4%	213,549	(854)	212,695
Overdue within 90 days	逾期不超過90天	1.1%	36,538	(402)	36,136
Overdue 91 to 180 days	逾期91至180天	3.1%	51,713	(1,603)	50,110
Overdue over 180 days	逾期超過180天	7.10% to 100%	151,038	(77,782)	73,256
Total	總計		452,838	(80,641)	372,197

31 December 2020

		Expected credit loss rate – weighted average (%) 預期信貸虧損率 – 加權平均 (%)	Gross carrying amount (after excluding credit-impaired balance) 賬面總值 (扣除信貸減值結餘後) HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元	Net amount 淨額 HK\$'000 千港元
Not yet pass due	尚未逾期	0.40%	268,969	(1,076)	267,893
Overdue within 90 days	逾期不超過90天	1.10%	30,129	(333)	29,796
Overdue 91 to 180 days	逾期91至180天	3.10%	45,543	(1,412)	44,131
Overdue over 180 days	逾期超過180天	7.10% to 100%	114,057	(73,786)	40,271
Total	總計		458,698	(76,607)	382,091

#### 49. 財務風險管理目標及政策 (續)

##### 49.4 信貸風險 (續)

於二零二一年十二月三十一日釐定之鐘錶及時計產品業務應收賬款虧損撥備如下：

二零二一年十二月三十一日

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.4 Credit risk (Continued)

For the other assets mainly comprise of rental deposits, dividend receivables, amounts due from an associate and related parties. Management considers rental deposits do not have significant credit risk since the deposits are refundable from landlords upon end of lease term or recoverable by the Group through using the leased property. For the remaining balance, given the short term nature of these assets, the ECL is had been provided under 12-month expected credit loss assessment given credit risk has not increase significantly since initial recognition. The management has provided an ECL provision of HK\$786,000 (2020: HK\$826,000) for the year ended 31 December 2021 after their assessment.

At the end of the reporting period, the directors of the Company have assessed the past due status of the debts under guarantee, the financial position of the debtors as well as the economic outlook of the industries in which the debtors operate, and concluded that there has not been a significant increase in the credit risk since initial recognition of the financial guarantee contract. Accordingly, the loss allowance for financial guarantee contract issued by the Group is measured at an amount equal to 12-month ECL.

In both years, the amount of loss allowance is lower than the premium less cumulative amortisation, therefore, no loss allowance was recognised in profit or loss for the financial guarantee contract.

#### 49. 財務風險管理目標及政策 (續)

##### 49.4 信貸風險 (續)

其他資產主要包括租金按金、應收股息、應收一間聯營公司及關連人士款項。管理層認為租金按金並無重大信貸風險，原因為租期結束時將可由業主退還按金或本集團將可透過使用租賃物業收回按金。就剩餘結餘而言，鑑於該等資產之短期性質，及鑑於信貸風險自初步確認以來並無大幅上升，預期信貸虧損按12個月預期信貸虧損評估計提撥備。管理層經評核後已就截至二零二一年十二月三十一日止年度計提預期信貸虧損撥備786,000港元(二零二零年：826,000港元)。

於報告期末，本公司董事已評估擔保項下債務之過往逾期狀況、債務人之財務狀況以及債務人經營所在行業之經濟前景，並得出結論，自首次確認財務擔保合約以來信貸風險並無大幅上升。因此，就本集團發出財務擔保合約之虧損撥備按相當於12個月預期信貸虧損之金額計量。

於兩個年度之虧損撥備金額均低於溢價減累計攤銷，因此，並無就財務擔保合約於損益中確認任何虧損撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 49. 財務風險管理目標及政策 (續)

#### 49.4 Credit risk (Continued)

#### 49.4 信貸風險 (續)

##### (i) Maximum credit risk exposure of the Group

The maximum exposure to credit risk (excluding cash and deposits as at the end of reporting date without taking into consideration of any collateral held or other credit enhancement) is represented by the net balance of each type of financial assets in the consolidated statement of financial position (after deducting any impairment allowance). A summary of the maximum exposure is as follows:

##### (i) 本集團之最高信貸風險

於各報告日末，除現金及存款以外之最高信貸風險（不計及任何所持抵押品或其他信用增級）由綜合財務狀況表中各類金融資產之結餘淨值（經扣除任何減值撥備後）呈列。最高風險概要如下：

At 31 December 2021

於二零二一年十二月三十一日

		Banking business	Financial business	Non-banking and financial businesses	Total
		銀行業務 HK\$'000 千港元	金融業務 HK\$'000 千港元	非銀行及 金融業務 HK\$'000 千港元	總計 HK\$'000 千港元
Due from clients	應收客戶款項	3,068,719	-	-	3,068,719
Due from banks	應收銀行款項	2,034,190	-	-	2,034,190
Trading portfolio investments	交易組合投資	9,558	20,281	56,291	86,130
Derivative financial assets	衍生金融資產	34,608	-	-	34,608
Trade receivables	應收賬款	-	6,030	372,197	378,227
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	-	-	504,117	504,117
Other financial assets at amortised cost	按攤銷成本列賬之其他金融資產	1,852,934	-	-	1,852,934
Other assets	其他資產	18,354	6,869	209,765	234,988
		7,018,363	33,180	1,142,370	8,193,913
Credit card commitments, irrevocable commitment and guarantee provided	信用卡承擔、不可收回承擔及提供之擔保	125,364	-	145,000	270,364
Maximum credit risk exposure	最高信貸風險	7,143,727	33,180	1,287,370	8,464,277

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49. 財務風險管理目標及政策 (續)

## 49.4 Credit risk (Continued)

## 49.4 信貸風險 (續)

(i) Maximum credit risk exposure of the Group (Continued)  
At 31 December 2020(i) 本集團之最高信貸風險 (續)  
於二零二零年十二月三十一日

		Banking business	Financial business	Non-banking and financial businesses	Total
		銀行業務	金融業務	非銀行及 金融業務	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Due from clients	應收客戶款項	2,463,225	–	–	2,463,225
Due from banks	應收銀行款項	5,466,260	–	–	5,466,260
Trading portfolio investments	交易組合投資	26,118	18,134	36,058	80,310
Derivative financial assets	衍生金融資產	29,224	–	–	29,224
Trade receivables	應收賬款	–	9,656	382,091	391,747
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之 金融資產	–	–	470,794	470,794
Other financial assets at amortised cost	按攤銷成本列賬之其他金融 資產	1,449,886	–	–	1,449,886
Other assets	其他資產	43,402	12,792	202,615	258,809
		9,478,115	40,582	1,091,558	10,610,255
Credit card commitments, irrevocable commitment and guarantees provided	信用卡承擔、不可收回 承擔及提供之擔保	127,884	–	55,000	182,884
Maximum credit risk exposure	最高信貸風險	9,605,999	40,582	1,146,558	10,793,139

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 49.4 Credit risk (Continued)

- (ii) Credit exposure by quality of assets of the banking business is as follows:

As at 31 December 2021

	AAA to AA AAA級至AA級 HK\$'000 千港元	A+ to BBB- A+級至BBB-級 HK\$'000 千港元	BB+ or lower BB+級或更低 HK\$'000 千港元	No external rating 無外部評級 HK\$'000 千港元	Book value of impaired loans net 已減值貸款 之賬面淨值 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Due from banks 應收銀行款項	1,161,855	845,178	-	27,157	-	2,034,190
Due from clients 應收客戶款項	-	-	-	3,066,802	1,917	3,068,719
Financial instruments 金融工具	979,819	869,808	-	12,865	-	1,862,492
Other assets 其他資產	-	-	-	18,354	-	18,354
Derivative financial instruments 衍生金融工具	5,203	17,748	-	11,657	-	34,608
	2,146,877	1,732,734	-	3,136,835	1,917	7,018,363
Credit card commitments and irrevocable commitment and guarantee provided 信用卡承擔、不可收回承擔及提供之擔保	1,416	93,241	-	30,707	-	125,364

As at 31 December 2020

	AAA to AA AAA級至AA級 HK\$'000 千港元	A+ to BBB- A+級至BBB-級 HK\$'000 千港元	BB+ or lower BB+級或更低 HK\$'000 千港元	No external rating 無外部評級 HK\$'000 千港元	Book value of impaired loans net 已減值貸款 之賬面淨值 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Due from banks 應收銀行款項	2,035,886	3,364,102	-	66,272	-	5,466,260
Due from clients 應收客戶款項	-	-	-	2,461,063	2,162	2,463,225
Financial instruments 金融工具	669,870	775,315	2,849	27,970	-	1,476,004
Other assets 其他資產	-	-	-	43,402	-	43,402
Derivative financial instruments 衍生金融工具	147	293	-	28,784	-	29,224
	2,705,903	4,139,710	2,849	2,627,491	2,162	9,478,115
Credit card commitments and irrevocable commitment and guarantee provided 信用卡承擔、不可收回承擔及提供之擔保	2,376	-	-	125,508	-	127,884

### 49. 財務風險管理目標及政策 (續)

#### 49.4 信貸風險 (續)

- (ii) 按銀行業務資產質素劃分之信貸風險如下：

於二零二一年十二月三十一日

於二零二零年十二月三十一日

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49.4 Credit risk (Continued)

## (ii) (Continued)

The above table shows the quality of assets according to the external ratings available. Financial instruments without a rating are mainly instruments for which there is no external rating available. Amounts due from clients are allocated to the category “no external rating”.

