



福田實業(集團)有限公司
Fountain Set (Holdings) Limited

(Incorporated in Hong Kong with limited liability)
(於香港註冊成立的有限公司)
SEHK 股份代號：420

2021

Annual Report
年報

The World's
Finest Circular
Knits Since
世界優質圓筒針織始於

1969

GROUP PROFILE

About Fountain Set (Holdings) Limited (the “Company”) and its subsidiaries (the “Fountain Set Group”) (Stock Code: 00420.HK)

One of the world’s largest and long-established fabric manufacturers, the Fountain Set Group produces knitted fabric and garments through vertically integrated operations in fabric knitting, dyeing, printing, finishing and garment manufacturing, for many of the renowned apparel retailers and brands.

As a strong believer of research and development, we collaborate with brands and suppliers to develop innovative and creative fabric and garment products to consumers all over the world. Headquartered in Hong Kong and listed on the Main Board of The Stock Exchange of Hong Kong Limited, the Fountain Set Group has 7 production facilities in the People’s Republic of China (the “PRC”), Sri Lanka and Indonesia, with marketing and representative offices in 4 countries and a global staff force of close to 7,900 strong.

Chinatex Corporation Limited, a wholly-owned subsidiary of COFCO Corporation, has become the largest shareholder of the Company since 2012. COFCO Corporation is a state-wholly-owned enterprise established in the PRC and a direct wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

To learn more about Fountain Set (Holdings) Limited, please visit www.fshl.com

To learn more about Chinatex Corporation Limited, please visit www.chinatex.com

To learn more about COFCO Corporation, please visit www.cofco.com

集團簡介

有關福田實業(集團)有限公司(「本公司」)及其附屬公司(「福田集團」)(股份代號: 00420, 香港)

福田集團為一家世界最大及歷史悠久的針織面料生產商之一, 提供針織、染色、印花、整理及成衣製造等高度垂直綜合服務為許多知名服裝零售商和品牌製造針織面料及成衣。

作為研發的堅信者, 我們與品牌和供應商合作, 為世界各地的消費者開發創新和創意的面料及成衣產品。福田集團總部位於香港, 並於香港聯合交易所有限公司主板上市, 其於中華人民共和國(「中國」)、斯里蘭卡及印尼設有7個生產設施, 市場推廣辦事處及代表處分佈4個國家, 全球員工接近7,900人。

中國中紡集團有限公司為中糧集團有限公司的全資附屬公司, 從2012年起, 成為本公司第一大股東。中糧集團有限公司乃一間於中國成立之國有企業, 並為中國國務院國有資產監督管理委員會之直接全資附屬公司。

欲知更多福田實業(集團)有限公司資料, 請瀏覽www.fshl.com

欲知更多中國中紡集團有限公司資料, 請瀏覽www.chinatex.com

欲知更多中糧集團有限公司資料, 請瀏覽www.cofco.com

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公司資料

HONORARY CHAIRMAN

Mr. HA Chung Fong

BOARD OF DIRECTORS

Executive Directors

Mr. ZHAO Yao (*Chairman*)

Mr. SUN Fuji (*Chief Executive Officer*)

(re-designated from a non-executive Director to an executive Director on 1 November 2021)

Mr. TAO Yongming

Mr. YAU Hang Tat Andrew

Mr. ZHANG Zheng (appointed on 1 April 2021)

Non-executive Directors

Dr. YEN Gordon (*Non-executive Vice Chairman*)

Mr. LIU Xianfu (re-designated from an executive Director to a non-executive Director on 1 November 2021)

Independent Non-executive Directors

Mr. NG Kwok Tung

Mr. YING Wei

Mr. William LAM

Mr. WONG Kwong Chi (appointed on 30 June 2021)

COMPANY SECRETARY

Ms. CHENG Wai Han Charmaine

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Block A, 6/F., Eastern Sea Industrial Building
29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong

COMPANY WEBSITE

www.fshl.com

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Hang Seng Bank Limited

Fubon Bank (Hong Kong) Limited

CTBC Bank Co., Ltd.

SOLICITORS

Vivien Chan & Co.

INDEPENDENT AUDITOR

BDO Limited

Certified Public Accountants

SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong

名譽主席

夏松芳先生

董事會

執行董事

趙耀先生 (*主席*)

孫福紀先生 (*行政總裁*)

(於2021年11月1日起由非執行董事調任為執行董事)

陶永銘先生

邱恒達先生

張正先生 (於2021年4月1日獲委任)

非執行董事

嚴震銘博士 (*非執行副主席*)

劉賢福先生 (於2021年11月1日起由執行董事調任為非執行董事)

獨立非執行董事

伍國棟先生

應偉先生

林偉成先生

王幹芝先生 (於2021年6月30日獲委任)

公司秘書

鄭惠嫻女士

註冊辦事處及主要營業地點

香港新界葵涌葵昌路29-39號
東海工業大廈A座6樓

公司網址

www.fshl.com

主要往來銀行

中國銀行(香港)有限公司

香港上海匯豐銀行有限公司

渣打銀行(香港)有限公司

恒生銀行有限公司

富邦銀行(香港)有限公司

中國信託商業銀行股份有限公司

律師

陳韻雲律師行

獨立核數師

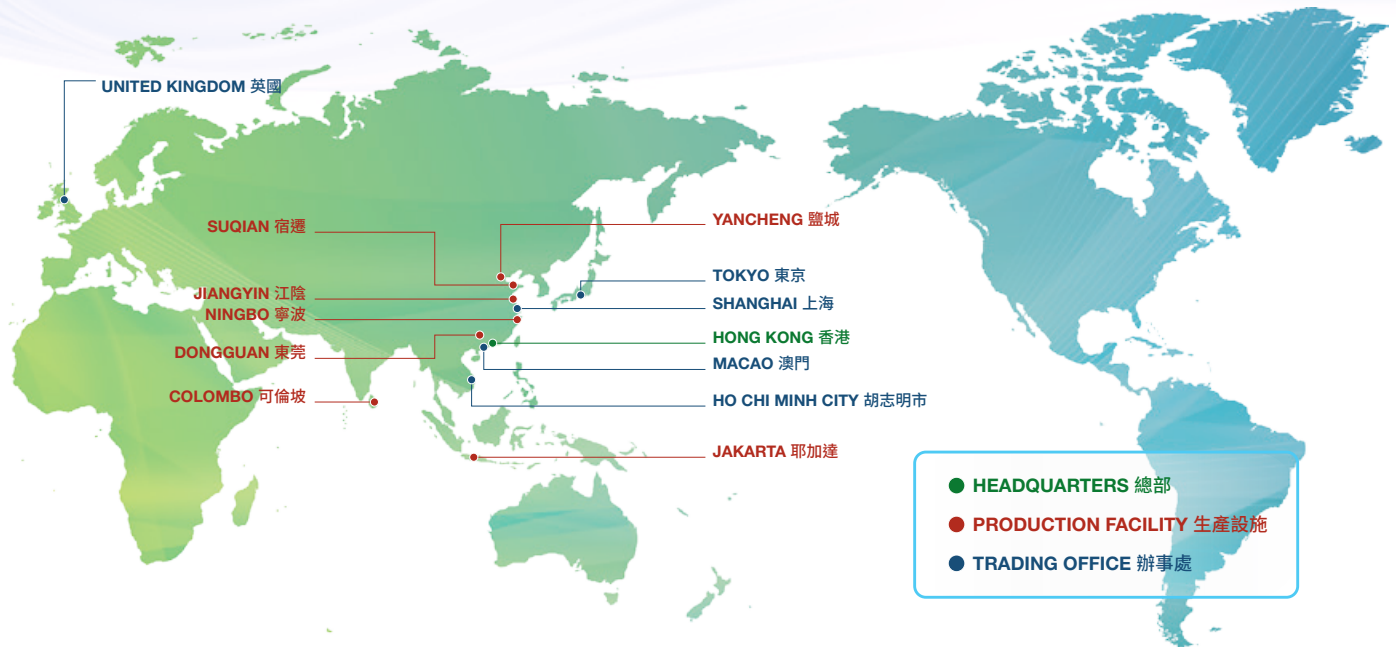
香港立信德豪會計師事務所有限公司
執業會計師

股份登記處

寶德隆證券登記有限公司

香港北角電氣道148號21樓2103B室

EXTENSIVE WORLDWIDE NETWORK 強大環球網絡



HEADQUARTERS • 總部

HONG KONG 香港

Fountain Set (Holdings) Limited
福田實業(集團)有限公司

PRODUCTION FACILITY • 生產設施

CHINA 中國

Knitting & Dyeing 針織及染色

Jiangyin Fuhui Textiles Limited
江陰福匯紡織有限公司
Yancheng Fuhui Textiles Limited
鹽城福匯紡織有限公司

Knitting, Dyeing & Printing 針織、染色及印花

Dongguan Shatin Lake Side Textiles
Printing & Dyeing Co., Ltd.
東莞沙田麗海紡織印染有限公司

Garment Manufacturing 製衣

Ningbo Young Top Garments Co., Ltd.
寧波創裕製衣有限公司
Suqian Young Top Garments Co., Ltd.
宿遷創裕製衣有限公司

JAKARTA 耶加達

Garment Manufacturing 製衣

P.T. Sandang Mutiara Cemerlang

COLOMBO 可倫坡

Knitting, Dyeing & Printing 針織、染色及印花

Ocean Lanka (Private) Limited
海洋蘭卡(私人)有限公司*

TRADING OFFICE • 辦事處

CHINA 中國

Sales of Dyed Fabrics 色布銷售

Shenzhen Faun Textiles Limited
深圳福力紡織品有限公司
Shanghai Fuhui Textiles Trading Co., Ltd.
上海福匯紡織貿易有限公司

HONG KONG 香港

Raw Materials Sourcing 原料採購

Highscene Limited
漢盛有限公司

Sales of Dyed Fabrics 色布銷售

Fountain Set Limited
福田實業有限公司

Sales of Garments 成衣銷售

Hiway Textiles Limited
海匯紡織有限公司
Oceanstar Textiles International Limited
海星紡織國際有限公司

MACAO 澳門

Raw Materials Sourcing 原料採購

Prosperlink (Macao Commercial Offshore) Limited
匯漢(澳門離岸商業服務)有限公司

HO CHI MINH CITY 胡志明市

Fountain Set Limited
- Vietnam Representative Office
福田實業有限公司
- 越南代表處

TOKYO 東京

Fountain Set Limited
- Japan Representative Office
福田實業有限公司
- 駐日本事務所

UNITED KINGDOM 英國

Fountain Set (Europe) Limited
福田實業(歐洲)有限公司*

Chinese names are only translations of their official English names. In case of inconsistencies, the English names shall prevail.
中文名稱僅為彼等官方英文名稱之譯文。倘有歧異，概以英文名稱為準。

FINANCIAL AND STATISTICAL HIGHLIGHTS

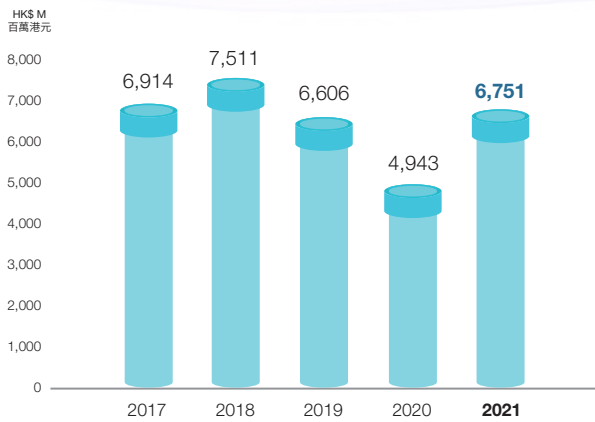
財務及統計摘要

		2021 HK\$Mil 百萬港元	2020 HK\$Mil 百萬港元
Operating Results	營運業績		
Revenue	營業額	6,751.3	4,943.2
Financial Performance	財務表現		
Profit attributable to owners of the Company	本公司擁有人應佔盈利	241.3	85.7
Profit margin	盈利率	3.6%	1.7%
Earnings per share (HK cents)	每股盈利 (港仙)		
– Basic	– 基本	19.7	7.0
– Diluted	– 攤薄	19.7	7.0
Dividends	股息		
Proposed final dividend per share (HK cents)	擬付每股末期股息 (港仙)	16.00	7.00
Dividend payout ratio	派息比率	81.2%	100.0%

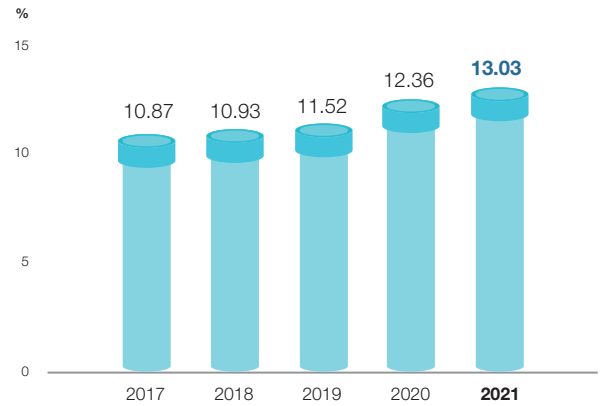
		At 31 December 於12月31日 2021 HK\$Mil 百萬港元	At 31 December 於12月31日 2020 HK\$Mil 百萬港元
Financial Position at Year End	於年度終結時之財務狀況		
Net current assets	流動資產淨值	2,248.8	2,059.3
Total assets	資產總值	5,748.4	5,425.7
Non-current bank borrowings	非流動銀行借貸	–	7.1
Total bank borrowings	總銀行借貸	327.3	236.7
Net bank borrowings	銀行借貸淨值	(501.8)	(1,026.2)
Total liabilities	負債總值	1,989.3	1,845.9
Net asset value per share (HK\$)	每股資產淨值 (港元)	2.91	2.77
Capital expenditure	資本開支	170.7	135.8
Financial Statistics	財務統計		
Return on equity (%)	權益回報率(%)	7.2%	2.8%
Consolidated tangible net worth	綜合淨有形資產	3,255.1	3,195.5
Consolidated total bank debt to consolidated tangible net worth	綜合總銀行負債對綜合淨有形資產比例	0.1	0.1
Consolidated EBITDA to consolidated interest expenses	綜合息稅折舊及攤銷前利潤對綜合利息支出比例	34.6	16.2
Consolidated current assets to consolidated current liabilities	綜合流動資產對綜合流動負債比例	2.3	2.3
Inventory turnover period (days)	存貨周轉期 (日)	107	103
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期 (日)	69	76
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期 (日)	59	82

FINANCIAL AND STATISTICAL HIGHLIGHTS (continued)
財務及統計摘要(續)

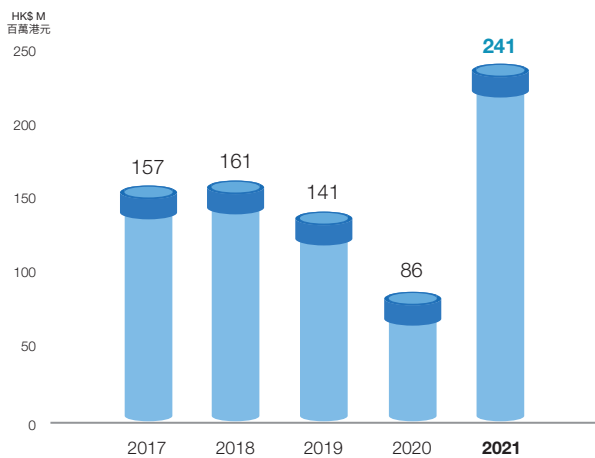
Revenue
營業額



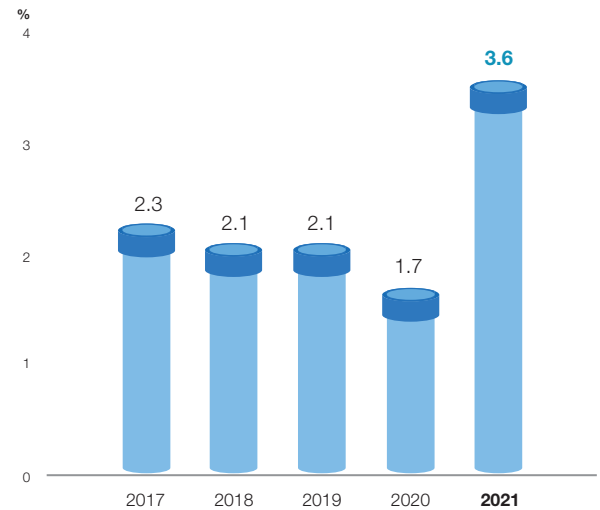
Gross Profit Margin
毛利率



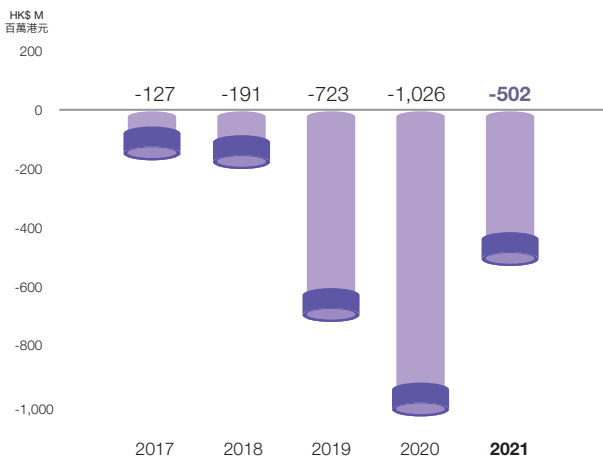
Profit Attributable to Owners of the Company
本公司擁有人應佔盈利



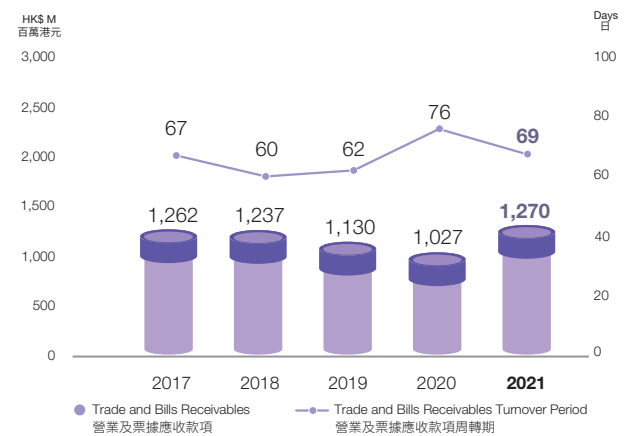
Profit Margin
盈利率



Net Bank Borrowings
銀行借貸淨值



Trade and Bills Receivables Turnover Period
營業及票據應收款項周轉期



FINANCIAL SUMMARY

財務概要

A summary of the financial information of the Company and its subsidiaries for the last five financial years, as extracted from the respective published audited consolidated financial statements, is set out as below. This summary does not form part of the audited consolidated financial statements.

本公司及其附屬公司過去五個財政年度之財務資料概要(摘取自相關已公佈經審核綜合財務報表)載列如下。此概要並不構成經審核綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

		For the year ended 31 December 2017 截至2017年 12月31日 止年度 HK\$'000 千港元	For the year ended 31 December 2018 截至2018年 12月31日 止年度 HK\$'000 千港元	For the year ended 31 December 2019 截至2019年 12月31日 止年度 HK\$'000 千港元	For the year ended 31 December 2020 截至2020年 12月31日 止年度 HK\$'000 千港元	For the year ended 31 December 2021 截至2021年 12月31日 止年度 HK\$'000 千港元
Revenue	營業額	6,913,785	7,510,789	6,605,655	4,943,230	6,751,277
Profit before income tax expense	除所得稅支出前盈利	212,250	230,865	209,619	122,145	337,450
Income tax expense	所得稅支出	(36,304)	(52,586)	(42,805)	(20,554)	(67,192)
Profit for the year	是年度盈利	175,946	178,279	166,814	101,591	270,258
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	156,846	160,792	141,089	85,706	241,334
Non-controlling interests	非控股權益	19,100	17,487	25,725	15,885	28,924
		175,946	178,279	166,814	101,591	270,258

FINANCIAL SUMMARY (continued)
財務概要(續)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION **綜合財務狀況表**

		At 31 December 2017 於12月31日 2017 HK\$'000 千港元	At 31 December 2018 於12月31日 2018 HK\$'000 千港元	At 31 December 2019 於12月31日 2019 HK\$'000 千港元	At 31 December 2020 於12月31日 2020 HK\$'000 千港元	At 31 December 2021 於12月31日 2021 HK\$'000 千港元
Non-current assets	非流動資產	1,746,764	1,771,706	1,835,805	1,746,822	1,728,511
Current assets	流動資產	3,842,207	3,892,818	3,461,095	3,678,889	4,019,879
Current liabilities	流動負債	1,746,107	1,687,133	1,331,653	1,619,636	1,771,099
Net current assets	流動資產淨值	2,096,100	2,205,685	2,129,442	2,059,253	2,248,780
Total assets less current liabilities	資產總值減流動負債	3,842,864	3,977,391	3,965,247	3,806,075	3,977,291
Non-current liabilities	非流動負債	286,488	376,146	380,191	226,286	218,193
Net assets	資產淨值	3,556,376	3,601,245	3,585,056	3,579,789	3,759,098
Capital and reserves	資本及儲備					
Share capital	股本	865,716	865,716	889,810	889,810	889,810
Reserves	儲備	2,536,545	2,567,084	2,529,651	2,504,762	2,670,428
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,402,261	3,432,800	3,419,461	3,394,572	3,560,238
Non-controlling interests	非控股權益	154,115	168,445	165,595	185,217	198,860
Total equity	權益總值	3,556,376	3,601,245	3,585,056	3,579,789	3,759,098

AWARDS & CERTIFICATIONS 獎項及認證

Fountain Set (Holdings) Limited 福田實業(集團)有限公司



No. 文件序號	Name of Award/Certification 獎項／認證名稱	Issued by 發出單位
1	Approved Licensee of Supima Supima 認可特許經營商 [#]	Supima
2	Certified Licensee of COTTON USA™ COTTON USA™ 認證特許經營商 [#]	Cotton Council International 美國國際棉花協會

Jiangyin Fuhui Textiles Limited 江陰福匯紡織有限公司



No. 文件序號	Name of Award/Certification 獎項／認證名稱	Issued by 發出單位
1 ^Δ	2019-2020 Quality Safety Advanced Grass-roots Enterprise of COFCO* 中糧集團2019-2020年品質安全先進基層企業	COFCO 中糧集團有限公司
2	2019-2020 COSCO Humanistic Award* 2019-2020年中糧集團人本獎	COFCO 中糧集團有限公司
3	2020 Outstanding Unit of Safety in Production of Jiangyin High-tech Zone* 2020年度江陰高新區安全生產先進單位	Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰高新技術產業開發區管理委員會

AWARDS & CERTIFICATIONS (continued)
獎項及認證(續)



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
4	2020 Tax Payment of over 100 Million RMB Enterprise* 2020年度入庫稅金超億元企業	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 中共江陰高新技術產業開發區工作委員會 Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰高新技術產業開發區管理委員會
5	2020 Outstanding Contribution Award for High-quality Development* 2020年度高質量發展突出貢獻獎	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 中共江陰高新技術產業開發區工作委員會 Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰高新技術產業開發區管理委員會
6	2020 Outstanding Unit of Ecological Civilization* 2020年度生態文明建設先進單位	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 中共江陰高新技術產業開發區工作委員會 Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰高新技術產業開發區管理委員會
7	2020 Outstanding Enterprise of Foreign Investment* 2020年度外商投資先進企業	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 中共江陰高新技術產業開發區工作委員會 Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰高新技術產業開發區管理委員會

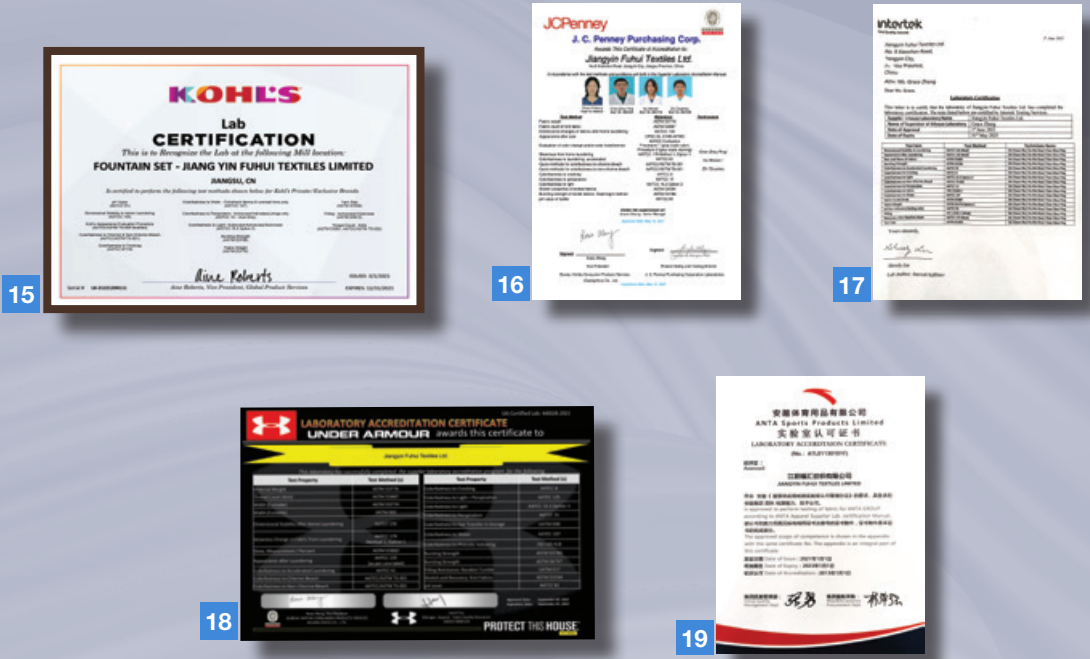
AWARDS & CERTIFICATIONS (continued)

獎項及認證 (續)



No. 文件序號	Name of Award/Certification 獎項／認證名稱	Issued by 發出單位
8	2020 Charitable Enterprise* 2020年度熱心慈善企業	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 中共江陰高新技術產業開發區工作委員會
9 ^A	Advanced Grass-roots Party Organization of COFCO* 中糧集團先進基層黨組織	COFCO 中糧集團有限公司
10	Jiangyin China National High-tech Industrial Development Zone 10 th Anniversary (2011-2021) Special Contribution Enterprise* 江陰國家高新區國批十周年(2011-2021)特別貢獻企業	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 中共江陰高新技術產業開發區工作委員會
11	ISO 50001:2018 Energy Management System Certificate* ISO 50001:2018 能源管理體系認證	Beijing Zhongjing Quality Certification Co., Ltd 北京中經科環質量認證有限公司
12	ISO 14001:2015 Environmental Management System Certificate* ISO 14001:2015 環境管理體系認證	Beijing Zhongjing Quality Certification Co., Ltd 北京中經科環質量認證有限公司
13	Oeko-Tex Standard 100 Oeko-Tex 標準100 [#]	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所 [#]
14	Comparison Test Certificate* 比對測試認證證書	CNTAC Testing Center 中國紡織工業聯合會檢測中心

AWARDS & CERTIFICATIONS (continued)
獎項及認證(續)



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
15	Kohl's Lab Certification Kohl's 實驗室認可證書#	Kohl's
16	J. C. Penney Laboratory Certification J. C. Penney 實驗室認可證書#	J. C. Penney Purchasing Corp.
17	Laboratory Certification 實驗室認可證書#	Intertek Group 天祥集團
18	Under Armour Laboratory Accreditation Certificate Under Armour 實驗室認可證書#	Under Armour
19	ANTA Sports Laboratory Accreditation Certificate 安踏體育實驗室資歷認可證書#	ANTA Sports Products Limited 安踏體育用品有限公司

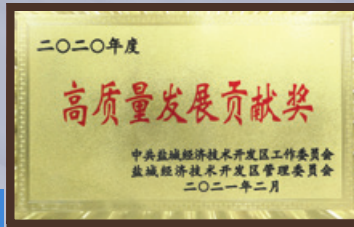
AWARDS & CERTIFICATIONS (continued)

獎項及認證 (續)