- (iii) Credit exposure by collateral of the banking business is as follows:

As at 31 December 2021

## 49. 財務風險管理目標及政策 (續)

## 49.4 信貸風險 (續)

## (ii) (續)

上表列示根據已有外部評級的資產質素。無評級金融工具主要為並無外部評級之工具。應收客戶款項歸類為「無外部評級」。

- (iii) 按銀行業務抵押品劃分之信貸風險如下：

於二零二一年十二月三十一日

		Mortgage-backed 以按揭支持 HK\$'000 千港元	Other collateral 其他抵押品 HK\$'000 千港元	No collateral 無抵押品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Due from banks	應收銀行款項	-	-	2,034,190	2,034,190
Due from clients of which mortgage loan	按揭貸款之應收客戶款項				
- Residential property	- 住宅物業	1,333,612	24	106	1,333,742
- Office and business property	- 辦公室及商用物業	170,113	-	-	170,113
- Commercial and industrial property	- 工商物業	460,380	-	-	460,380
- Other	- 其他	15,570	1,072,415	16,499	1,104,484
Financial instruments	金融工具	-	-	1,852,934	1,852,934
Trading portfolio investments	交易組合投資	-	-	9,558	9,558
Derivative financial instruments	衍生金融工具	-	-	34,608	34,608
Other assets	其他資產	-	-	18,354	18,354
		1,979,675	1,072,439	3,966,249	7,018,363
Credit card commitments and irrevocable commitment and guarantee provided	信用卡承擔、不可收回承擔及提供之擔保	18,930	89,455	16,979	125,364

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### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 49.4 Credit risk (Continued) (iii) (Continued)

As at 31 December 2020

		Mortgage- backed 以按揭支持 HK\$'000 千港元	Other collateral 其他抵押品 HK\$'000 千港元	No collateral 無抵押品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Due from banks	應收銀行款項	-	-	5,466,200	5,466,200
Due from clients of which mortgage loan	按揭貸款之應收客戶款項				
- Residential property	- 住宅物業	1,147,344	116	67	1,147,527
- Office and business property	- 辦公室及商用物業	128,096	-	-	128,096
- Commercial and industrial property	- 工商物業	191,082	-	15	191,097
- Other	- 其他	7,112	982,094	7,299	996,505
Financial instruments	金融工具	-	-	1,449,886	1,449,886
Trading portfolio investments	交易組合投資	-	-	26,118	26,118
Derivative financial instruments	衍生金融工具	-	-	29,224	29,224
Other assets	其他資產	-	-	43,402	43,402
		1,473,634	982,210	7,022,271	9,478,115
Credit card commitments and irrevocable commitment and guarantee provided	信用卡承擔、不可收回 承擔及提供之擔保	34,122	93,762	-	127,884

The above table shows that secured lending represents constantly more than 90 per cent of the total due from clients.

上表顯示有抵押貸款持續佔應收客戶款項總額超過90%。

### 49. 財務風險管理目標及政策 (續)

#### 49.4 信貸風險 (續) (iii) (續)

於二零二零年十二月三十一日

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49.4 Credit risk (Continued)

(iv) Credit risk by geographical sector of the banking business is as follows:

As at 31 December 2021

		Switzerland and Liechtenstein 瑞士及列支敦士登 HK\$'000 千港元	Europe (excluding Switzerland and Liechtenstein) 歐洲 (不包括瑞士及列支敦士登) HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Due from banks	應收銀行款項	1,418,892	615,298	–	2,034,190
Due from clients	應收客戶款項	936,931	1,798,219	333,569	3,068,719
Trading portfolio investments	交易組合投資	9,558	–	–	9,558
Financial instruments	金融工具	8,802	815,799	1,028,333	1,852,934
Other assets	其他資產	15,344	2,989	21	18,354
Derivative financial instruments	衍生金融工具	9,731	24,802	75	34,608
		2,399,258	3,257,107	1,361,998	7,018,363
Credit card commitments and irrevocable commitment and guarantee provided	信用卡承擔、不可收回承擔及提供之擔保	110,534	14,441	389	125,364
		2,509,792	3,271,548	1,362,387	7,143,727

As at 31 December 2020

於二零二零年十二月三十一日

		Switzerland and Liechtenstein 瑞士及列支敦士登 HK\$'000 千港元	Europe (excluding Switzerland and Liechtenstein) 歐洲 (不包括瑞士及列支敦士登) HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Due from banks	應收銀行款項	2,964,806	2,501,454	–	5,466,260
Due from clients	應收客戶款項	508,759	1,954,466	–	2,463,225
Trading portfolio investments	交易組合投資	26,118	–	–	26,118
Financial instruments	金融工具	–	592,897	856,989	1,449,886
Other assets	其他資產	32,955	10,426	21	43,402
Derivative financial instruments	衍生金融工具	507	27,119	1,598	29,224
		3,533,145	5,086,362	858,608	9,478,115
Credit card commitments and irrevocable commitment and guarantee provided	信用卡承擔、不可收回承擔及提供之擔保	116,775	10,039	1,070	127,884
		3,649,920	5,096,401	859,678	9,605,999

## 49. 財務風險管理目標及政策 (續)

## 49.4 信貸風險 (續)

(iv) 按銀行業務地區區域劃分之信貸風險如下：

於二零二一年十二月三十一日

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 49.4 Credit risk (Continued) (iv) (Continued)

The above table shows a concentration in due from banks and clients as well as financial instruments outside Switzerland and Liechtenstein. As at 31 December 2021, outside Switzerland and Liechtenstein commitments amounted to HK\$4,719,459,000 (2020: HK\$5,956,079,000), or 66% (2020: 62%) percent of the total lending volume.

- (v) Credit risk by counterparty of the banking business is as follows:

As at 31 December 2021

		Central banks	Banks	Public sector entities	Private and institutional investment clients	Other	Total
		中央銀行	銀行	公營實體	私人及機構投資客戶	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Due from banks	應收銀行款項	-	2,034,190	-	-	-	2,034,190
Due from clients	應收客戶款項	-	-	-	3,068,719	-	3,068,719
Other financial assets at amortised cost	按攤銷成本列賬之其他金融資產	-	1,014,986	334,076	503,872	9,558	1,862,492
Derivative financial instruments	衍生金融工具	-	22,951	11,657	-	-	34,608
Other assets	其他資產	-	-	3	18,351	-	18,354
		-	3,072,127	345,736	3,590,942	9,558	7,018,363
Credit card commitments and irrevocable commitment and guarantee provided	信用卡承擔、不可收回承擔及提供之擔保	-	6,370	88,287	30,707	-	125,364

### 49. 財務風險管理目標及政策 (續)

#### 49.4 信貸風險 (續) (iv) (續)

上表顯示應收瑞士及列支敦士登以外銀行及客戶款項及金融工具集中。於二零二一年十二月三十一日，瑞士及列支敦士登以外承擔為4,719,459,000港元(二零二零年：5,956,079,000港元)，或總借貸量之66%(二零二零年：62%)。

- (v) 按銀行業務交易對手劃分之信貸風險如下：

於二零二一年十二月三十一日

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49. 財務風險管理目標及政策 (續)

## 49.4 Credit risk (Continued)

(v) (Continued)

## 49.4 信貸風險 (續)

(v) (續)

As at 31 December 2020

於二零二零年十二月三十一日

	Central banks	Banks	Public sector entities	Private and institutional investment clients	Other	Total
	中央銀行	銀行	公營實體	私人及機構投資客戶	其他	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Due from banks	-	5,466,260	-	-	-	5,466,260
Due from clients	-	-	-	2,463,225	-	2,463,225
Other financial assets at amortised cost	-	1,053,351	84,447	312,088	26,118	1,476,004
Derivative financial instruments	-	440	-	28,784	-	29,224
Other assets	-	8,200	3	35,199	-	43,402
	-	6,528,251	84,450	2,839,296	26,118	9,478,115
Credit card commitments and irrevocable commitment and guarantee provided	-	5,890	-	121,994	-	127,884

The above table shows a concentration of bank counterparties, which is managed by a limit system. This process ensures the diversification of the counterparties themselves as well as the counterparty domiciles. Financial instruments issued by corporate entities are allocated to the category "private and institutional investment clients".