Yancheng Fuhui Textiles Limited
鹽城福匯紡織有限公司



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No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
1	2020 Outstanding Three-star Enterprise* 2020年度爭星創優三星企業	Yancheng Municipal People's Government* 鹽城市人民政府
2	2020 High Quality Development Contribution Award* 2020年度高質量發展貢獻獎	CPC Yancheng Economic-Technological Development Zone Working Committee* 中共鹽城經濟技術開發區工作委員會 Yancheng Economic-Technological Development Zone Management Committee* 鹽城經濟技術開發區管理委員會
3	Organization Member of 2021 Yancheng Old District Development Association* 2021年鹽城市老區開發促進會團體會員單位	Yancheng Old District Development Association* 鹽城市老區開發促進會
4	"Thirteenth Five-Year Plan" Outstanding Innovation and Technology Enterprise of China Knitting Industry (Fountain Set Group)* 「十三五」中國針織行業優秀科技創新企業(福田集團)	CKIA 中國針織工業協會
5	L.L. Bean Lab Certification L.L. Bean 實驗室認證證書#	L.L. Bean
6	ISO 50001:2018 Energy Management System Certificate* ISO 50001:2018 能源管理體系認證	China Quality Mark Certification Group 方圓標誌認證集團
7	Oeko-Tex Standard 100 Oeko-Tex 標準100#	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
8	Comparison Test Certificate* 比對測試認證證書	CNTAC Testing Center 中國紡織工業聯合會檢測中心

AWARDS & CERTIFICATIONS (continued)
獎項及認證(續)

Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd.
 東莞沙田麗海紡織印染有限公司



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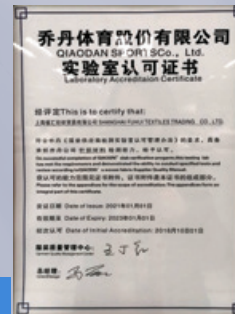
4

No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
1	Self-assessment of Higg Facility Social & Labor Module Certification Higg 工廠社會和勞工模組自我評估證書#	Sustainable Apparel Coalition
2	2020 Completion of Verified Module 2020 驗證模組達成#	Sustainable Apparel Coalition
3	Environmental Management System Certificate* 環境管理體系認證證書	China Great Wall (Tianjin) Quality Assurance Centre 長城(天津)質量保證中心
4	Oeko-Tex Standard 100 Oeko-Tex 標準100#	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#

Shanghai Fuhui Textiles Trading Co., Ltd.
 上海福匯紡織貿易有限公司



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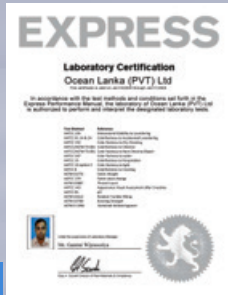
2

No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
1	Quality Excellence Award cum 2021 Qiaodan Sports Top 10 Suppliers* 喬丹體育品質優勝獎暨2021年度喬丹體育十佳供應商	Qiaodan Sports Co., Ltd. 喬丹體育股份有限公司
2	Laboratory Accreditation Certificate 實驗室認可證書	Qiaodan Sports Co., Ltd. 喬丹體育股份有限公司

AWARDS & CERTIFICATIONS (continued)

獎項及認證 (續)

Ocean Lanka (Private) Limited
海洋蘭卡(私人)有限公司



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No. 文件序號	Name of Award/Certification 獎項 / 認證名稱	Issued by 發出單位
1	Express Laboratory Certification Express 實驗室認證	Express Laboratory
2	bluesign® SYSTEM PARTNER bluesign® SYSTEM 夥伴#	bluesign technologies ag
3	Organic Content Standard (OCS) 3.0 有機含量標準(OCS) 3.0#	Control Union Certifications B.V 世優認證(上海)有限公司
4	Global Recycled Standard (GRS) 4.0 全球回收標準(GRS) 4.0#	Control Union Certifications B.V 世優認證(上海)有限公司
5	Global Organic Textiles (GOTS) 6.0 全球有機紡織品(GOTS) 6.0#	Control Union Certifications B.V 世優認證(上海)有限公司
6	Next Laboratory Accreditation Certification Next 實驗室認證證書#	Next Retail (UK) Ltd.
7	George Laboratory Certification Scheme George 實驗室認證計劃#	George & Intertek Group George及天祥集團#

AWARDS & CERTIFICATIONS (continued)
獎項及認證(續)



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
8	ISO 14001:2015 Environmental Management Systems ISO 14001:2015 環境管理系統	SGS United Kingdom Ltd. 英國通用檢測認證有限公司#
9	ISO 45001:2018 Occupational Health and Safety Management Systems ISO 45001:2018 職業安全衛生管理系統	SGS Société Générale de Surveillance SA 瑞士通用檢測認證有限公司#
10	Marks & Spencer Premier Accreditation Scheme 馬莎百貨高級認證計劃#	Marks & Spencer Group 馬莎百貨集團#
11	Facility and Merchandise Authorization for Asda Stores Limited Asda Stores Limited設備及經營認證#	The Walt Disney Company 華特迪士尼公司
12	Facility and Merchandise Authorization for Marks & Spencer Group 馬莎百貨集團設備及經營認證#	The Walt Disney Company 華特迪士尼公司
13	Laboratory Certification 實驗室認證#	Intertek Group 天祥集團
14	Oeko-Tex Standard 100 Oeko-Tex 標準100#	HOHENSTEIN Textile Testing Institute HOHENSTEIN紡織檢定所#

* English names are only translation of their official Chinese names. In case of inconsistencies, the Chinese name shall prevail.
 * 英文名稱僅為官方中文名稱之譯文。倘有歧異，概以中文名稱為準。

Chinese names are only translation of their official English names. In case of inconsistencies, the English name shall prevail.
 # 中文名稱僅為英文名稱之譯文。倘有歧異，概以英文名稱為准。

△ Photo is not available yet.
 △ 相片未能提供。

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of directors of Fountain Set (Holdings) Limited (the "Company" or "we" or "our", and the "Board", respectively), I am pleased to present the audited consolidated results of the Company and its subsidiaries (the "Group" or the "Fountain Set Group") for the financial year ended 31 December 2021 ("2021"), and to provide you with an overview of the Group's strategy and business outlook.

FINANCIAL AND BUSINESS REVIEW

We are very pleased to report that 2021 was an extraordinary year for the Fountain Set Group with outstanding revenue and profit growth. We delivered a revenue of HK\$6,751,277,000 for 2021, an increase of 36.6% as compared to the financial year ended 31 December 2020 ("2020"). Increased strategic investments in product offering, intelligent manufacturing system, market geographic expansion, logistics, and our marketing initiatives propelled our growth performance. All business units have done a masterful job managing through the evolving market change and supply chain landscape.

Following a strong rebound in 2021, the world economy has been entering a pronounced slowdown amid fresh threats from variants of the coronavirus disease 2019 (the "COVID-19" or the "Pandemic") and Russo-Ukraine war as well as a rise in inflation, debt, and income inequality that could endanger the recovery of the world economy. According to the World Bank's January 2022 Global Economic Prospects Report, global growth is expected to decelerate markedly from 5.5% global change in 2021 to 4.1% in 2022 and 3.2% in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world.

Commodity prices soared in 2021 following the broad-based decline in early 2020, with prices of several commodities reaching all-time highs. In part, this reflected the strong rebound of demand from the 2020 global recession. Energy and metal prices generally move in line with global economic activity, and this tendency has strengthened in recent years. Looking ahead, global macroeconomic developments and commodity supply factors will likely continue to cause recurring commodity price swings. For many commodities, these may be amplified by the transition away from fossil fuels. To dampen the associated macroeconomic fluctuations, almost two-thirds of the commodity exporters of emerging and developing economies (the "EMDEs") need to strengthen their policy frameworks and reduce their reliance on commodity-related revenues by diversifying exports and, more importantly, national asset portfolios.

The rapid spread of the Omicron variant indicates that the Pandemic will likely continue to disrupt economic activities to a certain extent. Governments of many developing economies have limited room for policy to support economic activity when needed. Accordingly, outbreak of new COVID-19 variants, persistent supply-chain bottlenecks and inflationary pressures, as well as the elevated financial vulnerabilities in large swaths of the world could increase the risk of an economic hard landing. Rising inequality and security challenges are particularly harmful for developing countries, these could lead to a more difficult operating environment going forward for corporations including us.

致各股東：

本人謹代表福田實業(集團)有限公司董事會(分別指「本公司」或「我們」及「董事會」)欣然提呈本公司及其附屬公司(「本集團」或「福田集團」)截至2021年12月31日止財政年度(「2021年」)經審核之綜合業績,並提供集團策略及業務展望之概覽。

財務及業務回顧

我們欣然宣佈,福田集團在2021年創下非凡的業績,收入及盈利均錄得驚人增長。我們的銷售額為HK\$6,751,277,000,對比2020年12月31日截止的財政年度增加36.6%。我們加大戰略投資於嶄新產品、智能生產系統、地域拓展及物流,再加上市場推廣的各項舉措,成為我們表現增長的推動力。我們所有地區的業務單位成功駕馭各式各樣的市場轉變與供應鏈格局。

繼2021年強勁反彈之後,全球經濟增長正進入一個明顯放緩的時期。由於2019年新冠病毒(「新冠病」或「疫情」)毒株變異及俄烏戰爭造成新的威脅,再加上通脹、債務和收入不平等加劇,可能危及全球經濟的復甦。根據世界銀行於2022年1月發佈的全球經濟展望報告,隨著前一階段被壓抑需求釋放完成以及各國財政和貨幣支持政策的退出,預計全球經濟增長將顯著放緩,從2021年的5.5%降至2022年的4.1%,2023年進一步下降至3.2%。

商品價格在2020年初廣泛下降後,於2021年飆升。某些商品價格達到歷史最高點,一定程度上部分反映了需求從2020年全球經濟衰退中的強勁反彈。能源和金屬等價格的飆升與全球經濟活動一致,而這種趨勢在近年裡加強。展望未來,全球宏觀經濟發展和商品供應變化的因素可能會繼續導致商品價格的反覆波動。對許多商品來說,價格波動可能會被旨在擺脫化石燃料的能源轉型放大。為了抑制相關的宏觀經濟波動,近三分之二的新興市場和發展中經濟體(「EMDEs」)出口國需要加強它們的政策框架並減少對商品相關收入的依賴,使出口多樣化,更重要的是使國家資產組合多樣化。

奧密克戎變異株的快速傳播,意味著疫情在某種程度上很可能繼續擾亂經濟活動。很多發展中經濟體政府缺乏在必要時向經濟活動提供支持的空間,在這種形勢下,新變種病毒的傳播、持續的供應鏈瓶頸和通脹壓力、世界大部分地區金融脆弱性加劇等多種因素疊加,意味著經濟硬著陸的風險可能性上升。不平等日益上升和安全挑戰對發展中國家尤其有害,這些都可能導致包括我們在內的公司今後的經營環境變得更加困難。

CHAIRMAN'S STATEMENT (continued)
主席報告(續)

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

To go green by minimising printing and as our common practice, we shall only upload the 2021 ESG report on the respective websites of The Stock Exchange of Hong Kong Limited and the Company. The 2021 ESG report details the Group’s progress in multiple ESG areas, showing where we exceeded expectations and where we need further improvement. We have embraced sustainable innovation as a powerful engine for growth not only for our own business, but across upstream and downstream partners in our industry. Since 2016, we have set up a “Sustainability Development and Enhancement Committee” (the “Committee”) which consists of different subsidiaries and cross-functional departments. The Committee not only helps drive the vision across the Group, but also implements our sustainability objectives and goals. The Committee prompts our business to understand our sustainability impacts, sets ambitious targets to address them and overcome obstacles in meeting them.

During 2021, our staff wellness club (the “Club”) has been re-established with a committee formed by various department representatives in Hong Kong headquarters when the Pandemic was slowing down. Similar staff wellness programs have been in operation in all of our subsidiaries as well. The purposes of the Club as well as staff wellness programs were to promote employee well-being and employee engagement. When employees are happy and healthy, it will translate into higher productivity and better products and services that we provide. Several activities such as barbeque get-together and classes like yoga, singing bowl, handmade workshops like soap, candles and jewelry were arranged by a social enterprises company exclusive for our employees and their families in the year under review. Employees were able to enjoy wellness programs while the Company had the opportunity to support minority groups through engaging services with social enterprises.

In 2016, we started a revolutionary new business—centralised heat supply project (the “Project”), of which the business model is a pioneer in the industry. The Shatian Town Environmental Industrial Park (the “Park”) (for electroplating, fabric printing and dyeing industry) is one of the seven largest environmental industrial parks in Dongguan, China. It integrates and assembles the industry’s enterprises within the Park and in other areas in Shatian Town, which are required to be relocated. The Project, being one of the ancillary projects of the industrial park development, is also a key project of the implementation plan of the centralised heat supply in Guangdong Industrial Park and Industrial Cluster Areas. The Project has been contributing to cleaner air for the community and neighbourhood by reducing the emission of nitrogen oxide, sulphur dioxide as well as smoke and dust by reducing the remaining 28 coal-fired heaters within the district. The Project has completed the first phase of construction in 2018 and put into operation to supply heat to local enterprises. The second phase of construction of the Project started in 2019. According to the Guangdong Province’s “Blue Sky Defense” and Dongguan’s “Coal to Gas” policy, second phase commenced after the removal of the remaining coal-fired boilers and two new natural gas boilers have been built and put into operation in January and August 2021 respectively, gradually replacing the original coal-fired boilers. Natural gas is a clean energy source, which can be efficiently burned and utilised. Upon the completion, it can further reduce overall energy consumption and carbon emissions, promote green development, and improve ecological environment of the region, overall social benefits and contentment.

環境、社會及管治(「環境、社會及管治」) 政策及表現

為響應環保，我們決定以身作則減少印刷並一如以往，只將2021年環境、社會及管治報告分別上載於香港聯合交易所有限公司網站及本公司網站，當中詳述本集團在多個環境、社會及管治領域取得的進展，展示我們超乎預期及仍需改進的領域。我們已採用可持續的創新措施，為自身業務及同行業內的上下游合作夥伴的發展提供強大動力。自2016年，我們設立由不同附屬公司及跨職能部門組成的「持續發展及改進委員會」(「該委員會」)。該委員會不僅有助於提升本集團管理人員的視野，亦有助實現可持續發展目的及目標，同時促使本公司了解可持續發展對業務的影響，就此設定宏大目標，克服達成目標面臨的障礙。

於2021年疫情緩和後，由我們香港總部多個部門代表參與，重新成立康樂活動委員會(「委員會」)。我們的附屬公司亦有舉辦類似的康樂活動。委員會以及康樂活動旨在提高僱員福祉及促進僱員參與。僱員在愉快健康的狀態下會提高績效及反映在更優質的產品及服務。於回顧年度，委員會為僱員組織多項活動例如燒烤聚會，及組織一家社會企業公司獨家為我們的僱員及其家屬安排的瑜伽、頤鉢課程、手工皂、手工蠟燭及手工飾物工作坊。僱員可以享受康樂活動之餘，讓公司有機會通過與社會企業合作來支持弱勢社群。

自2016年，我們開創一項革新業務—集中供熱項目(「項目」)，其業務模式是業界先驅。沙田鎮環保工業園(「工業園」)(針對著色、面料印花及染色行業)為中國東莞市七大環保工業園之一，匯合及聚集園內及沙田鎮其他地區須搬遷的同行業企業。該項目乃該工業園發展的附屬項目之一，亦屬廣東工業園及產業集群區集中供熱實施計劃的關鍵項目。該項目的建成已減少區內原有的28座燃煤鍋爐，透過降低氮氧化物、二氧化硫及煙塵排放量，為社區及周邊地區營造更潔淨的空氣環境。該項目已於2018年完成第一期建設並投產供熱予區內企業，2019年項目啟動第二期建設，而根據廣東省「藍天保衛戰」及東莞市「煤改氣」政策，二期拆除餘下的燃煤鍋爐後新建2台天然氣鍋爐，已分別於2021年1月和8月建成並投產，逐步替代原來的燃煤鍋爐。天然氣屬於潔淨能源且能高效燃燒利用，建成後除能更進一步降低大氣污染物的排放量，還能減少總體能源消耗量及碳排放量，提高資源利用率並促進綠色發展、改善本地區的生態環境面貌，達至提升整體社會效益以及人民幸福。

CHAIRMAN'S STATEMENT (continued)**主席報告 (續)**

The Group will continue to invest in advanced technologies and install additional equipment to prevent and reduce pollution. The Group provides periodic training workshops to staff members regarding environmental protection and pollution controls. The Group also invites qualified advisers to visit its factories from time to time to evaluate whether the environmental protection measures are up to standard and to give recommendations for further improvement.

LOOKING FORWARD

Based on the World Bank's January 2022 Global Economic Prospects Report, it is expected that, as compared to previously envisioned, the near-term outlook for global growth will be somewhat weaker, and for global inflation will be notably higher, owing to the resurgence of the Pandemic, higher food and energy prices, and more pernicious supply disruptions. Global growth is projected to soften further to 3.2% in 2023, as pent-up demand wanes and supportive macroeconomic policies continue to be unwound. Although output and investment results in advanced economies are projected to be returned to pre-Pandemic trends in 2023, in EMDEs – particularly in small states and fragile and conflict-afflicted countries—their output and investment returns will remain markedly below pre-Pandemic performance, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent spread of the Pandemic.

Various downside risks cloud our outlook, owing to the simultaneous happening of these factors: Omicron-driven economic disruptions, further supply bottlenecks, deanchoring of inflation expectations, global financial stress, climate-related disasters, and a weakening of the world-wide long-term growth drivers. As EMDEs have limited room for policy to provide additional economic support when needed, these downside risks heighten the possibility of a hard landing.

We believe that all of our staff members will work towards the Board's direction and objectives as well as implement the work plans set by the Board, and will further map out our long-term development strategy. With our spirit of "diligence, frugality, sincerity and integrity" and our general direction to "stabilise operation and to enhance development", we shall keep on enhancing our efficiency and exploring the market with persistent efforts for bringing the Group to a new level. We look forward to completing our annual operating tasks and targets with excellent performances, and creating brilliant returns and results for our shareholders. We are prepared to turn challenges into opportunities and will forge ahead against all odds.

集團將繼續投資採用先進技術及新增設備以預防及減少污染。集團定期向員工提供有關環境保護及污染控制的培訓。集團亦不時邀請合資格顧問親臨廠房，以評估環保措施是否達標並提供進一步改善的建議。

展望

根據世界銀行於2022年1月發佈的全球經濟展望報告，由於疫情捲土重來、食品及能源價格高漲及供應中斷進一步加劇，與先前設想相比，預期全球增長的短期前景將略顯疲軟，全球通脹將顯著提高。由於一直被壓抑的需求轉弱及宏觀支持政策相繼取消，預計2023年全球增長將再調低至3.2%。儘管發達經濟體的產出及投資產出預期將於2023年恢復到疫情前的狀態，而於EMDEs—尤其是小國及易受衝擊的國家—則因疫苗接種率較低、財政及貨幣政策收緊及受疫情影響更深遠，彼等的產出及投資回報預期將明顯低於疫情前的表現。

我們的前景面臨多種下行風險，包括以下各項因素同時出現：奧密克戎導致的經濟中斷、持續的供應瓶頸、通脹預期脫錨、全球性財務壓力、氣候相關的災害及全球性缺少長期的增長驅動因素。由於EMDEs缺乏在必要時提供進一步支持的政策空間，此等下行風險使出現「硬著陸」的機會增加。

相信在全體員工依從董事會制定的方向和目標，精誠團結，全面貫徹董事會的工作部署，繼續研討集團長期發展戰略規劃，秉承集團「勤、儉、誠、信」的精神，按照「穩經營、促發展」既定方針，營運效率定能不斷提高，並拓展市場，為福田實業集團再上新臺階而努力奮鬥，冀能以優異的業績完成年度各項經營任務及指標，為股東創造美好回報和業績。我們必定作好準備，把挑戰轉化為機遇，堅定前行。

CHAIRMAN'S STATEMENT (continued) 主席報告(續)

FINAL DIVIDEND

After reviewing the financial results and cash flow situation of the Group, the Board has resolved to recommend the payment of a final dividend of HK16.00 cents per share in respect of the year ended 31 December 2021. The total dividend for the year ended 31 December 2021 would be HK16.00 cents per share (payout ratio: 81.2%), as compared with HK7.00 cents per share (payout ratio: 100.0%) for the year ended 31 December 2020. Subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting of the Company to be held on Friday, 6 May 2022, it is expected that the payment of the final dividend will be made on or about Tuesday, 31 May 2022. Going forward in 2022, the Group expects to maintain a similar range of dividend payout ratio as our dividend policy so as to provide rewarding investment return to the Shareholders, subject to the dividend policy stated on page 72 of this annual report.

CORPORATE GOVERNANCE

The Group acknowledges the need and importance of corporate governance as one of the essential elements in enhancing shareholder value. The Group is devoted to improving its corporate governance policies in compliance with regulatory requirements and in accordance with international recommended practices. The Company has formed the audit committee (the "Audit Committee" or "AC"), remuneration committee (the "Remuneration Committee" or "RC") and nomination committee (the "Nomination Committee" or "NC") all at the Board's level, to provide assistance, advice and recommendations on the relevant matters that aim to ensure protection of the interests of the Group and the Shareholders as a whole.

APPRECIATION

Fountain Set is now uniquely positioned to continue our leadership position in circular-knitted fabric business with passion on new products innovation and development. In 2022, we are excited to continue making substantial investments in the business, to drive another year of above market results and gross margin expansion. We are grateful for the excellent guidance and counsel from our fellow Board members. We appreciate the ongoing support of our Shareholders, customers, end users, suppliers, business partners and the entire Fountain Set Group for a tremendous year. These outstanding results are a testament to the quality of our dedicated, skilled, and passionate world-class teams across the globe. We are confident that our unrelenting bold vision, customer focus and business momentum will make 2022 another outstanding year and position Fountain Set with exciting opportunities in the months and years ahead.

ZHAO Yao

Chairman and Chief Executive Officer

Hong Kong
18 March 2022

末期股息

經審視集團之財務業績及現金流情況，董事會決議建議就截至2021年12月31日止年度派發每股16.00港仙末期股息。截至2021年12月31日止年度總股息為每股16.00港仙(派息比率：81.2%)，相對截至2020年12月31日止年度總股息為每股7.00港仙(派息比率：100.0%)。待在即將於2022年5月6日(星期五)舉行的本公司股東週年大會上獲本公司股東(「股東」)批准後，末期股息預期將於2022年5月31日(星期二)或之前派付。展望2022年，除受限於本年報第72頁之股息政策外，本集團期望能維持與派息政策類似的派息比率，以提供可觀投資回報予股東。

企業管治

本集團確信企業管治為創造股東價值的主要元素之一，有其必要及重要意義。本集團致力遵守監管規定，及根據國際最佳常規，改善其企業管治政策。本公司已於董事會層面成立審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)。以就有關事宜提供協助、意見及推薦建議，旨在確保保障本集團及股東的整體利益。

鳴謝

福田實業正採取獨特定位，持續鞏固我們在圓筒針織面料業務之新產品開發和創新的熱誠。於2022年，我們很高興繼續對業務進行重大投資，持續讓新一年的業務高於市場表現及增長。我們感謝董事會成員的出色指導及睿智建言。我們對一直支持本公司的股東、客戶、最終用戶、供應商、業務夥伴及福田實業全體全人的努力，使集團今年寫下輝煌一頁。如此佳績足證我們遍佈世界各地的團隊專注投入、經驗豐富、滿腔熱忱。憑藉堅毅的宏大願景，以客為尊的熱誠，以及強勁業務發展動力，我們深信2022年將可再創佳績，使福田實業有能力把握未來歲月的龐大機遇。

趙耀

主席兼行政總裁

香港
2022年3月18日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

2021 was one of the most successful years in the Fountain Set Group's recent business history in terms of gross profit margin and profit attributable to owners of the Company. Although the Group was bombarded by the 2019 disease coronavirus novel (the "COVID-19") pandemic (the "Pandemic") domestically and globally since early 2020, with our strong resilience and determination to turn things around, the Group has recorded a solid financial results in 2021. Thanks to everyone in the Group who made tremendous efforts and persistence, the Group managed to ride on the increased demand on circular-knitted textile and garment products and services globally to achieve the highest gross profit margin since 2011 and the best profit attributable to owners of the Company in 15 years since 2006.

As the COVID-19 vaccination helps to suppress the Pandemic and the increasing vaccination coverage has led to more and more countries adopting an increasingly co-existent approach to dealing with the virus, relaxing the restrictions on social distancing, allowing a somewhat normal domestic life and consumer behaviors around the globe. We saw higher demand on our textile and garment products from our major customers as global apparel brands regained confidence in placing orders for apparel products. In 2021 when compared to a low base in 2020, resulting in a significant increase by 36.6% on the revenue of the Group for the year ended 31 December 2021 to HK\$6,751,277,000 (2020: HK\$4,943,230,000). During the year under review, the Group's fabric year-on-year volume increment was approximately 22.7% whereas the average selling price increased by 11.8% year-on-year.

Benefited from the efficient and effective control of the Pandemic in mainland China, our production mills were in full operation during 2021. As a result, the general sales condition in 2021 was much better than that of 2020 for the Group. In addition, the Group was able to achieve the best collaboration on a global scale with our operation and management system of "production, supply and sales integration", to respond well to operating crises and market risks and managed to maintain reasonable control on our cost of goods sold to sales ratio amid the historical high on raw material prices in the market during 2021.

Reviewed the same period in 2020, 2020 was affected noticeably due to the beginning outbreak of the Pandemic around the world, which led to the temporary closure of our production facilities in mainland China and the sharp reduction in demand on textile and apparel products due to the city lock-down and social distancing policies in place in 2020. During the second half of 2020, production has actively resumed in China, the Pandemic has gradually subsided and the economy continued to recover, resulting in an abnormal year of 2020 for the Group in terms of revenue and profit.

Prices of cotton yarn, being the major raw materials of the Group, surged to a record high in recent decade. Under such circumstances, costs were inevitably shifted to our customers. With our continuous stringent control on cost of goods sold and further market consolidation, the gross profit margin of the Group in 2021 was higher than the corresponding period last year by 0.6 percentage point to 13.0% (2020: 12.4%).

業務回顧

2021年是福田集團近年經營業績中，毛利率及本公司擁有人應佔盈利取得最佳成績的其中一年。儘管自2020年年初以來，本集團受到國內外2019冠狀病毒病（「COVID-19」）疫情（「疫情」）夾擊，我們憑藉強勁韌性和堅定決心扭轉局面，2021年錄得喜人的財務業績。本集團搭上全球圓筒針織布料及成衣產品與服務需求增長之快車，實現自2011年以來的最高毛利率及錄得自2006年以來15年內最高的本公司擁有人應佔盈利，均歸功於本集團全體員工的巨大奉獻及堅毅不懈。

由於COVID-19疫苗能控制疫情且隨著疫苗接種率提高，越來越多的國家採取與病毒共存的方式應對疫情，放寬保持社交距離之防控政策，各國允許一定範圍的正常居民生活及消費行為。於2021年，鑑於全球服裝品牌重新增強了下達服裝產品訂單的信心，我們主要客戶對我們的紡織品及成衣產品的需求較2020年的較低基準有所增加，令本集團截至2021年12月31日止年度之收益大幅增長36.6%至6,751,277,000港元（2020年：4,943,230,000港元）。於回顧年度，集團面料出貨量按年增長約22.7%，而平均售價則按年增加11.8%。

得益於中國內地疫情的有效控制，於2021年我們的廠房全部投入運作。因此，2021年的一般銷售條件較2020年對本集團更為有利。此外，於2021年，憑藉「產供銷一體化」經營管理體系，本集團已能夠實現全球範圍內的統籌協作，而令本集團有效應對經營危機及市場風險，本集團亦已能夠在原材料市價達致歷史最高位時，維持對我們銷售成本佔銷售額比率的合理控制。

回顧2020年同期，2020年本集團經營明顯受到疫情影響。於2020年由於全球疫情剛開始爆發，導致本集團於中國內地的生產廠房臨時停工及所採取的城市封鎖及保持社交距離政策導致紡織服裝產品需求銳減。至2020年下半年，中國已積極復工復產及疫情逐步減輕，經濟持續回暖，令本集團於2020年的營業額及盈利表現異於往年年份。

本集團的主要原材料棉紗價格飆升至近十年來的新高位，在此情況下，成本不可避免地轉移至我們的客戶。經過我們持續嚴格控制銷售成本和進一步的市場整合，本集團2021年的毛利率高於去年同期0.6個百分點至13.0%（2020年：12.4%）。

MANAGEMENT DISCUSSION AND ANALYSIS (continued) 管理層討論與分析(續)

Thanks to the tightened control in the distribution and selling expenses, administrative expenses as well as finance costs in 2021, the earnings before interest, tax, depreciation and amortisation margin was 7.8% in 2021 (2020: 6.4%), the highest for the past eight financial years which demonstrated our enhanced operating efficiency. Profit for the year in 2021 demonstrated a significant jump from HK\$101,591,000 in 2020 to HK\$270,258,000 in 2021, representing an impressive increment of 166%. Profit attributable to owners of the Company in 2021 was HK\$241,334,000, also a strong come-back from HK\$85,706,000 in 2020. The profit margin substantially increased by 1.9 percentage points to 4.0% in 2021 (2020: 2.1%). Basic earnings per share in 2021 was HK19.7 cents (2020: HK7.0 cents), a remarkable increment of HK12.7 cents.