上表顯示銀行交易對手集中且由有限體系管理。該過程確保交易對手及其所屬地方分散。公司實體發行之金融工具歸類為「私人及機構投資客戶」。

## (vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## (vi) 抵銷

當有可合法執行權利抵銷已確認金額及計劃按淨額基準結清，或同時變現資產及結清負債時，金融資產與金融負債相互抵銷，且淨額於綜合財務狀況表列報。

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#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.4 Credit risk (Continued)

##### (vi) Offsetting (continued)

#### 49. 財務風險管理目標及政策 (續)

##### 49.4 信貸風險 (續)

##### (vi) 抵銷 (續)

		Financial assets subject to offsetting 可予抵銷之金融資產		Related amounts not offset in the consolidated statement of financial position 並無於綜合財務狀況表中抵銷之相關金額		
	Gross amount of recognised financial liabilities offset in the statement of recognised financial assets	Net amount of financial assets presented in the statement of financial position	Financial instruments other than cash collateral	Cash collateral received	Net amount	
	於財務狀況表中 已確認 金融資產總額	於綜合財務 狀況表中呈列之 金融資產淨額	金融工具(現金 抵押品除外)	已收現金抵押品	淨額	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 31 December 2021 於二零二一年十二月三十一日						
Type of financial assets	金融資產種類					
Trade receivables from clearing house	應收結算所賬款	372	(249)	123	-	123
At 31 December 2020 於二零二零年十二月三十一日						
Type of financial assets	金融資產種類					
Trade receivables from clearing house	應收結算所賬款	8,010	(3,387)	4,623	-	4,623

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## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

49.4 Credit risk (Continued)  
(vi) Offsetting (Continued)

## 49. 財務風險管理目標及政策 (續)

49.4 信貸風險 (續)  
(vi) 抵銷 (續)

		Financial liabilities subject to offsetting 可予抵銷之金融負債		Related amounts not offset in the consolidated statement of financial position 並無於綜合財務狀況表中抵銷之相關金額			
		Gross amount of recognised financial assets	Net amount of financial liabilities	Financial instruments other than cash collateral	Cash collateral received	Net amount	
		Gross amount of recognised financial liabilities	offset in the consolidated statement of financial position	presented in the consolidated statement of financial position	Financial instruments other than cash collateral	Cash collateral received	Net amount
		已確認 金融負債總額	於綜合 財務狀況表中 抵銷之已確認 金融資產總額	於綜合 財務狀況表中 呈列之 金融負債淨額	金融工具 (現金抵押品 除外)	已收 現金抵押品	淨額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2021 於二零二一年十二月三十一日							
Type of financial liabilities	金融負債種類						
Trade payables to clearing house	應付結算所之賬款	577	(249)	328	-	-	328
At 31 December 2020 於二零二零年十二月三十一日							
Type of financial liabilities	金融負債種類						
Trade payables to clearing house	應付結算所之賬款	3,387	(3,387)	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 49. 財務風險管理目標及政策 (續)

##### 49.4 Credit risk (Continued)

##### 49.4 信貸風險 (續)

###### (vi) Offsetting (Continued)

###### (vi) 抵銷 (續)

The tables below reconcile the amounts of trade receivables and trade payables as presented in the consolidated statement of financial position:

下表為於綜合財務狀況表所呈列應收賬款與應付賬款之對銷：

Trade receivables	應收賬款	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Net amount of trade receivables from clearing house	應收結算所賬款淨額	123	4,623
Trade, loan and interest receivables not in the scope of offsetting disclosure	不在抵銷披露範圍之應收賬款、應收貸款及應收利息	378,104	387,124
Trade, loan and interest receivables as disclosed in the consolidated statement of financial position	綜合財務狀況表所披露之應收賬款、應收貸款及應收利息	378,227	391,747
Trade payables	應付賬款	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Net amount of trade payables to clearing house	應付結算所賬款淨額	328	-
Trade payables not in the scope of offsetting disclosure	不在抵銷披露範圍之應付賬款	409,227	360,624
Trade payables as disclosed in the consolidated statement of financial position	綜合財務狀況表所披露之應付賬款	409,555	360,624

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.5 Liquidity risk

Liquidity risk related to the risk that the Group will not be able to meet its obligation associated with its financial liabilities. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored on a day-to-day basis. Long-term liquidity needs for a 360-day lookout period are identified monthly.

The Group maintains mainly cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The following tables show the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flow (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay. Specially, for bank borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

#### 49. 財務風險管理目標及政策 (續)

##### 49.5 流動資金風險

流動資金風險與本集團無法履行其金融負債相關責任之風險有關。本集團透過謹慎監控長期金融負債之擬定還款期及日常業務現金流出，以管理其流動資金需求。本集團每日監察其流動資金需求。擁有360日監察期之長期流動資金需求於每月確定。

本集團主要利用現金應付其最多30日期間之流動資金需求。所需長期流動資金透過保持充足承諾信貸融資提供。

下表顯示於報告日本集團金融負債之剩餘合約到期日，其以合約未貼現現金流量(包括以合約利率計算之利息款項，或就浮息而言，基於報告日之當前利率)及本集團可能須付款之最早日期為基礎。具體而言，對於包含按要求償還條款而有關條款可由銀行全權酌情行使之銀行借貸，該分析根據實體可能須付款之最早期間列示現金流出，即猶如放款人會行使其要求即時還款之無條件權利。

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**49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**49. 財務風險管理目標及政策 (續)**

**49.5 Liquidity risk (Continued)**  
**As at 31 December 2021**

**49.5 流動資金風險 (續)**  
**於二零二一年十二月三十一日**

		Total contractual			
		Carrying amount	undiscounted cash flow	Within 1 year or on demand	Over 1 year
		賬面值	合約未貼現現金流量總額	1年內或按要求	超過1年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>				
Due to banks	應付銀行款項	15,126	15,126	15,126	-
Due to clients	應付客戶款項	12,750,292	12,750,292	12,750,292	-
Trade payables	應付賬款	409,555	409,555	409,555	-
Borrowings	借貸	1,176,635	1,235,466	944,198	305,832
Lease liabilities	租賃負債	77,228	95,753	34,556	61,197
Due to directors	應付董事之款項	73,515	77,190	77,190	-
Due to a shareholder	應付一名股東之款項	12,000	12,600	12,600	-
Other liabilities	其他負債	586,133	586,133	-	-
		<b>15,100,484</b>	<b>15,182,115</b>	<b>14,243,517</b>	<b>367,029</b>
<b>Maximum contractual amount</b>	<b>最高合約金額</b>				
Financial guarantee issued	已發出財務擔保	-	145,000	-	-
Credit card commitments	信用卡承擔	-	94,657	-	-
Irrecoverable commitments	不可收回承擔	-	30,707	-	-
		<b>-</b>	<b>270,364</b>	<b>-</b>	<b>-</b>

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## 綜合財務報表附註

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## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49. 財務風險管理目標及政策 (續)

49.5 Liquidity risk (Continued)  
As at 31 December 202049.5 流動資金風險 (續)  
於二零二零年十二月三十一日

		Carrying amount	Total contractual undiscounted cash flow		
			Within 1 year or on demand	Over 1 year	
		賬面值	合約未貼現現金流量總額	1年內或按要求的	超過1年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>				
Due to banks	應付銀行款項	2,639	2,639	2,639	–
Due to clients	應付客戶款項	13,835,358	13,835,358	13,835,358	–
Trade payables	應付賬款	360,624	360,624	360,624	–
Borrowings	借貸	1,564,822	1,599,691	1,589,593	10,098
Lease liabilities	租賃負債	57,570	72,398	35,756	36,642
Due to directors	應付董事之款項	12,000	12,600	12,600	–
Due to a shareholder	應付一名股東之款項	21,233	22,026	22,026	–
Other liabilities	其他負債	494,874	494,874	494,874	–
		16,349,120	16,400,210	16,353,470	46,740
<b>Maximum contractual amount</b>	<b>最高合約金額</b>				
Financial guarantee issued	已發出財務擔保	–	55,000	–	–
Credit card commitments	信用卡承擔	–	93,762	–	–
Irrecoverable commitments	不可收回承擔	–	34,122	–	–
		–	182,884	–	–

Liquidity risk also arises when there is mismatch between amounts and maturity dates of financial assets and financial liabilities.

流動資金風險乃由於金融資產及金融負債之金額及到期日錯配而產生。

The Group manages liquidity risk by holding liquid assets (including cash and deposits, financial instruments and other assets) of appropriate quality and quantity to ensure that short term funding requirements are covered within prudent limits.

本集團透過持有適當質量及數量之流動性資產(包括現金及存款、金融工具及其他資產)管理流動資金風險,以確保在經審慎釐定之限額內符合短期資金需求。

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### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 49.5 Liquidity risk (Continued)

The following tables indicates the analysis by remaining maturities of the Group's financial assets and liabilities:

As at 31 December 2021

		Repayable on demand 按要求償還 HK\$'000 千港元	Within 1 year 1年內 HK\$'000 千港元	More than 1 year 超過1年 HK\$'000 千港元	No maturity date 無到期日 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Total financial assets	金融資產總額	9,633,469	2,091,692	3,000,720	-	14,725,881
Total financial liabilities	金融負債總額	(15,005,175)	(54,732)	(88,532)	-	(15,148,439)
<b>Financial asset-liability gap</b>	<b>金融資產負債缺口</b>	<b>(5,371,706)</b>	<b>2,036,960</b>	<b>2,912,188</b>	<b>-</b>	<b>(422,558)</b>

As at 31 December 2020

		Repayable on demand 按要求償還 HK\$'000 千港元	Within 1 year 1年內 HK\$'000 千港元	More than 1 year 超過1年 HK\$'000 千港元	No maturity date 無到期日 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Total financial assets	金融資產總額	8,383,429	4,696,990	2,664,541	477,940	16,222,900
Total financial liabilities	金融負債總額	(15,470,543)	(689,457)	(237,219)	-	(16,397,219)
<b>Financial asset-liability gap</b>	<b>金融資產負債缺口</b>	<b>(7,087,114)</b>	<b>4,007,533</b>	<b>2,427,322</b>	<b>477,940</b>	<b>(174,319)</b>

As the financial instruments such as trading portfolio investments may be sold before maturity or due to banks and clients may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於金融工具如交易組合投資可能於到期前出售或應付銀行及客戶款項可能在不被提取之情況下到期，合約到期日並非代表未來現金流量之預計日期。

### 49. 財務風險管理目標及政策 (續)

#### 49.5 流動資金風險 (續)

下表列示本集團按餘下到期日計算金融資產及負債之分析：

於二零二一年十二月三十一日

於二零二零年十二月三十一日

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## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49.5 Liquidity risk (Continued)

The below table summarises the maturity analysis of borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts included interest payments computed using contractual rates. As a result, these amounts were greater than the amount disclosed in the “Within one year and on demand” time band in the maturity analysis above.

The maturity analysis of bank borrowings is shown as below:

	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	Over 1 year but within 2 years	Over 2 years
	賬面值	合約未貼現現金流量總額	1年內或按要 求	超過1年 但於2年內	超過2年
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2021 於二零二一年十二月三十一日	661,000	714,183	216,671	142,643	354,869
As at 31 December 2020 於二零二零年十二月三十一日	772,028	821,642	406,190	415,452	-

## 49. 財務風險管理目標及政策 (續)

## 49.5 流動資金風險 (續)

下表概述根據貸款協議所載協定擬定還款期須按要償還條款之借貸之到期日分析。有關金額包括以合約利率計算之利息款項。因此，該等金額大於上文到期日分析之「一年內或按要」時間範圍所披露之金額。

銀行借貸到期日分析如下：

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### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 49.6 Fair value risk

The fair value of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity. The fair values of non-current financial assets and liabilities were not disclosed because the carrying values were not materially different from their fair values.

#### 49.7 Equity price risk

Equity price risk related to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of change in market price (other than changes in interest rate and foreign exchange rate). The Group is exposed to equity price changes arising from equity investments classified as trading portfolio investments and financial assets at fair value through other comprehensive income.

Decisions to buy or sell trading portfolio investments are based on daily monitoring of the performance of individual securities and other industry indicators, as well as the Group's liquidity needs. Financial assets at fair value through other comprehensive income are based on their longer term growth potential and are monitored regularly for performance against expectations.

The following table indicates the approximate change in the Group's profit after income tax and consolidated equity in response to reasonably possible changes in the share prices of the listed investments classified as trading portfolio investments and financial assets at fair value through other comprehensive income to which the Group has significant exposure at the reporting date. The analysis is performed on the same basis for 2020.

### 49. 財務風險管理目標及政策 (續)

#### 49.6 公平值風險

由於本集團流動金融資產及負債即時或於短期內到期，故其公平值與賬面值並無重大差異。由於非流動金融資產及負債之賬面值與公平值並無重大差異，故不披露其公平值。

#### 49.7 股本價格風險

股本價格風險與金融工具之公平值或未來現金流量因市價變動而波動(利率及外匯匯率變動除外)之風險有關。本集團須面對來自分類為交易組合投資及按公平值計入其他全面收入之金融資產之股本投資之股本價格變動風險。

買賣交易組合投資決定按每日監察個別證券之表現及其他行業指標以及本集團之流動資金需要作出。按公平值計入其他全面收入之金融資產以較長期間之增長潛力為基準，並定期監察投資表現是否符合預期。

下表顯示分類為交易組合投資之上市投資股價及本集團於報告日所持面對重大風險之按公平值計入其他全面收入之金融資產之合理可能變動，對本集團之除所得稅後溢利及綜合權益之概約變動。二零二零年進行之分析採用相同基準。

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49. 財務風險管理目標及政策 (續)

## 49.7 Equity price risk (Continued)

## 49.7 股本價格風險 (續)

	2021 二零二一年		2020 二零二零年	
	Effect on loss after tax and retained profits 對除稅後虧損及保留溢利之影響 HK\$'000 千港元	Effect on fair value through other comprehensive income reserve 對按公平值計入其他全面收入儲備之影響 HK\$'000 千港元	Effect on loss after tax and retained profits 對除稅後虧損及保留溢利之影響 HK\$'000 千港元	Effect on fair value through other comprehensive income reserve 對按公平值計入其他全面收入儲備之影響 HK\$'000 千港元
<b>Trading portfolio investments:</b>	<b>交易組合投資：</b>			
Increase in share prices of the listed investments by 30% (2020: 30%)	上市投資之股價上升30% (二零二零年：30%)	(1,371) -	(1,551) -	-
Decrease in share prices of the listed investments by 30% (2020: 30%)	上市投資之股價下跌30% (二零二零年：30%)	1,371 -	1,551 -	-
<b>Financial assets at fair value through other comprehensive income:</b>	<b>按公平值計入其他全面收入之金融資產：</b>			
Increase in share price of the listed investment by 30% (2020: 30%)	上市投資之股價上升30% (二零二零年：30%)	- 149,391	-	139,453
Decrease in share price of the listed investment by 30% (2020: 30%)	上市投資之股價下跌30% (二零二零年：30%)	- (149,391)	-	(139,453)

## 49.8 Operational risks

Operational risk is the risk of losses due to faulty internal processes, procedures and systems, inappropriate behaviour by employees, or external influences. The definition includes all legal risks as well as reputational risks. However, it excludes strategic risks. The ongoing monitoring of operational risk is, whenever possible, embedded in the operational processes. Separation of functions and a dual control principle are crucial elements in monitoring. The directors oversee the management of operational risk based on standardised reporting and ad hoc information.

## 49.8 營運風險

營運風險指由於不完善之內部流程、程序及制度、員工行為不當或外部影響而造成損失之風險。其定義包括所有法律風險以及聲譽風險，然而並不包括戰略風險。每當可行，營運過程中均會持續監察營運風險。職能分隔和雙重控制原則是營運風險監控之關鍵因素。董事基於標準化報告及即時資料監察營運風險管理。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.8 Operational risks (Continued)

###### Capital management

The Group's capital management objectives are:

- (i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for stakeholders;
- (ii) To support the Group's stability and growth; and
- (iii) To provide capital for the purpose of potential mergers and acquisitions.

The Group sets the amount of equity capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the 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 amount dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

The capital-to-overall financing ratio at reporting date was as follows:

#### 49. 財務風險管理目標及政策 (續)

##### 49.8 營運風險 (續)

###### 資本管理

本集團之資本管理目標為：

- (i) 確保本集團能夠持續經營，以繼續為持份者提供回報及利益；
- (ii) 支持本集團穩定增長；及
- (iii) 為潛在合併及收購提供資金。

本集團根據其整體財務結構之比例釐定股本資金。本集團管理資本結構，並因應經濟狀況轉變及相關資產之風險特徵作出調整。為維持或調整資本結構，本集團或會調整向股東支付之股息金額、股東資本回報、發行新股份或出售資產減債。

於報告日，資本佔整體融資比率如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Capital</b>	<b>資本</b>		
Total equity	權益總額	4,623,540	4,736,227
<b>Overall financing</b>	<b>整體融資</b>		
Borrowings	借貸	1,176,635	1,546,822
Due to a shareholder	應付一名股東之款項	12,000	12,000
Due to directors	應付董事之款項	73,515	21,233
Due to an associate	應付一間聯營公司款項	10,000	-
Due to a related company	應付一間關連公司款項	88,000	-
		<b>1,360,150</b>	1,580,055
Capital-to-overall financing ratio	資本佔整體融資比率	<b>3.40</b>	3.00

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

**49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (Continued)**49.8 Operational risks** (Continued)**Capital adequacy of Bendura Group**

Starting 1 February 2015, the calculation of regulatory capital incorporates the capital requirements following the Capital Requirements Regulation (EU) No. 575/2013 (Capital Requirements Regulation – CRR) and the Capital Requirements Directive No. 2013/36/EU (CRD 4) as implemented into Liechtenstein law. The minimum capital requirement is 8% of risk weighted assets which consists at least of 4.5% common equity tier 1 (CET 1) capital, 1.5% additional tier 1 capital and 2% tier 2 capital. In addition, the Bendura Group has to fulfill 2.5% buffer requirements (capital conservation buffer). The buffer requirement must be fulfilled with CET 1 capital.

Capital ratios measure capital adequacy by comparing the Bendura Group's eligible capital with balance sheet assets, off-balance sheet commitments and market positions at weighted amounts to reflect their relative risk. Assets are weighted according to broad categories of notional risk, first being multiplied by a conversion factor and then being assigned a risk weighting according to the amount of capital deemed to be necessary for them. Off-balance sheet commitments and default risk positions are also multiplied and risk-weighted. Market risk is calculated with the standard approach.

All results are based on the full application of the final CRR and CRD 4 framework in the European Union and thus without consideration of applicable transitional rules. The Bendura Group has complied with all externally imposed capital requirements as at 31 December 2021 and 2020.

**49.9 Fair value measurements recognised in the consolidated statement of financial position**

The fair values of the Group's financial assets and financial liabilities are determined as follows:

- the fair values of listed equity investments, precious metal, and debt instruments classified under due from banks, trading portfolio investments, financial asset at fair value through other comprehensive income and due to clients are determined by reference to their quoted market prices at the reporting date in active markets and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.