Under the strong leadership of the Board as well as the management of the Group, all staff of the Fountain Set Group are determined to forge ahead and work tenaciously and achieved annual operating performance exceeding all operating results indicators in the past five years.

(1) Forging ahead with determination to hit a new record high in the annual operating results

Since entering the year of 2021, the textile and apparel market demand has resumed growth, whilst the market growth of different regions varies. The product demand structure and procurement model were undergoing profound changes, the market situation was fluctuating, and the business environment of enterprises was changing. The management team of the Fountain Set Group actively responded to changes in the complex market operating environment by strictly controlling risks and improving efficiency.

(i) *The market situation was complex and the business environment was changing*

With the recovery of textile and apparel market demand, product demand structure and procurement model were also undergoing profound changes. Reflected in market sales, the demand for traditional varieties recovered rapidly, while the demand for new varieties and high-value varieties grew slowly. In the meantime, affected by high level of inventory, major buyers tended to be more cautious in their forecasts on future demand in terms of varieties and quantities, as a result of which, the proportion of orders for small-batch, multi-variety, and short-delivery has increased.

(ii) *The fluctuation of raw material prices*

Since the second quarter of 2021, the price of raw materials has been at a high level for a prolonged period of time. Although the demand for low-value traditional products has recovered rapidly, the purchasing power of demand recovered slowly, so that the market selling price was suppressed.

得益於2021年對分銷及銷售費用、行政費用以及融資成本的嚴格控制，2021年的息稅折舊及攤銷前利潤率為7.8%（2020年：6.4%），為過去八個財政年度的最高水平，表明我們經營效益的提高。年度盈利由2020年的101,591,000港元大幅上升至2021年的270,258,000港元，增長達166%，振奮人心。於2021年，本公司擁有人應佔盈利為241,334,000港元，較2020年85,706,000港元強勢回歸。2021年盈利率大幅提高1.9個百分點至4.0%（2020年：2.1%）。2021年每股基本盈利為19.7港仙（2020年：7.0港仙），每股基本盈利顯著增長12.7港仙。

在董事會以及本集團管理層的精明領導下，福田集團全體員工銳意進取、頑強奮鬥，於過往五年均實現年度經營表現超過各年的經營業績指標。

(1) 銳意進取，年度經營業績再創歷史新高

進入2021年以來，紡織服裝市場需求恢復增長，但各區域市場需求增長呈現不同表現。產品需求結構和採購模式深刻改變，市場形勢波動起伏，企業經營環境變化多端。福田集團經營管理團隊，積極應對複雜的市場經營環境變化，嚴控風險，提升效益。

(i) *市場形勢複雜，經營環境變化多端*

隨著紡織服裝市場需求恢復增長，產品需求結構和採購模式也深刻改變。反映在市場銷售方面，傳統品種的需求恢復增長較快，新品種和高價值品種需求增長緩慢。同時，受高庫存影響，主要買家對未來需求品種和數量的預測趨於謹慎，小批量、多品種、短交期訂單比例增大。

(ii) *原材料價格不穩*

自第二季度以來，原材料價格較長時間處於高位水平。雖然低價值傳統產品需求恢復較快，但需求購買能力恢復緩慢，市場銷售價格受到壓制。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析 (續)

The cotton problem had not been resolved yet, affected by which, the quality of raw materials generally declined and production losses increased, which pushed up the cost of raw materials consumption. In addition, the supply had tightened and the procurement costs had increased, which increased the cost of raw materials for the production of enterprise products, costs were unavoidably passed to clients.

Since the middle of the third quarter of 2021, driven by the combined influence of various unfavorable factors, the prices of raw material, energy and dyestuff and chemical had skyrocketed, resulted in a sharp rise in the production costs of production companies. Also, due to the continuous impact of factors such as power and production restrictions in various regions of mainland China, as well as RMB exchange fluctuations and labor shortages, the manufacturing costs of production enterprises had risen.

(iii) Giving full play to the advantages of overall marketing to expand market sales

With the opportunity of resumption of market growth, the Fountain Set Group gave full play to the advantages of overall marketing, maintained aggressive marketing policies, and actively followed up the demand growth of major customers and major buyers, thus striving to expand market sales. At the same time, we actively developed order demand of small and medium customers, expanded market share, and explored potential demand of customers for high-value varieties.

The Fountain Set Group accelerated product research and development and trial production, and developed 1,300 product samples, covering more than 400 special varieties in ten categories. That has enhanced the market competitiveness of high-value products of the Group, and significantly increased order value, thereby creating conditions for a substantial increase in annual profitability.

Taking advantage of the favorable conditions for early recovery of growth during the Pandemic, the Fountain Set Group actively carried out market development to establish a mechanism for mutual assistance and cooperation with major customers and major buyers. With market-oriented and customer demand-targeted, the Fountain Set Group integrated its production, supply and sales capabilities to carry out overall marketing campaign, and actively expanded product sales in the domestic market.

棉花問題並未解決，受此影響，原材料品質普遍下降，生產損耗上升，推高了原材料的消耗，加上供應量趨緊，採購成本增加，使企業產品生產原材料成本增加，非不得以需要轉嫁成本予客戶。

自第三季度中期以來，受各種不利因素疊加影響的推動，原料、能源、染化料價格暴漲，各生產企業產品生產成本大幅上升，加上中國內地各地區限電、限產，以及人民幣匯率波動和勞動力短缺等因素的持續影響，生產企業生產製造成本上升。

(iii) 發揮整體行銷優勢，擴大市場銷售

福田集團抓住市場恢復增長的機遇，發揮整體行銷的優勢，保持積極進取的行銷政策，積極跟進大客戶和主要買家的需求增長，努力擴大市場銷售。同時積極開發中小客戶的訂單需求，擴大市場佔有率，發掘客戶高價值品種的潛在需求。

福田集團加快了產品研發和試製，研製開發產品樣版1,300項，涵蓋十類特殊品種400餘項，提升了本集團高價值產品的市場競爭力，訂單價值顯著提升，為全年盈利水準的大幅度提高創造了條件。

福田集團利用在疫情期間先期進入恢復性增長的有利條件，積極開展與主要客戶和主力買家建立互助合作機制的市場開拓工作，以市場為導向，以客戶需求為目標，整合集團產供銷的綜合能力開展整體行銷，積極擴大內銷市場產品銷售。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
管理層討論與分析 (續)

(iv) Promoting lean manufacturing to increase competitiveness and reduce manufacturing costs

The Fountain Set Group propelled the process technologies innovation that significantly improved production efficiency and process technology standard. On one hand, through equipment transformation and upgrading, the Group improved its manufacturing capacity significantly. The production efficiency increased significantly while the production costs decreased substantially. On the other hand, by continuously promoting the application of process technology for improvement in production efficiency, our standard of production technology and product quality had been comprehensively improved.

Since entering the year of 2021, the Fountain Set Group has achieved fruitful results in the process technology improvement. Following the application of a batch of new processes and new technologies to production practices, plus the introduction and utilisation of equipment with advanced technological characteristics for the purpose of production, the production process had been optimised, with production efficiency and product quality significantly improved, and production losses and production costs also decreased substantially. The lean manufacturing had been extensively promoted, which effectively improved the competitiveness of the Fountain Set Group in the industry.

In 2021, a total of ten major categories of new products were successfully trial-produced, which represented the further improvement in product diversity and technological advancement of the Fountain Set Group, and provided effective support for the expansion of sales market and a substantial increase in profits of the Fountain Set Group.

(2) Out-performed the three-year operating responsibility target through overcoming various difficulties

(i) Realising significant improvement in production efficiency and process standard by propelling upgrade of equipment and process technology

Through equipment upgrade and transformation and introduction of equipment with advanced technology into production, we improved our manufacturing capacity significantly. The production facilities of the Fountain Set Group successively introduced a series of equipment with advanced technology into production, which significantly improved our production efficiency and manufacturing capacity.

(iv) 推進精益製造，增加競爭能力，降低製造成本

福田集團推進工藝技術創新，生產效率和工藝技術水準顯著提升。一方面，本集團通過裝備改造升級，製造能力提升效果顯著，生產效率大幅提高的同時生產製造成本也大幅降低。另一方面，通過不斷推進提升生產效率工藝技術的應用，我們的生產工藝技術水準和產品品質標準得以全面提升。

進入2021年以來，福田集團工藝技術改進取得了豐富的成果，隨著一批新工藝、新技術的研發成果先後應用於生產實踐，配合陸續引進及使用具有先進工藝特點的設備用於生產，生產工藝流程得以不斷優化，生產效率和產品品質大幅提升，生產損耗和生產成本也大幅降低，精益製造得到了廣泛地推進，使福田集團的行業競爭力得到有效提升。

2021年共有十個大類新產品試製成功，代表了福田集團產品的多樣性和工藝先進性進一步提升，為福田集團銷售市場擴大，盈利大幅增加，提供了有效的支援。

(2) 攻堅克難，三年經營責任目標超額完成

(i) 推進裝備和工藝技術升級，生產效率和工藝水準顯著提升

通過裝備升級改造，引進具有先進工藝特徵的生產設備投入生產，我們的製造能力提升效果顯著，福田集團下屬生產企業一批具有先進工藝特色的設備陸續引進投入生產，我們的生產效率和製造能力得以顯著提升。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析 (續)

By continuously promoting application of process technology improvement results in production, the level of production technology was comprehensively improved. The Fountain Set Group achieved fruitful results in advancing process technology improvement. Following the application of a batch of new processes and new technologies to production, the production process had been optimised, with production efficiency and product quality significantly improved and production losses and production costs significantly decreased.

(ii) Achieving a number of results in product development and performance improvement with R&D capabilities significantly enhanced

After years of continuous research work on product development and improvement, the Fountain Set Group achieved merit performance in terms of product development and variety improvement. By utilising new materials and new technologies, we achieved results in nearly 1,000 varieties of four major series, namely product upgrades, new material applications, functional series and environmental protection products. Some of these achievements won awards for invention and innovation, and were recognised and acclaimed by the market.

The application of new fibers and new materials continued to deepen and a number of achievements had been transformed into new products and launched into the market. The successful development of DuPont Sorona®Plus elastic cool fiber knitted fabric enhanced the development of new materials functional fabrics of the Fountain Set Group to a new level and it had been put into mass production to supply the market. On this basis, cotton-covered silk plain weave products and cotton-covered cotton plain weave products had been put into production. In addition, a batch of products characterised by high wearability, strong texture, energy saving and environmental protection, such as atmospheric tangible cationic polyester staple fiber products, expanded acrylic mixed fiber products, and polyester filament products, hit the market one after another, effectively facilitated the diversification and refinement of the product portfolio of the Fountain Set Group.

The development and improvement of multi-layer composite structure fabrics also achieved new results. Through continuous research and tests in recent years, our development of three-layer composite fabrics was extended to five-layer composite fabrics without altering the existing equipment. The variety and features of such products were further enhanced and broadened. At present, multi-layer composite sports and casual apparel fabrics became one of the main products of the Fountain Set Group.

通過不斷推進工藝技術改進成果的生產運用，生產工藝技術水準全面提升。福田集團推進工藝技術改進取得了豐碩成果，隨著一批新工藝、新技術的研發成果陸續應用於生產實踐，優化了生產工藝流程，生產效率和產品品質大幅提升，生產損耗和生產成本也明顯降低。

(ii) 產品開發和性能改進取得多項成果，研發能力大幅增強

經過幾年來不斷進行產品開發和改進的研究工作，福田集團產品開發和品種改進取得了良好的成果。我們利用新材料、新技術，在產品升級、新材料應用、功能系列和環保產品四大系列近1,000多個品種取得成果，其中部分成果獲得了發明專項和創新獎項，得到了市場認可和好評。

新纖維、新材料的應用不斷深化，一批成果已經轉化為新型產品投入市場。杜邦Sorona®Plus彈性涼感纖維針織面料的開發成功，使福田集團新材料功能性面料開發提升到了新的水準，並已大量投入生產供應市場。在此基礎上，棉蓋絲平紋產品、棉蓋棉平紋產品已經投入生產。另外，常壓易染陽離子聚酯短纖產品、膨脹腈綸混合纖維產品和滌綸長絲產品等一批具有服用性高、質地感強、節能環保型的產品正在陸續投放市場，為福田集團品種多樣化和精品化發展起到了有效的促進作用。

多層複合結構布種的開發和改進也取得了新的成果。通過近年來的不斷研究、試驗，在不改變現有設備的情況下，從三層複合織物的開發已經向五層複合織物延伸，該類產品的品種和性能進一步提升和拓寬。目前，多層複合運動休閒服裝類面料，成為福田集團的主要產品之一。

MANAGEMENT DISCUSSION AND ANALYSIS (continued) 管理層討論與分析(續)

On this basis, the features of multi-layer composite fabrics have been further enhanced and improved by improving weaving equipment and process with the selection of different fiber composition. Currently, the quality test results of the three-layer composite fabrics produced by the Fountain Set Group are up to more than 4 levels.

在此基礎上，利用織造設備和工藝的改進，配合不同纖維材料的選用配比，多層複合織物面料性能已經有了進一步的提升和改進，目前福田集團生產的三層複合織物面料的品質測試均達4級以上。

(iii) Promoting the technological transformation of intelligent information systems to transform outdated production methods

The technological transformation project of the Fountain Set Group's intelligent information system has been developed since 2019. Its development delayed as disruptions has been occurred due to the development of Pandemic, and now it's implemented to work with existing MENU system. The project aims to replace the existing MENU system and build a manufacturing execution (MES+) system based on the Internet of Things. Through the use of information technology and MES+ system, the standardisation of process technology can be realised to improve the predictability and accuracy of the implementation of production plan, and lean manufacturing and flexible manufacturing can be achieved from the past obsolete push-production approach to comprehensively improve the production efficiency and factory management standard, which constitutes the basic information platform of the Fountain Set Group's "production, supply and sales integration" management system.

(iii) 推進智慧化資訊系統技術改造，轉變落後生產方式

福田公司智慧化資訊系統技術改造專案，於2019年開始建造，期間數次受疫情影響而有所延誤，現正實施跟原MENU系統並行上綫工作。該專案以替換現有MENU系統為目的，並以物聯網為基礎，構建生產製造執行(MES+)系統。通過資訊化手段與MES+系統，可實現工藝技術標準化，提升生產計畫執行的可預知性與準確性，從落後的推動式生產實現精益製造與柔性製造，全面提升生產效率和工廠管理水準，是福田集團「產供銷一體化」管理體系的資訊化基礎平台。

According to the Fountain Set Group's overall work requirement of "overall planning and step-by-step implementation", the technological transformation project of intelligent information system will cover the entire production process from raw material storage, weaving, dyeing, finishing, semi-finished/finished product storage and finished product shipment, as well as the entire order business cycle from business forecast order to official order, production work order, purchase order, storage and shipment through the construction of the system platform. Through the information interconnection of existing systems (SAP, central control system, etc.) and production equipment, we can achieve order scheduling optimization and restructuring, raw material procurement tracking, warehousing logistics/production logistics control, manufacturing execution, product development and other business model reengineering, data collection, big data processing, analysis and application to explore new business growth points, improve comprehensive decision-making capabilities in terms of production, operation, management, cost, investment and other aspects, so that the entire production process is transparent, intelligent and paperless and effective management of the five elements of human, machine, material, method and environment can be realised.

根據福田集團「整體規劃，分步實施」的總體工作要求，智慧化資訊系統技術改造專案，通過系統平台的搭建，並覆蓋至原料入倉、織造、染色、整理、半成品／成品入倉、成品出貨的整個生產過程以及從營業預測訂單到正式訂單、生產工單、採購訂單、入庫、發貨的整個訂單業務週期；通過對現有系統(SAP、中控系統等)、生產設備進行資訊互聯，實現訂單排產優化重組、原料採購跟蹤、倉儲物流／生產物流管控、製造執行、產品開發等業務模型再造、資料獲取、大資料處理分析和應用來挖掘企業新的業務增長點，提高生產、經營、管理、成本、投資等方面的綜合性決策能力，使生產全過程透明化、智慧化、無紙化；實現人、機、料、法、環五要素的有效管理。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析 (續)

(iv) *Continuously improving management control and operational efficiency by leveraging the advantages of the “production, supply and sales integration” management system*

The Fountain Set Group has been able to seize the opportunities of market growth and effectively enhance its competitiveness and profitability in the course of its operation and management, thanks to the key role of the “production, supply and sales integration” management system in supporting the Group’s operation control. The fact that Fountain Set Group has been able to achieve record-high operating results over the past three years also proves the key role of the operation and management system under the “production, supply and sales integration” management model in the stable operations and sustainable growth of the Fountain Set Group.

With the advantages of the “production, supply and sales integration” management system, the Fountain Set Group has been able to improve its refinement management capabilities and has also formed a team of managers who are skilled in using the management system and have operational control capabilities. During the crisis caused by the impact of the Pandemic in 2020, the Fountain Set Group’s management team withstood the test and successfully led the Group back to growth ahead of companies in the same industry, and the team’s business management skills were improved. In 2021, the Fountain Set Group seized the opportunity to expand its market, carried out effective operation and realised productive management performance in terms of risks prevention, revenue enhancement, cost reduction and other aspects, achieving key indicators to measure corporate value and exceeding the three-year management responsibility target, which once again demonstrated the strength of the Fountain Set Group’s management model and management team.

(3) **Events after the Reporting Period**

The Group did not have any significant events after the end of the reporting period (i.e. 31 December 2021) and up to the date of this annual report.

(iv) 發揮「產供銷一體化」經營管理體系優勢，經營管控和運營效率不斷改善

福田集團在經營管理過程中，能夠抓住市場增長的機遇，有效提升競爭能力和盈利水準，得益於「產供銷一體化」經營管理體系對集團營運管控的關鍵支撐作用。三年來福田集團能夠不斷取得創歷史新高的經營成果，也證明了「產供銷一體化」經營管理模式下營運管理體系對福田集團經營穩定、持續增長的關鍵作用。

福田集團憑藉「產供銷一體化」經營管理體系的優勢，精細化管理能力不斷提高，也形成了熟練運用管理體系和具有運營管控能力的經理人團隊。2020年疫情衝擊造成的危機中，福田集團經理人團隊經受住了考驗，成功帶領集團先於同行業企業恢復增長，團隊的經營管理能力也得到了提高。進入2021年，福田集團抓住機遇，擴大市場，有效經營，防範風險，增加收益，降低成本等多方面富有成效的管理表現，達成了衡量企業價值的關鍵指標，超額完成三年經營責任指標，再次表現出福田集團經營管理模式和經理人團隊的優勢。

(3) **報告期後事項**

本集團自報告期末(即2021年12月31日)後至本年報日期止，並沒有任何重大事項發生。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
管理層討論與分析(續)

FINANCIAL REVIEW

The key operating and financial indicators of the Group for the year ended 31 December 2021 are set out below:

財務回顧

本集團截至2021年12月31日止年度之主要經營及財務指標呈列如下：

		2021	2020
Statement of Profit or Loss Items	損益表項目		
(All amounts in HK\$ thousands unless otherwise stated)	(除特別註明外所有金額均以千港元列示)		
Revenue	營業額	6,751,277	4,943,230
Gross profit	毛利	879,539	611,132
EBITDA*	息稅折舊及攤銷前利潤	526,113	316,486
Profit for the year	是年度盈利	270,258	101,591
Profit attributable to owners of the Company	本公司擁有人應佔盈利	241,334	85,706
Basic earnings per share (HK cents)	每股基本盈利(港仙)	19.7	7.0
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率(%)	13.0%	12.4%
EBITDA* margin (%)	息稅折舊及攤銷前利潤率(%)	7.8%	6.4%
Expenses as a % of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	2.1%	2.2%
Administrative expenses	行政費用	6.8%	8.2%
Finance costs	融資成本	0.2%	0.4%
Asset efficiency	資產效率		
Inventory turnover period (days)	存貨周轉期(日)	107	103
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期(日)	69	76
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期(日)	59	82

* EBITDA means earnings before interest, tax, depreciation and amortisation.

* EBITDA解釋為息稅折舊及攤銷前利潤。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析 (續)

		At 31 December 於12月31日 2021	At 31 December 於12月31日 2020
Asset ratios			
	資產比率		
Current ratio [#]	流動比率 [#]	2.3	2.3
Net debt/EBITDA ratio	淨債務／息稅折舊及攤銷前利潤率	(1.0)	(3.2)
Gearing ratio			
	資本負債比率		
Total liabilities/Equity attributable to owners of the Company	負債總額／本公司擁有人應佔權益	0.6	0.5

[#] Current ratio is calculated by dividing current assets by current liabilities.

[#] 流動比率的計算是將流動資產除以流動負債。

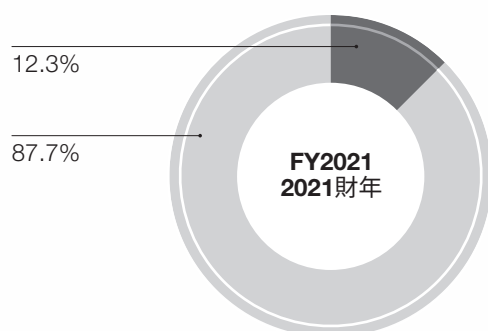
Revenue

The Group's revenue for the year ended 31 December 2021 amounted to approximately HK\$6,751,277,000 (2020: HK\$4,943,230,000).

營業額

集團截至2021年12月31日止年度的營業額約為6,751,277,000港元(2020年:4,943,230,000港元)。

Revenue by business segments



營業額按業務分類

- Production and Sales of Dyed Fabrics and Yarns
製造及銷售色布及紗
- Production and Sales of Garments
製造及銷售成衣

For the year under review, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$5,917,779,000 (2020: HK\$4,322,991,000), which accounted for 87.7% (2020: 87.5%) of the Group's total revenue. Revenue from production and sales of garments was approximately HK\$833,498,000 (2020: HK\$620,239,000), which accounted for 12.3% (2020: 12.5%) of the Group's total revenue.

於回顧年度，集團核心業務—製造及銷售色布及紗的營業額約為5,917,779,000港元(2020年:4,322,991,000港元)，佔集團營業額總值的87.7%(2020年:87.5%)。製造及銷售成衣的營業額約為833,498,000港元(2020年:620,239,000港元)，佔集團營業額總值的12.3%(2020年:12.5%)。

MANAGEMENT DISCUSSION AND ANALYSIS (continued) 管理層討論與分析(續)

Cost of Sales and Gross Profit

For the year ended 31 December 2021, overall cost of sales of the Group amounted to approximately HK\$5,871,738,000 (2020: HK\$4,332,098,000) and overall gross profit margin was 13.0% (2020: 12.4%).

During the year under review, the Group's revenue increased by 36.6% compared with the last year, which was mainly due to the increase in sales volume of fabric by approximately 22.7%. Compared with the same period last year, the increase in percentage of revenue was larger than the increase in percentage of production cost, which led to the increase in gross profit margin.

Distribution and Selling Expenses

For the year ended 31 December 2021, the Group's overall distribution and selling expenses amounted to approximately HK\$141,310,000 (2020: HK\$107,256,000), which accounted for 2.1% (2020: 2.2%) of the Group's total revenue.

Administrative Expenses

For the year ended 31 December 2021, the Group's overall administrative expenses amounted to approximately HK\$458,436,000 (2020: HK\$406,800,000), which accounted for 6.8% (2020: 8.2%) of the Group's total revenue.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

For the year ended 31 December 2021, the Group's EBITDA amounted to approximately HK\$526,113,000 (2020: HK\$316,486,000) and the EBITDA margin was 7.8% (2020: 6.4%).

Finance Costs

For the year ended 31 December 2021, the Group's finance costs amounted to approximately HK\$15,225,000 (2020: HK\$19,562,000), representing 0.2% (2020: 0.4%) of the Group's total revenue.

Capital Expenditure

During the year under review, the Group invested approximately HK\$170,676,000 (2020: HK\$135,777,000) in additions of property, plant and equipment and investment properties. The Group's capital commitments primarily related to the acquisition of property, plant and equipment. As at 31 December 2021, the Group had contracted capital commitments of approximately HK\$116,978,000 (31 December 2020: HK\$105,938,000) in relation to the acquisition of property, plant and equipment.

銷售成本及毛利

集團截至2021年12月31日止年度之整體銷售成本約為5,871,738,000港元(2020年: 4,332,098,000港元), 整體毛利率為13.0%(2020年: 12.4%)。

於回顧年內, 本集團的營業額上升36.6%, 主要是由於面料銷售量增加約22.7%。與去年同期相比, 營業額的上升幅度大於生產成本的上升幅度, 引致毛利率上升。

分銷及銷售費用

集團截至2021年12月31日止年度之整體分銷及銷售費用約為141,310,000港元(2020年: 107,256,000港元), 佔集團營業額總值的2.1%(2020年: 2.2%)。

行政費用

集團截至2021年12月31日止年度之整體行政費用約為458,436,000港元(2020年: 406,800,000港元), 佔集團營業額總值的6.8%(2020年: 8.2%)。

息稅折舊及攤銷前利潤(EBITDA)

集團截至2021年12月31日止年度之息稅折舊及攤銷前利潤約為526,113,000港元(2020年: 316,486,000港元), 息稅折舊及攤銷前利潤率為7.8%(2020年: 6.4%)。

融資成本

集團截至2021年12月31日止年度之融資成本約為15,225,000港元(2020年: 19,562,000港元), 佔集團營業額總值的0.2%(2020年: 0.4%)。

資本開支

於回顧年內, 集團已投資約170,676,000港元(2020年: 135,777,000港元)以增加物業、機器及設備及投資物業。集團的資本承擔主要涉及購買物業、機器及設備。於2021年12月31日, 集團有關購買物業、機器及設備的已簽約資本承擔約為116,978,000港元(2020年12月31日: 105,938,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析 (續)

Income Tax Expense

For the year ended 31 December 2021, income tax expense of the Group amounted to approximately HK\$67,192,000 (2020: HK\$20,554,000).

Profit Attributable to Owners of the Company

For the year ended 31 December 2021, profit attributable to owners of the Company was approximately HK\$241,334,000 (2020: HK\$85,706,000) and the corresponding profit margin was 3.6% (2020: 1.7%).

Inventories

As at 31 December 2021, the Group's inventories amounted to approximately HK\$1,717,220,000 (31 December 2020: HK\$1,218,169,000). The inventory turnover period was 107 days, an increase of 4 days compared with 103 days in 2020.

Trade and Bills Receivables

As at 31 December 2021, the Group's trade and bills receivables amounted to approximately HK\$1,270,335,000 (31 December 2020: HK\$1,027,493,000). Trade and bills receivables turnover period was 69 days, a decrease of 7 days compared with 76 days in 2020.

Trade and Bills Payables

As at 31 December 2021, the Group's trade and bills payables amounted to approximately HK\$956,450,000 (31 December 2020: HK\$964,731,000). Trade and bills payables turnover period was 59 days, a decrease of 23 days compared with 82 days in 2020.

As at 31 December 2021, bills payables of HK\$13,038,000 (31 December 2020: HK\$28,991,000) were secured by the Group's restricted bank deposits of HK\$2,608,000 (31 December 2020: HK\$5,798,000).

所得稅支出

集團截至2021年12月31日止年度之所得稅支出約為67,192,000港元(2020年: 20,554,000港元)。

本公司擁有人應佔盈利

集團截至2021年12月31日止年度之本公司擁有人應佔盈利約為241,334,000港元(2020年: 85,706,000港元),其相關盈利率為3.6%(2020年: 1.7%)。

存貨

集團於2021年12月31日之存貨約為1,717,220,000港元(2020年12月31日: 1,218,169,000港元)。存貨周轉期為107天,與2020年103天相比增加4天。

營業及票據應收款項

集團於2021年12月31日之營業及票據應收款項約為1,270,335,000港元(2020年12月31日: 1,027,493,000港元)。營業及票據應收款項周轉期為69天,與2020年76天相比減少7天。

營業及票據應付款項

集團於2021年12月31日之營業及票據應付款項約為956,450,000港元(2020年12月31日: 964,731,000港元)。營業及票據應付款項周轉期為59天,與2020年82天相比減少23天。

於2021年12月31日,票據應付款項13,038,000港元(2020年12月31日: 28,991,000港元)乃由本集團之受限制銀行存款2,608,000港元(2020年12月31日: 5,798,000港元)作為抵押。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
管理層討論與分析(續)

Liquidity and Financial Resources

As at 31 December 2021, the Group's net assets amounted to approximately HK\$3,759,098,000 (31 December 2020: HK\$3,579,789,000). The key figures of the Group's financial position were as follows:

資金流動性及財政資源

於2021年12月31日，集團資產淨值約為3,759,098,000港元(2020年12月31日：3,579,789,000港元)。集團財務狀況的主要資料如下：

		At 31 December 於12月31日 2021 <i>HK\$'000千港元</i>	At 31 December 於12月31日 2020 <i>HK\$'000千港元</i>
Non-current assets	非流動資產	1,728,511	1,746,822
Current assets	流動資產	4,019,879	3,678,889
Total assets	資產總值	5,748,390	5,425,711
Current liabilities	流動負債	1,771,099	1,619,636
Non-current liabilities	非流動負債	218,193	226,286
Total liabilities	負債總值	1,989,292	1,845,922
Net assets	資產淨值	3,759,098	3,579,789

During the year, the Group met its funding requirements in its usual course of operation by cash flows from operations, as well as long-term and short-term bank borrowings. Capital expenditure was mainly financed by long-term bank borrowings.