**49. 財務風險管理目標及政策** (續)**49.8 營運風險** (續)**富地集團資本充足**

自二零一五年二月一日起，隨著列支敦士登法律納入資本要求法規（歐盟）（資本要求法規—CRR）第575/2013號及資本規定指令第2013/36/EU號（CRD 4），監管資本之計算包含資本要求。最低資本要求為風險加權資產之8%，其中至少包括4.5%核心一級資本（核心一級資本）、1.5%額外一級資本及2%二級資本。此外，富地集團須滿足2.5%之緩衝要求（資本儲備緩衝）。緩衝要求必須以核心一級資本達成。

資本充足率以資本比率衡量，方法為將富地集團之合格資本與資產負債表中資產、資產負債表外承擔及按加權金額計算之市場持倉比較，以反映其相對風險。資產根據大範圍名義風險加權，先乘以一個轉換因素，再根據被視為對其必要之資金數額分配加權風險。資產負債表外承擔及違約風險狀況亦會作出乘數及被分配加權風險。市場風險以標準方法計算。

所有結果基於全面遵守歐盟最終版CRR及CRD 4框架而得出，因此未考慮適用過渡規定。富地集團於二零二一年及二零二零年十二月三十一日已全面遵守外部施加之資本要求。

**49.9 於綜合財務狀況表確認之公平值計量**

本集團金融資產及金融負債之公平值按以下情況釐定：

- 分類至應收銀行款項、交易組合投資、按公平值計入其他全面收入之金融資產及應付客戶款項之上市股本投資、貴金屬及債務工具之公平值經參考其於報告日於活躍市場上之買入市價釐定，並已按報告期末之即期匯率換算（如適用）。

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## 綜合財務報表附註

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## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49.9 Fair value measurements recognised in the consolidated statement of financial position (Continued)

- the fair value of investment fund units under trading portfolio investments is determined by reference to their quoted market prices at the reporting date in active markets and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.
- the fair value of certain equity investments under financial assets at fair value through other comprehensive income is determined based on the fair value of their underlying net assets.
- the fair values of unlisted debt instruments classified under trading portfolio investments have been determined using significant inputs, which are market observable, directly or indirectly.
- the fair values of derivative financial assets and liabilities classified at level 2 financial assets are marked to market using the foreign exchange forward rates ruling at the end of each reporting periods.
- the fair value of unlisted investment in insurance policy is determined based on amount value as stated in cash surrender value statement issued by insurer.
- the fair value of unlisted financial product investments is determined based on the latest transaction price.

HKFRS 13 introduced a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and financial liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and financial liabilities. The fair value hierarchy has the following levels:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: observable direct and indirect inputs other than quoted prices included within Level 1; and
- Level 3: unobservable inputs are inputs for which market data are not available.

## 49. 財務風險管理目標及政策 (續)

## 49.9 於綜合財務狀況表確認之公平值計量 (續)

- 交易組合投資的投資基金單位的公平值參考其於報告日於活躍市場上之買入市價釐定，並已按報告期末之即期匯率換算(如適用)。
- 按公平值計入其他全面收入之金融資產之若干股本投資之公平值按相關資產淨值之公平值釐定。
- 分類至交易組合投資之非上市債務工具之公平值乃直接或間接使用市場可觀察之重大輸入數值釐定。
- 分類為第二級金融資產之衍生金融資產及負債之公平值乃以各個報告期末當前遠期匯率按市值計價。
- 未上市保單投資之公平值乃按保險公司出具現金退保單所示之金額而釐定。
- 非上市金融產品投資之公平值乃基於最新交易價格釐定。

香港財務報告準則第13號就公平值計量披露及有關公平值計量之相對可靠性之額外披露引入三個公平值層級。

金融資產及金融負債根據用於計量金融資產及金融負債之公平值之重大輸入數值之相對可靠性分為三個層級。公平值層級有以下層級：

- 第一級：相同資產或負債於活躍市場之報價(未經調整)；
- 第二級：直接或間接可觀察之輸入數值(不包括第一級報價)；及
- 第三級：無法觀察之輸入數值乃並無市場數據之輸入數值。

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## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 49. 財務風險管理目標及政策 (續)

## 49.9 Fair value measurements recognised in the consolidated statement of financial position (Continued)

The financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

## 49.9 於綜合財務狀況表確認之公平值計量 (續)

綜合財務狀況表以公平值計量之金融資產及金融負債分為以下公平值層級：

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>2021</b>	<b>二零二一年</b>				
<b>Assets</b>	<b>資產</b>				
Due from bank – precious metal	應收銀行款項—貴金屬	–	121,114	–	121,114
Trading portfolio investments	交易組合投資	4,570	72,002	9,558	86,130
Derivative financial assets	衍生金融資產	–	34,608	–	34,608
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	497,970	6,147	–	504,117
		502,540	233,871	9,558	745,969
<b>Liabilities</b>	<b>負債</b>				
Due to clients – precious metal	應付客戶款項—貴金屬	–	121,250	–	121,250
Derivative financial liabilities	衍生金融負債	–	47,955	–	47,955
		–	169,205	–	169,205
<b>2020</b>	<b>二零二零年</b>				
<b>Assets</b>	<b>資產</b>				
Due from bank – precious metal	應收銀行款項—貴金屬	–	130,055	–	130,055
Trading portfolio investments	交易組合投資	5,171	49,021	26,118	80,310
Derivative financial assets	衍生金融資產	–	29,224	–	29,224
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產	464,843	5,951	–	470,794
		470,014	214,251	26,118	710,383
<b>Liabilities</b>	<b>負債</b>				
Due to clients – precious metal	應付客戶款項—貴金屬	–	130,119	–	130,119
Derivative financial liabilities	衍生金融負債	–	31,334	–	31,334
		–	161,453	–	161,453

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### 49.9 Fair value measurements recognised in the consolidated statement of financial position (Continued)

There have been no significant transfers between Levels 1 and 2 in the reporting period.

The level in the fair value hierarchy within which the financial assets and financial liabilities are categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

The fair value of unlisted investment funds classified as trading securities is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

#### 49. 財務風險管理目標及政策 (續)

##### 49.9 於綜合財務狀況表確認之公平值計量 (續)

於報告期內，第一級及第二級之間並無重大轉撥。

金融資產及金融負債整體所歸入之公平值層級級別，乃基於對公平值計量屬重大之最低層次輸入數值劃分。

計量公平值所用方法及評估方式與以往報告期間無異。

分類為買賣證券的非上市投資基金的公平值屬第三級經常性公平值計量。期初及期末公平值結餘的對賬載列如下。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Opening balance (Level 3 recurring fair value)	期初結餘 (第三級經常性公平值)	26,118	46,758
Fair value change during the year	年內公平值變動	(15,768)	(23,457)
Exchange realignment	匯兌調整	(792)	2,817
Closing balance (Level 3 recurring fair value)	年末結餘 (第三級經常性公平值)	9,558	26,118

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 50. STATEMENT OF FINANCIAL POSITION

## 50. 財務狀況表

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備		41,707	18,956
Interests in subsidiaries	所佔附屬公司之權益		2,208,601	2,200,286
Financial asset at fair value through other comprehensive income	按公平值計入其他全面收入之金融資產		303,387	288,142
			<b>2,553,695</b>	<b>2,507,384</b>
<b>Current assets</b>	<b>流動資產</b>			
Other assets	其他資產		20,344	61,413
Trading portfolio investments	交易組合投資		343	293
Cash and deposits	現金及存款		8,692	114,218
			<b>29,379</b>	<b>175,924</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Other liabilities	其他負債		30,733	44,291
Borrowings	借貸		243,838	1,125,028
Lease liabilities	租賃負債		13,309	18,569
Derivative financial instruments	衍生金融工具		1,647	-
Due to associates	應付聯營公司賬款		10,000	-
Due to directors	應付董事之款項		56,300	-
Due to fellow subsidiaries	應付同系附屬公司款項		229,208	-
Due to a related Company	應付一間關連公司款項		88,000	-
Due to a shareholder	應付一名股東之款項		12,000	12,000
			<b>685,035</b>	<b>1,199,888</b>
<b>Net current liabilities</b>	<b>流動負債淨值</b>		<b>(655,656)</b>	<b>(1,023,964)</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,898,039</b>	<b>1,483,420</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債		28,174	767
Borrowings	借貸		451,350	-
			<b>479,524</b>	<b>767</b>
<b>Net assets</b>	<b>資產淨值</b>		<b>1,418,515</b>	<b>1,482,653</b>
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	40	435,189	435,189
Reserves	儲備	41	983,326	1,047,464
<b>Total equity</b>	<b>權益總額</b>		<b>1,418,515</b>	<b>1,482,653</b>

The statement of financial position of the Company was approved and authorised for issue by the board of directors of the Company on 30 March 2022 and are signed on its behalf by:

本公司財務狀況表於二零二二年三月三十日獲本公司董事會批准及授權刊發，並由以下董事代表簽署：

**Hon Kwok Lung**  
韓國龍  
Director  
董事

**Siu Chun Wa**  
蕭進華  
Director  
董事

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### 綜合財務報表附註

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#### 51. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries, each of which is a limited liability company are as follows:

#### 51. 主要附屬公司資料

主要附屬公司(均為有限公司)詳情如下:

Name 名稱	Place of incorporation/ registration 註冊成立/註冊地點	Particulars of issued/ paid-up capital 已發行/繳足股本詳情	Effective percentage of equity interest held by the Company 本公司所持股權之實際百分比		Principal activities and principal place of business 主要業務及主要營業地點
			2021 二零二一年	2020 二零二零年	
<i>Directly held:</i> 直接持有:					
Qingapen Limited 晴嘉投資有限公司	Hong Kong 香港	HK\$2 2港元	100%	100%	Property investment, PRC 於中國投資物業
China Haidian Commercial Network Services Limited 中國海澱商業網絡服務有限公司	Hong Kong 香港	HK\$2 2港元	100%	100%	Property investment, PRC 於中國投資物業
Haidian-Creation International Limited	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	US\$1 1美元	100%	100%	Investment holding, Hong Kong 於香港投資控股
Sure Best Management Limited 港益管理有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Investment holding, Hong Kong 於香港投資控股
Jia Cheng Investment Limited 佳城投資有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Investment holding, Hong Kong 於香港投資控股
Citychamp Watch and Jewellery SwissCo AG	Switzerland 瑞士	CHF100,000 100,000瑞士法郎	100%	100%	Issuance of bonds, Switzerland 於瑞士發行債券
Bendura Bank AG	Liechtenstein	CHF20,000,000	89.55%	85.44%	Assets management, accepting client deposits, making investment and granting loans, Liechtenstein 於列支敦士登管理資產、接受客 戶存款、投資及批出貸款
富地銀行股份有限公司	列支敦士登	20,000,000瑞士法郎			
Shun Heng Finance Holding (Hong Kong) Limited 信亨金融控股(香港)有限公司	Hong Kong 香港	HK\$50,000,000 50,000,000港元	60%	60%	Investment holding, Hong Kong 於香港投資控股