年內，集團以營運所得現金流量及銀行的長短期貸款應付日常資金需要，而資本開支則主要由長期銀行貸款撥付。

As at 31 December 2021, the Group's bank borrowings amounted to HK\$327,342,000 (31 December 2020: HK\$236,748,000). Details of the bank borrowings of the Group are set out in note 30 to the consolidated financial statements.

於2021年12月31日，本集團銀行借貸為327,342,000港元(2020年12月31日：236,748,000港元)。本集團的銀行借貸詳情已載於綜合財務報表附註30。

As at 31 December 2021, the Group's bank balances and cash, including short-term bank deposits, amounted to HK\$824,979,000 (31 December 2020: HK\$1,255,567,000) and were mainly denominated in HKD, USD and RMB.

於2021年12月31日，本集團的銀行結餘及現金(包括短期銀行存款)合共824,979,000港元(2020年12月31日：1,255,567,000港元)，主要是港幣、美元及人民幣。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析 (續)

As at 31 December 2021, the principal financial covenant figures/ratios (according to the definitions of the Group's principal banks) were as follows:

於2021年12月31日，主要的財務契約數據／比率（根據本集團主要往來銀行的定義）如下：

		At 31 December 於12月31日 2021	At 31 December 於12月31日 2020
Consolidated tangible net worth	綜合淨有形資產	HK\$3,255,116,000港元	HK\$3,195,548,000港元
Consolidated total bank debt to consolidated tangible net worth	綜合總銀行負債對綜合淨有形資產比例	0.1	0.1
Consolidated EBITDA to consolidated interest expenses	綜合息稅折舊及攤銷前利潤對綜合利息支出比例	34.6	16.2
Consolidated current assets to consolidated current liabilities	綜合流動資產對綜合流動負債比例	2.3	2.3
Consolidated capital expenditure	綜合資本開支	HK\$170,676,000港元	HK\$135,777,000港元

During the years ended 31 December 2021 and 2020, the Group had complied with all covenant ratios and undertakings.

於截至2021年2020年12月31日止年度內，本集團已遵守所有契約比率及承諾。

Risk Management

The Group follows a stringent and prudent risk management policy to manage foreign exchange and interest rate risks.

風險管理

集團會依據嚴格及審慎的風險管理政策應對外匯及利率風險。

The sale and the purchase of raw materials of the Group were mainly denominated in HKD, USD and RMB. Since the Group mainly carries out production in China, we are exposed to foreign exchange risk arising from RMB exposure. The Group has been closely monitoring the exchange rate fluctuation for USD and RMB and will continue to monitor the trend of the exchange rate and adopt appropriate measures in order to mitigate the foreign currency risk in a cautious manner.

集團之銷售和原料採購以港元、美元及人民幣為主。而集團主要的生產基地位於中國，故涉及人民幣所產生之外匯風險。集團一直密切留意美元及人民幣匯率的變動，會採取謹慎的方法，適時審視匯率的走勢，安排合適的措施以減低外匯風險。

In addition, bank borrowings of the Group were denominated in HKD and USD and interests were mainly charged on a floating rate basis. The average effective interest rate of bank borrowings of the Group was 1.44% per annum (2020: 2.46% per annum) per annum for the year ended 31 December 2021 and the bank borrowings were repayable within one year. All bank borrowings were unsecured for the years ended 31 December 2021 and 31 December 2020. The Group will continue to monitor the interest rates fluctuation in the market and will adopt appropriate measures to minimise the interest rate risk.

此外，集團的銀行借貸以港元和美元為單位，利息主要以浮動利率計算。本集團銀行借貸之平均實際年利率1.44%（2020年：2.46%），及銀行借貸須於一年內償還。截至2021年12月31日及2020年12月31日止年度，所有銀行借貸均為無抵押。本集團將繼續留意市場的利率波動，並安排合適的措施以減低利率風險。

MANAGEMENT DISCUSSION AND ANALYSIS (continued) 管理層討論與分析(續)

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2021, the Group had approximately 7,900 (31 December 2020: 7,600) full-time employees. The Group will continue to implement streamlined production so as to further minimise its labour cost. The Group's emolument policies are formulated based on the performance of individual employee and the salary trends in various regions, which are reviewed regularly. Subject to the Group's profitability, the Group may also distribute a discretionary bonus to its employees as an incentive for their contribution to the Group.

The Company also provides regular training courses and subsidies for continuing education so as to improve the skills of its employees with respect to production, selling and management.

STAKEHOLDERS' ENGAGEMENT

We obtain and understand the views of our stakeholders regularly. This communication provides valuable feedback for our business and assists us to understand stakeholders' needs and assess the best way to leverage our resources and expertise to contribute to future business and community development.

Across the supply chain, we have taken steps throughout the Year to ensure that we operate responsibly and in the interests of our customers, workforce, suppliers and other stakeholders.

Employees perform management, administration and human resources, operation and finance relation functions respectively. The Group determines the remuneration of its employees by reference to the market salary of their individual experience and performance. The Group will continue to improve and upgrade their management and professional skills. None of the Group's employees is represented by any collective bargaining agreement or labour union. The Group has not experienced any significant problem with its employees or disruption to its operations due to labour dispute, nor has the Group experienced any difficulties in the recruitment and retention of experienced staff.

僱員及酬金政策

集團於2021年12月31日之全職僱員人數約為7,900人(2020年12月31日:7,600人)。本集團將繼續實施精簡生產,以盡量減少勞動力成本。集團的酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而制定並定期作出檢討。集團亦會因應集團之盈利情況,酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

本公司亦會提供定期培訓課程及資助進修計劃,以提高僱員之生產、銷售及管理技能。

權益人參與

我們定期搜集及了解權益人的意見。這種溝通為我們的業務提供了寶貴的反饋意見,並有助我們了解權益人的需求,並評估最佳利用資源和專業知識的方法,以促進未來業務和社區的發展。

在整個供應鏈中,我們於整個年度已採取措施確保我們以負責任的態度經營業務,並符合我們客戶、員工、供應商和其他權益人的利益。

本集團僱員分別履行管理、行政及人力資源、營運、財務及投資者關係職能。本集團參考僱員個人經驗及表現的市場薪金來釐定其薪酬。本集團將繼續改善及提升其管理及專業技巧。本集團僱員概無任何集體談判協議或工會代表。本集團與其僱員並無重大問題或因為勞資糾紛而令到其運作受阻,本集團亦無在招聘及挽留富經驗員工問題上遇到任何困難。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析 (續)

OUTLOOK

The recovery of the end consumer apparel market continues to support strong customer order demand of textile and apparel products heading into 2022. Our order visibility is solid and strong and the sales momentum of 2021 has been seen in the first quarter of 2022, showing continuous encouraging business and financial results. However, rising raw material costs, the potential outbreak of Omicron variant near our production facilities and the strained shipment situation will inevitably lead to inflation of consumer prices as well as clouding the stability of the production of the overall supply chain.

The rising consumer awareness of health due to the Pandemic, has led to increasing demands for different types of exercises including hiking, running, yoga, gym work-out etc. At the same time, as work-from-home become a new common around the globe, these factors are changing consumer preference towards casual wear, sportswear and athleisure products. We believe that these trends should provide strong support for the further growth in casual wear and sportswear apparel demand.

Striving to achieving the strategic development goals for the China's 14th Five-Year Plan (the "14th FYP") period with continued efforts

The current global economy is undergoing significant changes, and economic globalisation is facing challenges. Under the impact of many uncertain factors, the global textile industry layout is constantly changing, and a new global textile industry and textile trade layout are taking shape. The Fountain Set Group is also facing unprecedented challenges, and it needs to accelerate adjusting its development strategy to facilitate transformation and upgrading.

Facing severe situation and challenges, the Fountain Set Group comprehensively analyses the changes in macroeconomic situation and accurately grasps global economic and industrial development trends to promote high-quality development under the guidance of innovative development and in line with the requirements of China's textile industry development.

Promoting quality and innovative remain as the top priority for the future development of the Fountain Set Group

In general, there is still a considerable gap between the current level of technological development of China's textile industry and the goal of being a textile powerhouse. Therefore, the textile enterprises in China should adhere to the strategic direction of promoting high-quality development with innovation and new drivers transforming from technologies for a long period of time in future.

The reshaping of the global textile industry layout and the complicated evolution of textile production and trade environment determine the instability of the textile industry layout and its development in future. The rise of emerging economies, the advancement of technologies and brands in developed countries in Europe and USA and the return of manufacturing industries made Chinese textile enterprises facing a passive situation. The Fountain Set Group can maintain its ability to compete in the market only if we could improve our capabilities in four sectors: technological innovation, product upgrade, production capacity coordination and market cultivation.

前景

踏入2022年，終端成衣消費市場的復甦將繼續支持客戶紡織及成衣製品強勁的訂單需求。我們的訂單能見度實在及明確，2022第一季可以見到2021年的銷售勢頭，與去年同期相比所顯示的業務及財務業績令人鼓舞。但另一方面，原材料成本上漲、我們的生產設施附近潛在爆發奧密克戎變種疫情以及貨運緊張狀況將不可避免的導致消費價格上漲，令整個供應鏈的生產穩定性蒙上陰影。

由於疫情原因，消費者的健康意識日益提升令爬山、跑步、瑜伽、健身房健身等鍛煉身體的需求增加。同時，居家辦公成為全球新常态，該等因素正在改變消費者變得更加偏好休閒服、運動服及運動休閒的產品。我們相信，該等趨勢將為休閒服及運動服需求的進一步增長提供強力支撐。

繼續奮鬥，努力實現「十四五」戰略發展目標

當前全球經濟正經歷重大變革，經濟全球化正面臨挑戰，在諸多不確定性因素的影響下，全球紡織產業格局不斷變化。新的全球紡織產業和紡織品貿易格局正在形成，福田集團也面臨前所未有的挑戰，必須加快調整發展戰略促進轉型升級。

面對嚴峻的形勢和挑戰，福田集團全面分析宏觀經濟形勢的變化，準確把握全球經濟產業發展的趨勢，結合中國紡織工業發展的要求，以創新發展為指導思想，推進企業高品質發展。

以創新為引領，轉換動能，推動高品質發展，仍是未來福田集團發展的首要任務

從整體上看，中國紡織產業科技發展的現時水準與紡織強國的目標還有相當大的差距。因此，中國紡織製造企業在未來相當長一段時期內需要堅持以創新為引領，以科技轉換發展動能，推動高品質發展的戰略方向。

全球紡織產業格局重塑和紡織品生產、貿易環境的複雜演變，決定了未來紡織產業格局和發展的不穩定性，新興經濟體的崛起、歐美發達國家技術和品牌的領先和製造業回歸，使中國紡織製造企業面臨被動局面，福田集團唯有提高科技創新、產品升級、產能協同、市場培育等四個方面的能力，才能保持市場競爭的能力。

MANAGEMENT DISCUSSION AND ANALYSIS (continued) 管理層討論與分析(續)

During the 14th FYP period, the Fountain Set Group will lead the transformation and upgrading innovatively to facilitate high-quality development and achieve sustainable green development through technological innovation and management innovation, so as to become an industry leader in the manufacture and management of high-quality knitted fabrics.

Intelligent manufacturing is of important significance for textile enterprises in improving production efficiency, changing traditional production models, enhancing international competitiveness and achieving high-quality development. In the future, the Fountain Set Group should adhere to promoting intelligent manufacturing step by step according to the development path of three basic paradigms of digitalisation, networking and intelligence based on the results of existing informatisation construction.

Intensifying the cultivation of domestic market to achieve complementary and coordinated development between domestic and international markets

The Group will accelerate the development of the domestic textile market and expand the proportion of domestic product sales to form a new situation of coordinated development that complements the external international markets and the internally domestic market. The Group will enter the industrial textile market through developing industrial textiles as a new growth segment for the domestic market and taking medical textiles as the entry point, with constant deepening and expansion, making it a new source of growth in future.

Continuous investment in Research and Development

The Group will put more efforts in product research and development. By taking functional fabrics, multi-fiber composite fabrics and fabrics for green environmental clothing as the main direction, we will increase product varieties, expand the industries and fields in which our products apply, and transform from a subcontracting enterprise to a manufacturing enterprise to improve the quality of development.

Deepening international collaboration

The Group will establish an industrial collaborative manufacturing mode that share standards, information and benefits to improve its capacities in operation and resource integration in overseas markets, with a view to accumulating experience and cultivating talent to cope with the changes of industry landscape and implement the strategy of “going global”.

We believe that all of our staff members will work towards the Board’s direction and objectives as well as implement the work plans set by the Board, and will further map out our long-term development strategy. With our spirit of “diligence, frugality, sincerity and integrity” and our general direction to “stabilise operation and to enhance development”, we shall keep on enhancing our efficiency and exploring the market with persistent efforts for bringing the Group to a new level. We look forward to completing our annual operating tasks and targets with excellent performances, and creating brilliant returns and results for our shareholders. We are prepared to turn challenges into opportunities and will forge ahead against all odds.