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 51. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 51. 主要附屬公司資料 (續)

Name 名稱	Place of incorporation/ registration 註冊成立/註冊地點	Particulars of issued/ paid-up capital 已發行/繳足股本詳情	Effective percentage of equity interest held by the Company 本公司所持股權之實際百分比		Principal activities and principal place of business 主要業務及主要營業地點
			2021 二零二一年	2020 二零二零年	
<i>Indirectly held:</i> 間接持有:					
EBOHR Luxuries International Co., Limited (note a) 依波精品(深圳)有限公司(附註a)	PRC 中國	HKS116,000,000 116,000,000港元	100%	100%	Manufacture and distribution of watches and timepieces, PRC 於中國製造及分銷鐘錶及時計產品
Shenzhen EBOHR Luxuries Online E-commerce Company Limited (note b) 深圳市依波精品在線電子商務有限公司 (附註b)	PRC 中國	RMB19,000,000 人民幣19,000,000元	100%	100%	Distribution of watches and timepieces, PRC 於中國分銷鐘錶及時計產品
Actor Investments Limited 安達投資有限公司	Hong Kong 香港	HKS10,000 10,000港元	100%	100%	Investment holding, Hong Kong 於香港投資控股
Zhuhai Rossini Watch Industry Limited (note d) 珠海羅西尼錶業有限公司(附註d)	PRC 中國	RMB180,000,000 人民幣180,000,000元	91%	91%	Manufacture and distribution of watches and timepieces, PRC 於中國製造及分銷鐘錶及時計產品
PAMA Precision Manufacturing Limited (note b) 深圳市帕瑪精品製造有限公司(附註b)	PRC 中國	RMB11,000,000 人民幣11,000,000元	100%	100%	Manufacture and distribution of watches and timepieces, PRC 於中國製造及分銷鐘錶及時計產品
Shenzhen Permanence Commerce Co., Limited (note b) 深圳市恒譽嘉時貿易有限公司(附註b)	PRC 中國	RMB23,000,000 人民幣23,000,000元	91%	91%	Distribution of watches and timepieces, PRC 於中國分銷鐘錶及時計產品
Zhuhai Rossini Glasses Industry Limited (note b) 珠海羅西尼眼鏡有限公司(附註b)	PRC 中國	RMB1,000,000 人民幣1,000,000元	91%	91%	Distribution of glasses, PRC 於中國分銷眼鏡
Sino Swiss Clock & Watch Technology Limited (note b) 中瑞(珠海)鐘錶技術有限公司(附註b)	PRC 中國	RMB5,000,000 人民幣5,000,000元	91%	91%	Provision of services in watch maintenance and repairment and technical advisory, PRC 於中國提供鐘錶維修及技術諮詢服務
Eterna AG Uhrenfabrik	Switzerland 瑞士	CHF6,000,000 6,000,000瑞士法郎	100%	100%	Manufacture and distribution of watches and timepieces, Switzerland 於瑞士製造及分銷鐘錶及時計產品
Eterna Movement AG	Switzerland 瑞士	CHF1,000,000 1,000,000瑞士法郎	100%	100%	Manufacture and distribution of watches and timepieces, Switzerland 於瑞士製造及分銷鐘錶及時計產品

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### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 51. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

#### 51. 主要附屬公司資料 (續)

Name 名稱	Place of incorporation/ registration 註冊成立/註冊地點	Particulars of issued/ paid-up capital 已發行/繳足股本詳情	Effective percentage of equity interest held by the Company 本公司所持股權之實際百分比		Principal activities and principal place of business 主要業務及主要營業地點
			2021 二零二一年	2020 二零二零年	
<i>Indirectly held: (Continued)</i> 間接持有：(續)					
Guangdong Juxin Watch Co., Limited (note d)	PRC	RMB15,000,000	51%	51%	Distribution of watches and timepieces, PRC 於中國分銷鐘錶及時計產品
廣東鉅信鐘錶連鎖有限公司(附註d)	中國	人民幣15,000,000元			
Liaoning Hengjia Horologe Co., Limited (note d)	PRC	RMB25,500,000	51%	51%	Distribution of watches and timepieces, PRC 於中國分銷鐘錶及時計產品
遼寧恒嘉鐘錶有限公司(附註d)	中國	人民幣25,500,000元			
Guangzhou Five Goat Watch Co., Limited (note b)	PRC	RMB100,000,000	74.1%	74.1%	Manufacture and distribution of watches and timepieces, PRC 於中國製造及分銷鐘錶及時計產品
廣州五羊錶業有限公司(附註b)	中國	人民幣100,000,000元			
Eterna (Asia) Limited	Hong Kong	HK\$5,000,000	70%	70%	Distribution of watches and timepieces, Hong Kong 於香港分銷鐘錶及時計產品
綺年華(亞洲)有限公司	香港	5,000,000港元			
Centenaire Trading (Shanghai) Co., Ltd (note a)	PRC	RMB4,550,000	70%	70%	Distribution of watches and timepieces, PRC 於中國分銷鐘錶及時計產品
聖坦尼爾貿易(上海)有限公司(附註a)	中國	人民幣4,550,000元			
Eterna (Beijing) International Trading Co., Ltd (note b)	PRC	RMB1,000,000	70%	70%	Distribution of watches and timepieces, PRC 於中國分銷鐘錶及時計產品
綺年華(北京)國際貿易有限公司(附註b)	中國	人民幣1,000,000元			
Jilin Dayou Watch Limited (note d)	PRC	RMB15,000,000	51%	51%	Distribution of watches and timepieces, PRC 於中國分銷鐘錶及時計產品
吉林大有鐘錶有限公司(附註d)	中國	人民幣15,000,000元			
Montres Corum Sàrl	Switzerland	CHF3,000,000	100%	100%	Manufacture, and distribution of watches and timepieces, Switzerland 於瑞士製造及分銷鐘錶及時計產品
	瑞士	3,000,000瑞士法郎			
Montres Corum (UK) Ltd.	United Kingdom	GBP3,383,424	100%	100%	Distribution of watches and timepieces, United Kingdom 於英國分銷鐘錶及時計產品
Montres Corum (UK) Ltd.	英國	3,383,424英鎊			
Corum Italia SRL	Italy	EUR10,400	100%	100%	Distribution of watches and timepieces, Italy 於意大利分銷鐘錶及時計產品
	意大利	10,400歐元			

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 51. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 51. 主要附屬公司資料 (續)

Name 名稱	Place of incorporation/ registration 註冊成立/註冊地點	Particulars of issued/ paid-up capital 已發行/繳足股本詳情	Effective percentage of equity interest held by the Company 本公司所持股權之實際百分比		Principal activities and principal place of business 主要業務及主要營業地點
			2021 二零二一年	2020 二零二零年	
<i>Indirectly held: (Continued)</i> 間接持有：(續)					
Montres Corum Europe SA	Switzerland 瑞士	CHF100,000 100,000瑞士法郎	100%	100%	Distribution of watches and timepieces, Switzerland 於瑞士分銷鐘錶及時計產品
Servicio de Importacion SA	Spain 西班牙	EUR739,000 739,000歐元	100%	100%	Distribution of watches and timepieces, Spain 於西班牙分銷鐘錶及時計產品
Corum Deutschland GmbH	Germany 德國	EUR200,000 200,000歐元	100%	100%	Distribution of watches and timepieces, Germany 於德國分銷鐘錶及時計產品
Corum (Hong Kong) Limited	Hong Kong 香港	HK\$1,000 1,000港元	100%	100%	Distribution of watches and timepieces, Hong Kong 於香港分銷鐘錶及時計產品
The Dreyfuss Group Limited	United Kingdom 英國	GBP 221,541 221,541英鎊	100%	100%	Distribution of watches and timepieces, United Kingdom 於英國分銷鐘錶及時計產品
Rotary Overseas Limited	United Kingdom 英國	GBP 1,000,000 1,000,000英鎊	100%	100%	Distribution of watches and timepieces, United Kingdom 於英國分銷鐘錶及時計產品
Artemis Watch Company Limited	United Kingdom 英國	GBP 100 100英鎊	100%	100%	Distribution of watches and timepieces, United Kingdom 於英國分銷鐘錶及時計產品
Rotary Watches LLC	United States of America 美國	US\$ 10 10美元	100%	100%	Distribution of watches and timepieces, United States of America 於美國分銷鐘錶及時計產品
Dreyfuss & Co SA	Switzerland 瑞士	CHF 100,000 100,000瑞士法郎	100%	100%	Manufacturing of watches and timepieces, Switzerland 於瑞士製造鐘錶及時計產品

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

### 51. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

### 51. 主要附屬公司資料 (續)

Name 名稱	Place of incorporation/ registration 註冊成立/註冊地點	Particulars of issued/ paid-up capital 已發行/繳足股本詳情	Effective percentage of equity interest held by the Company 本公司所持股權之實際百分比		Principal activities and principal place of business 主要業務及主要營業地點
			2021 二零二一年	2020 二零二零年	
<i>Indirectly held: (Continued)</i> 間接持有：(續)					
Fabrique de Montres Rotary S.A.	Switzerland 瑞士	CHF 1,000,000 1,000,000 瑞士法郎	100%	100%	Manufacturing and distribution of watches and timepieces, Switzerland 於瑞士製造及分銷鐘錶及時計產品
Bendura Fund Management Beta AG	Liechtenstein 列支敦士登	CHF1,500,000 1,500,000 瑞士法郎	89.55%	85.44%	Providing investment counselling, acting as technical administrator of fund units, acting as a fund management company and acting as an alternative investment fund manager, Liechtenstein 於列支敦士登提供投資諮詢、擔任基 金單位之技術管理員、擔任基金管 理公司及擔任另類投資基金經理
VFM Mutual Fund AG	Liechtenstein 列支敦士登	CHF 500,000 50,000 瑞士法郎	89.55%	85.44%	Managing a particular fund as general partner, Liechtenstein 於列支敦士登作為一般合夥人管理一 項特別基金
LFM ALPHA SOLUTIONS AGmvk	Liechtenstein 列支敦士登	CHF50,000 50,000 瑞士法郎	89.55%	85.44%	Provision of asset investment and management services for qualified investors, Liechtenstein 於列支敦士登向合資格投資者提供資 產投資及管理服務
Metasequoia Capital	Hong Kong 香港	HK\$800,000 800,000 港元	60%	60%	Provision of asset management services, Hong Kong 於香港提供資產管理服務
Shun Heng	Hong Kong 香港	HK\$26,380,000 26,380,000 港元	60%	60%	Dealing and advising in securities, Hong Kong 於香港進行證券交易及顧問服務
Ernest Borel Holdings Limited 依波路控股有限公司	Cayman Island 開曼群島	HK\$3,474,000 3,474,000 港元	64.08%	64.08%	Investment holding, Hong Kong 於香港投資控股

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## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 51. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 51. 主要附屬公司資料 (續)

Name 名稱	Place of incorporation/ registration 註冊成立/註冊地點	Particulars of issued/ paid-up capital 已發行/繳足股本詳情	Effective percentage of equity interest held by the Company 本公司所持股權之實際百分比		Principal activities and principal place of business 主要業務及主要營業地點
			2021 二零二一年	2020 二零二零年	
<i>Indirectly held: (Continued)</i> 間接持有：(續)					
Boillat Les Bois S.A.	Switzerland 瑞士	CHF100,000 100,000 瑞士法郎	64.08%	64.08%	Development, manufacturing and marketing of watches, Switzerland 於瑞士開發、製造及推廣鐘錶
Ernest Borel S.A.	Switzerland 瑞士	CHF100,000 100,000 瑞士法郎	64.08%	64.08%	Manufacturing and trading of watches, Switzerland 於瑞士製造及買賣鐘錶
Ernest Borel (Far East) Company Limited 依波路(遠東)有限公司	Hong Kong 香港	HK\$20,000 20,000 港元	64.08%	64.08%	Assembling and sales of watches, Hong Kong 於香港組裝及銷售鐘錶
Ernest Borel (Guangzhou) Trading Co., Ltd 依波路(廣州)貿易有限公司	PRC 中國	RMB20,000,000 人民幣20,000,000元	64.08%	64.08%	Distribution and sales of watches, PRC 於中國分銷及銷售鐘錶
Ernest Borel (Hong Kong) Limited 依波路(香港)有限公司	Hong Kong 香港	HK\$1,000 1,000 港元	64.08%	64.08%	Investment holding, Hong Kong 於香港投資控股
Ernest Borel Watch Company Limited	BVI 英屬處女群島	US\$100 100 美元	64.08%	64.08%	Investment holding, Hong Kong 於香港投資控股
Swissmount Holdings Limited	BVI 英屬處女群島	US\$100 100 美元	64.08%	64.08%	Investment holding, Hong Kong 於香港投資控股

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 51. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

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.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

- (a) These subsidiaries are registered as wholly foreign owned enterprises under the law of PRC.
- (b) These subsidiaries are registered as limited liability companies under the law of PRC.
- (c) This subsidiary is registered as foreign joint venture under the law of PRC.
- (d) These subsidiaries are registered as sino-foreign joint ventures under the law of PRC.

#### 51. 主要附屬公司資料 (續)

上表載列董事認為主要影響本集團本年度之業績或構成本集團資產淨值重大部分之本公司附屬公司。董事認為，詳列其他附屬公司之資料將會令有關資料過於冗長。

概無附屬公司於年末發行任何債務證券。

附註：

- (a) 該等附屬公司根據中國法律登記為外商獨資企業。
- (b) 該等附屬公司根據中國法律登記為有限公司。
- (c) 該附屬公司根據中國法律登記為外商合資企業。
- (d) 該等附屬公司根據中國法律登記為中外合資企業。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

## 51. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 51. 主要附屬公司資料 (續)

Set out below are the summarised financial information for the subsidiaries that had non-controlling interests which is material to the Group, before any elimination.

下文載列於任何對銷前擁有對本集團而言屬重大之非控股權益之各附屬公司財務資料概要。

		Ernest Borel Group 依波路集團		Bendura Bank AG 富地銀行股份有限公司		Zhuhai Rossini Watch Industry Limited 珠海羅西尼錶業有限公司	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Summarised statement of financial position	財務狀況表概要						
As at 31 December	於十二月三十一日						
Effective non-controlling interests percentage	實際非控股權益百分比	35.92%	35.92%	10.45%	14.56%	9%	9%
Assets	資產	459,338	468,149	13,814,393	15,051,728	1,395,618	1,333,248
Liabilities	負債	(350,902)	(317,462)	(12,925,132)	(14,146,343)	365,601	(352,681)
Net assets	資產淨值	108,436	150,687	889,261	905,385	1,030,017	980,567
Accumulated non-controlling interests	累計非控股權益	56,239	71,416	123,238	117,692	77,375	75,266
Summarised statement of comprehensive income	全面收入表概要						
For the year ended 31 December	截至十二月三十一日止年度						
Revenue	收益	149,252	122,596	353,731	347,534	601,485	582,452
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(33,957)	(13,799)	36,210	822	124,497	75,781
Other comprehensive income	其他全面收入	(7,246)	11,140	12,778	78,210	-	-
Total comprehensive income	全面收入總額	(42,253)	3,893	48,988	75,094	111,257	62,174
(Loss)/profit allocated to non-controlling interests	分配至非控股權益之(虧損)/溢利	(15,177)	1,398	75,120	10,936	10,037	5,596
Dividends paid to non-controlling interests	向非控股權益支付之股息	-	-	644	11,677	10,988	27,085
Summarised statement of cash flows	現金流量表概要						
For the year ended 31 December	截至十二月三十一日止年度						
Cash flows (used in)/generated from operating activities	經營業務(所用)/產生之現金流量	3,145	(22,040)	1,162,069	1,013,062	256,167	186,537
Cash flows (used in)/generated from investing activities	投資活動(所用)/產生之現金流量	(5,738)	(5,721)	(334,574)	(149,982)	(74,188)	(87,066)
Cash flows generated from/(used in) financing activities	融資活動產生/(所用)之現金流量	(6,803)	25,838	(65,115)	(84,433)	(205,278)	(232,307)
Net cash (outflow)/inflow	現金(流出)/流入淨額	(9,396)	(1,923)	762,380	778,647	(23,299)	(132,836)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

#### 52. EVENT AFTER REPORTING PERIOD

On 16 December 2020, the Company entered into the sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and the purchaser has conditionally agreed to acquire, the shares and certain loans of the following companies (the “Transaction”):

- International Volant Limited;
- EB Brand Limited;
- Jia Cheng Investment Limited;
- Joyful Surplus International Limited;
- Sharptech International Limited;
- Unique Leader Limited; and
- Sure Best Management Limited.

On 3 January 2022, the Company received a written notice from the purchaser, in which the purchaser proposed to terminate the Transaction. The Company has entered into a termination agreement with the purchaser pursuant to sales and purchase agreement.

Details of the Transaction are set out in the Company’s announcements dated 16 December 2020, 25 March 2021, 27 June 2021, 30 September 2021 and 3 January 2022 and circular dated 25 February 2021.

Except for above mentioned, there were no material events occurred after the financial report date.

#### 52. 報告期後事件

於二零二零年十二月十六日，本公司訂立買賣協議，據此，本公司已有條件同意出售，而買方則有條件同意收購以下公司之股份及若干貸款（「交易」）：

- 國際飛迅有限公司；
- 依波系列品牌有限公司；
- 佳城投資有限公司；
- 開心國際有限公司；
- 盛科國際有限公司；
- 領豐行有限公司；及
- 港益管理有限公司。

於二零二二年一月三日，本公司接獲買方的書面通知，當中載明買方擬終止交易。本公司已根據買賣協議與買方訂立終止協議。

交易詳情載於本公司日期為二零二零年十二月十六日、二零二一年三月二十五日、二零二一年六月二十七日、二零二一年九月三十日及二零二二年一月三日之公告以及日期為二零二一年二月二十五日之通函。

除上文所述者外，於財務報告日期後未並無發生重大事項。

## FIVE YEAR FINANCIAL SUMMARY

### 五年財務資料摘要

A summary of the published results and financial position of the Group for the year ended 31 December 2021 and the last four years is set out below. This summary does not form part of the audited financial statements.

本集團截至二零二一年十二月三十一日止年度及過去四年之已刊發業績及財務狀況概要載列如下。此概要並不組成經審核財務報表之一部分。

### FINANCIAL PERFORMANCE

### 財務表現

		Year ended 31 December 截至十二月三十一日止年度				
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net interest income from banking business	銀行業務之利息收入淨額	94,164	128,028	183,462	180,831	94,992
Net service fees and commission income from banking business	銀行業務之服務費及佣金收入淨額	223,370	196,994	212,561	236,361	212,616
Trading income from banking business	銀行業務之交易收入	36,197	21,702	57,230	63,172	65,227
Service fees and commission income from financial business	金融業務之服務費及佣金收入	5,900	10,721	3,195	3,342	9,307
Interest income from financial business	金融業務之利息收入	330	184	165	193	128
Sales of goods from non-banking and financial businesses	非銀行及金融業務之貨品銷售收入	1,555,114	1,405,812	2,249,737	2,444,364	2,583,495
Rental income from non-banking and financial businesses	非銀行及金融業務之租金收入	16,024	11,108	9,915	9,586	16,936
<b>Total revenue</b>	<b>總收入</b>	<b>1,931,099</b>	<b>1,774,549</b>	<b>2,716,265</b>	<b>2,937,849</b>	<b>2,982,701</b>
Cost of sales from non-banking and financial businesses	非銀行及金融業務之銷售成本	(745,224)	(647,405)	(1,004,030)	(1,022,568)	(1,226,494)
Other income and other net gains or losses	其他收入及其他收益或虧損淨額	40,881	98,333	104,393	79,486	1,300,392
Selling and distribution expenses	銷售及分銷費用	(535,895)	(550,428)	(817,889)	(849,551)	(800,923)
Administrative expenses	行政費用	(698,022)	(728,432)	(777,114)	(737,985)	(774,011)
Share of loss of joint ventures	應佔合營企業虧損	(83)	(494)	(1,343)	(2,678)	(1,159)
Share of profit of associates	應佔聯營公司溢利	323	3,180	17,675	8,387	20,711
Finance costs from non-banking business	非銀行業務之財務費用	(67,351)	(82,956)	(95,320)	(65,828)	(68,453)
<b>(Loss)/profit before income tax</b>	<b>除所得稅前(虧損)/溢利</b>	<b>(74,272)</b>	<b>(133,653)</b>	<b>142,637</b>	<b>347,112</b>	<b>1,432,764</b>
Income tax expense	所得稅開支	(31,104)	(25,176)	(71,456)	(105,664)	(221,566)
<b>(Loss)/profit for the year</b>	<b>本年度(虧損)/溢利</b>	<b>(105,376)</b>	<b>(158,829)</b>	<b>71,181</b>	<b>241,448</b>	<b>1,211,198</b>

**FIVE YEAR FINANCIAL SUMMARY**  
**五年財務資料摘要**

**FINANCIAL PERFORMANCE** (Continued)**財務表現** (續)

		Year ended 31 December 截至十二月三十一日止年度				
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Other comprehensive income</b>	<b>其他全面收入</b>					
Item that will not be subsequently reclassified to profit or loss	不會於日後重新分類至溢利或虧損之項目					
- Remeasurement of net defined benefit obligations	- 重新計量定額福利責任淨額	42,515	3,646	2,490	33,025	15,186
- Change in fair value of financial assets at fair value through other comprehensive income	- 按公平值計入其他全面收入之金融資產公平值變動	33,127	47,933	(204,233)	(123,352)	-
- Revaluation gain upon transfer of owner occupied land and buildings to investment properties	- 將自用土地及樓宇轉撥至投資物業時之重估收益	-	-	-	57,128	-
- Deferred tax arising from transfer of owner occupied land and buildings to investment properties	- 將自用土地及樓宇轉撥至投資物業產生之遞延稅項	-	-	-	(22,212)	-
		<b>75,042</b>	51,579	(201,743)	(55,411)	15,186
Items that may be subsequently reclassified to profit or loss	可能於日後重新分類至溢利或虧損之項目					
- Exchange differences on translation to presentation currency	- 換算呈列貨幣之匯兌差額	(9,893)	279,862	(91,282)	(162,086)	233,906
- Release of exchange reserve to profit or loss upon disposal of subsidiaries	- 於出售附屬公司後解除外匯儲備至溢利或虧損	(744)	(405)	-	-	(2,809)
- Share of exchange differences on translation of associates	- 應佔聯營公司匯兌差異	188	(490)	(108)	(117)	96
- Changes in fair value of available-for-sale financial assets	- 可供出售金融資產公平值變動	-	-	-	-	(5,041)
		<b>(10,449)</b>	278,967	(91,390)	(162,203)	226,152
<b>Other comprehensive income for the year</b>	<b>本年度其他全面收入</b>	<b>65,193</b>	330,546	(293,133)	(217,614)	241,338
<b>Total comprehensive income for the year</b>	<b>本年度全面收入總額</b>	<b>(40,183)</b>	171,717	(221,952)	23,834	1,452,536

## FIVE YEAR FINANCIAL SUMMARY

### 五年財務資料摘要

#### FINANCIAL PERFORMANCE (Continued)

#### 財務表現 (續)

		Year ended 31 December 截至十二月三十一日止年度				
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>(Loss)/profit for the year attributable to:</b>	<b>以下人士應佔本年度(虧損)/溢利:</b>					
Owners of the Company	本公司擁有人	<b>(100,907)</b>	(169,233)	44,246	201,372	1,170,484
Non-controlling interests	非控股權益	<b>(4,469)</b>	10,404	26,935	40,076	40,714
		<b>(105,376)</b>	(158,829)	71,181	241,448	1,211,198
<b>Total comprehensive income for the year attributable to:</b>	<b>以下人士應佔本年度全面收入總額:</b>					
Owners of the Company	本公司擁有人	<b>(35,727)</b>	164,456	(243,713)	(9,083)	1,395,850
Non-controlling interests	非控股權益	<b>(4,456)</b>	7,261	21,761	32,917	56,686
		<b>(40,183)</b>	171,717	(221,952)	23,834	1,452,536

#### ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

#### 資產、負債及非控股權益

		Year ended 31 December 截至十二月三十一日止年度				
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total assets	總資產	<b>19,962,419</b>	21,385,195	19,597,081	20,258,229	21,855,671
Total liabilities	總負債	<b>(15,338,879)</b>	(16,648,968)	(14,936,192)	(15,448,738)	(16,707,545)
Non-controlling interests	非控股權益	<b>(262,407)</b>	(317,548)	(405,817)	(369,700)	(343,245)
		<b>4,361,133</b>	4,418,679	4,255,072	4,439,791	4,804,881

## SCHEDULE OF PRINCIPAL INVESTMENT PROPERTIES

### 主要投資物業附表

Description	詳情	Group interest 集團權益	Use 用途	Tenure 年期
Flat B, 21st Floor, Jolly Villa No. 8 Tai Hang Road Hong Kong and Car parking space No. 32 on 3rd Floor of the same building	香港大坑道8號 竹麗苑21樓B室及 同一幢樓宇內 3樓之32號車位	100%	Residential 住宅	Medium term lease 中期租約
Industrial Complex including Dormitories in the Sixth Industrial Zone Houjie Town Dongguan County Guangdong Province The People's Republic of China (the "PRC")	中華人民共和國 (「中國」) 廣東省 東莞市 厚街鎮 第六工業區工廠 綜合大樓 (包括宿舍)	100%	Industrial/Residential 工業／住宅	Medium term lease 中期租約
2nd Lower Ground Level Jin Hua Building Yan He South Road Luohu District Shenzhen Guangdong Province The PRC	中國 廣東省 深圳市 羅湖區 沿河南路 錦花大廈 底下層二層	100%	Commercial 商業	Medium term lease 中期租約
Shops at Street Nos. 13, 14 and 15 New City Centre Plaza Garden Nos. 459, 461 and 463 Xiang Hua Road Zhuhai City Guangdong Province The PRC	中國 廣東省 珠海市 香華路 459、461及463號 新城市中心花園 商舖13、14及15號	100%	Commercial 商業	Medium term lease 中期租約
Office B, 7th Floor No. 78, Nanguan Road Shenhe District, Shenyang City The PRC	中國 瀋陽市沈河區 南關路78號 7樓B座辦公室	100%	Commercial 商業	Short term lease 短期租約
No. 1004, Block B Xinnengyuan Building Nanhai Avenue, Nanshan District Shenzhen, Guangdong Province The PRC	中國 廣東省深圳市 南山區南海大道 新能源大廈 B座1004號	100%	Commercial 商業	Long term lease 長期租約

## SCHEDULE OF PRINCIPAL INVESTMENT PROPERTIES

## 主要投資物業附表

Description	詳情	Group interest 集團權益	Use 用途	Tenure 年期
Nos. 203, 204, 205, 206, 208, Building 16, Dengliang Garden Dengliang Road, Nanshan District Shenzhen, Guangdong Province The PRC	中國 廣東省深圳市 南山區登良路 登良花園16棟 203、204、205、 206、208號	100%	Residential 住宅	Medium term lease 中期租約
Nos. 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, Building A, Lifang Village Nanshan Avenue, Nanshan District Shenzhen, Guangdong Province The PRC	中國 廣東省深圳市 南山區南山大道 荔芳村A棟 228、229、230、231、 232、233、234、235、 236、237號	100%	Residential 住宅	Medium term lease 中期租約



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