「十四五」期間，福田集團要以創新引領轉型升級推動高品質發展，通過技術創新和管理創新，實現可持續綠色發展，成為具有行業領先地位的優質針織面料的製造管理者。

智慧製造對於紡織製造企業提升生產效率、改變傳統生產模式、提高國際競爭力、實現高品質發展，具有重要意義。福田集團未來應堅持在現有資訊化建設成果的基礎上，按照數位化、網路化、智慧化三種基本範式的發展路徑，分步推進智慧製造。

加快發展國內市場，形成與國際市場內外互補協調發展

加快發展國內紡織品市場，擴大產品內銷比例，形成與國際市場內外互補的協調發展新局面，以發展產業用紡織品為新的內銷市場增長領域，以醫用紡織品為切入點，進入產業用紡織品市場領域並不斷深化拓展，使其成為未來新的增長來源。

持續投資研發

加大產品研發，以功能性面料、多纖維複合織物、綠色環保服用面料等為主要方向，增加產品品種，擴大產品應用的行業領域，由加工型企業向產品製造型企業轉變，提高發展質量。

深化國際合作，強化海外紡織供應鏈的協同能力

建立標準共用、資訊共用、利益共用的產業協同製造模式，增強海外經營能力和資源整合能力，為應對產業格局變化「走出去」積累經驗，儲備人才。

我們相信在全體員工依從董事會制定的方向和目標，精誠團結，全面貫徹董事會的工作部署，繼續研討集團長期發展戰略規劃，秉承集團「勤、儉、誠、信」的精神，按照「穩經營、促發展」既定方針，營運效率定能不斷提高，並拓展市場，為福田實業集團再上新臺階而努力奮鬥，冀能以優異的業績完成年度各項經營任務及指標，為股東創造美好回報和業績。我們必定作好準備，把挑戰轉化為機遇，堅定前行。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintaining a high standard of corporate governance practices and procedures as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding interests of shareholders and other stakeholders and enhancing shareholder value. Throughout the year from 1 January 2021 to 31 December 2021 (the “Year”), except for the deviation as disclosed in this report, the Company has consistently adopted and complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing Rules”, respectively) as guidelines to reinforce our corporate governance principles.

BOARD OF DIRECTORS

Board Composition

As at 31 December 2021, the board of directors of the Company (the “Directors” and the “Board”, respectively) comprised 11 members, namely 5 executive Directors (the “EDs”), 2 non-executive Directors (the “NEDs”) and 4 independent non-executive Directors (the “INEDs”). The NEDs and INEDs represented about 55% of the Board members thereat. During the Year and up to the date of this annual report, the Board comprises the following members:

EDs

Mr. ZHAO Yao (*Chairman*)

Mr. SUN Fuji (*Chief Executive Officer*)

(re-designated from a non-executive Director to an executive Director on 1 November 2021)

Mr. TAO Yongming

Mr. YAU Hang Tat Andrew

Mr. ZHANG Zheng (appointed on 1 April 2021)

NEDs

Dr. YEN Gordon (*Non-executive Vice Chairman*)

Mr. LIU Xianfu (re-designated from an executive Director to a non-executive Director on 1 November 2021)

INEDs

Mr. NG Kwok Tung

Mr. YING Wei

Mr. William LAM

Mr. WONG Kwong Chi (appointed on 30 June 2021)

本公司致力維持高水平的企業管治常規及程序，認為有效的公司治理框架對於促進及維護股東和其他利益相關者的利益，以及提高股東價值至關重要。由2021年1月1日起至2021年12月31日止年度（「本年度」），本公司一貫地採納及遵守香港聯合交易所有限公司證券上市規則（分別為「聯交所」及「上市規則」）附錄14所載之企業管治守則（「企管守則」）之全部適用守則條文，惟本報告所披露的偏離情況除外，作為強化本公司企業管治原則之方針。

董事會

董事會成員

於2021年12月31日，本公司之董事會（分別為「董事」及「董事會」）由11名成員組成，包括5名執行董事（「執行董事」）、2名非執行董事（「非執行董事」）及4名獨立非執行董事（「獨立非執行董事」）。非執行董事及獨立非執行董事代表了約55%的董事會成員。本年度及截至本年報日期，董事會成員如下：

執行董事

趙耀先生 (*主席*)

孫福紀先生 (*行政總裁*)

(於2021年11月1日起

由非執行董事調任為執行董事)

陶永銘先生

邱恒達先生

張正先生 (於2021年4月1日獲委任)

非執行董事

嚴震銘博士 (*非執行副主席*)

劉賢福先生 (於2021年11月1日起

由執行董事調任為非執行董事)

獨立非執行董事

伍國棟先生

應偉先生

林偉成先生

王幹芝先生 (於2021年6月30日獲委任)

CORPORATE GOVERNANCE REPORT (continued)
企業管治報告(續)

On 1 April 2021, Mr. ZHANG Zheng had been appointed as an ED, which resulted in the number of INEDs being fallen below one-third of the Board as required under Rule 3.10A of the Listing Rules. Following the appointment of Mr. WONG Kwong Chi as an INED with effect from 30 June 2021, the number of INEDs has restored its representation of at least one-third of the Board, and the Company has complied with the requirement of Rule 3.10A of the Listing Rules. The profiles of all the current Directors are set out on pages 55 to 61 of this annual report. The relationships among the Board members (including financial, business, family or other material or relevant relationships, if any) are also disclosed there.

All Directors have entered into service contracts or letters of appointment with the Company, subject to renewal, retirement by rotation and re-election at the general meetings of the Company in accordance with the articles of association of the Company (the "Articles"). Article 102(A) of the Articles provides that at each annual general meeting of the Company (the "AGM"), one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third or any other number subject to such manner of rotation as may be required by the statutes, the Listing Rules or other codes, rules, and regulations prescribed from time to time by the applicable regulatory authority, shall retire from office. The Directors to retire in every year shall be those who have been the longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Article 93 of the Articles also provides that any Director appointed to fill a casual vacancy (who shall hold office until the next following general meeting of the Company) or as an addition to the Board (who shall hold office until the next following AGM) shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Roles and Responsibilities of the Board and Delegation to the Management

The Board is responsible for the leadership and control of the Company and its subsidiaries (the "Group") and is responsible for promoting the success of the Group by directing and supervising the business operations of the Group in the interests of the Company's shareholders (the "Shareholders") by formulating strategic directions and monitoring the financial and management performance of the Group.

於2021年4月1日，張正先生獲委任為執行董事後，獨立非執行董事的人數佔董事會人數少於三分之一，未達上市規則第3.10A條之規定。自2021年6月30日，王幹芝先生獲委任為獨立非執行董事後，獨立非執行董事的人數已按上市規則第3.10A條之規定佔董事會人數三分之一。現任董事的個人簡介均載列於本年報第55至第61頁。董事會成員之間的關係(包括財務、業務、家屬或其他重大或相關的關係(如有))亦已作出披露。

所有董事已與本公司訂立服務合約或委任函，委任可予續期，但須根據本公司之組織章程細則(「章程細則」)於本公司之股東大會上輪席告退及膺選連任。章程細則第102(A)條規定，在本公司各股東週年大會(「股東週年大會」)上當時三分之一董事(或倘董事人數並非3或3之倍數，則為最接近三分之一的數目或按法例、上市規則所規定須輪席告退或適用監管機構不時訂明之其他守則、規則及規例所規定之任何其他數目)須退任。每年退任之董事須為自上次獲選後在任時間最長者，惟於同一日成為董事者，則以抽籤方式決定何者退任(除非彼等之間另有協定)。退任董事將合資格膺選連任。章程細則第93條亦規定，獲委任以填補董事會臨時空缺或增添董事會成員之董事，其任期僅至本公司下一次股東大會為止，並合資格於會上膺選連任，惟不得計算入須於該大會上輪席告退之董事人數內。

董事會之角色及職責以及轉授予管理層

董事會以本公司股東(「股東」)利益為出發點，負責領導及監控本公司及其附屬公司(「本集團」)，並透過制定策略決策及監督本集團之財務及管理層表現，指導及監督本集團之業務營運，以促進本集團之成功。

CORPORATE GOVERNANCE REPORT (continued)

企業管治報告 (續)

The overall management of the Group's business is vested in the Board. The Board has delegated the day-to-day management of the Group's business to the executive management team, and focused its attention on matters affecting the Group's overall strategic policies, finances and the Shareholders. The executive management team assumes full accountability to the Board for the operations of the Group. A formal schedule has been formulated and will be reviewed regularly to identify specific matters that shall be reserved to the Board and those delegated to the management. The Board has given clear directions to the management that certain matters must be referred to the Board for consideration and approval. The Board is the ultimate decision making body of the Company except for matters requiring the approval of the Shareholders in accordance with the Articles, the Listing Rules and other applicable laws and regulations.

Practices and Conduct of Meetings

Four regular Board meetings at approximately quarterly intervals were held during the Year. Each of the Directors has actively participated in each meeting in person or via telephone or videoconferencing. Decisions were made by majority vote at the Board meetings.

The dates of 2021 regular Board meetings had been determined in 2020 and any amendments to this schedule were notified to all Directors at least 14 days before the meetings. Appropriate arrangements were in place to allow the Directors to include items in the agenda for regular Board meetings.

All Directors had access to the services of the company secretary of the Company (the "Company Secretary") who regularly updated the Board on governance and regulatory matters. Any Director, wishing to do so in the furtherance of his respective duties, might take independent professional advice (through the chairman of the Board (the "Chairman")) at the Company's expense. The availability of professional advice extended to three Board committees, namely the audit committee (the "Audit Committee" or the "AC"), the remuneration committee (the "Remuneration Committee" or the "RC") and the nomination committee (the "Nomination Committee" or the "NC"). Minutes of the Board meetings were taken by the Company Secretary and, together with any supporting documents, were available to all Directors. Draft and final versions of the minutes were sent to all Directors for their comment and record respectively.

If a Director had a conflict of interest in a transaction or proposal to be considered by the Board and such transaction or proposal was determined by the Board to be material, the individual Director had to declare his interest and was required to abstain from voting on any matter in which he or any of his close associates (as defined in the Listing Rules) had a material interest and that he would not be counted in the quorum present at the Board meeting.

本集團整體業務由董事會負責管理。董事會將本集團日常事務的管理授權予本公司的行政管理層處理，而董事會本身則專注處理可影響本集團整體策略方針、財務及股東的事項。行政管理層須就本集團之所有經營業務向董事會承擔全部責任。本集團制定並將定期審閱正式清單，以確認應由董事會負責及轉授予管理層負責之具體事項。董事會已就須交由董事會考慮及批准之若干事項向管理層作出清晰指引。董事會為本公司之最終決策單位，惟根據章程細則、上市規則及其他適用法例及規例須由股東批准之事宜則除外。

會議常規及規則

本年度內，本公司大約每季舉行定期董事會會議。各董事積極親身、透過電話或視頻形式參與各會議。董事會會議之決定是以多數票表決。

2021年董事會定期會議的舉行日期在2020年內已定下，所有日期改動均在最少14天前通知各董事。本公司備有適當安排，讓董事提出商討事項以納入董事會定期會議議程內。

公司秘書（「公司秘書」）定期更新董事會的管治及規管事宜，所有董事均可聯絡公司秘書。任何董事可就履行其職責而（透過本公司主席（「主席」）尋求獨立專業意見，費用由本公司支付。3個董事委員會（審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）亦可尋求專業意見。董事會會議記錄由公司秘書負責撰寫，會議記錄連同任何有關文件均可提供予所有董事。初稿供所有董事審閱，而最後定稿供其作記錄之用。

若有董事在董事會將予考慮的交易或建議中存有董事會認為重大利益衝突時，涉及的個別董事須申報利益，而該董事須就彼或其任何緊密聯繫人士具有重大權益之相關董事會決議案放棄投票（如上市規則所列明），且不會計入出席該董事會會議之法定人數內。

CORPORATE GOVERNANCE REPORT (continued)
企業管治報告(續)

Directors' Attendance at Board Meetings, Board Committee Meetings and General Meeting

董事於董事會會議、董事委員會會議及股東大會之出席情況

Details of the attendance of the Directors at meetings of the Board, the AC, the RC and the NC and AGM during the Year are set out in the following table:

本年度內，董事於董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會的出席詳情列載於下表：

Name of Directors 董事姓名		Meetings attended/Meetings required to be attended during the Year 本年度內董事之出席次數/需要出席之會議				
		Board 董事會	AC 審核委員會	RC 薪酬委員會	NC 提名委員會	AGM 股東週年大會
<i>EDs</i> 執行董事						
Mr. ZHAO Yao (Note 1)	趙耀先生 (附註1)	4/4	-	-	-	1/1
Mr. SUN Fuji (Note 2)	孫福紀先生 (附註2)	4/4	4/4	-	-	1/1
Mr. TAO Yongming	陶永銘先生	4/4	-	-	-	1/1
Mr. YAU Hang Tat Andrew	邱恒達先生	4/4	-	-	-	1/1
Mr. ZHANG Zheng (Note 3)	張正先生 (附註3)	2/3	-	-	-	1/1
<i>NEDs</i> 非執行董事						
Dr. YEN Gordon	嚴震銘博士	4/4	-	-	-	1/1
Mr. LIU Xianfu (Note 4)	劉賢福先生 (附註4)	4/4	-	-	-	1/1
<i>INEDs</i> 獨立非執行董事						
Mr. NG Kwok Tung	伍國棟先生	4/4	4/4	-	-	1/1
Mr. YING Wei	應偉先生	4/4	-	-	-	1/1
Mr. William LAM	林偉成先生	4/4	4/4	-	-	1/1
Mr. WONG Kwong Chi (Note 5)	王幹芝先生 (附註5)	2/3	-	-	-	-
Date of the meetings	會議日期	19/03/2021 02/07/2021 26/08/2021 19/11/2021	07/01/2021 11/03/2021 06/07/2021 20/08/2021	Note 7 附註7	Note 8 附註8	07/05/2021
			Note 6 附註6			

Notes:

附註：

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| <p>1. Mr. ZHAO ceased to act as the CEO of the Company with effect from 1 November 2021.</p> <p>2. Mr. SUN was re-designated from a NED to an ED and was appointed as the CEO of the Company in place of Mr. ZHAO, and ceased to be a member of the AC with effect from 1 November 2021.</p> <p>3. Mr. ZHANG was appointed as an ED with effect from 1 April 2021. Three Board meetings were held during his tenure of the office in 2021.</p> <p>4. Mr. LIU was re-designated from an ED to a NED with effect from 1 November 2021.</p> | <p>1. 趙先生於2021年11月1日起不再擔任本公司行政總裁之職務。</p> <p>2. 孫先生於2021年11月1日起由非執行董事調任為執行董事並獲委任為行政總裁以替補趙先生，並不再擔任審核委員會成員之職務。</p> <p>3. 張先生於2021年4月1日獲委任為執行董事。在2021年彼任職期間召開了3次董事會會議。</p> <p>4. 劉先生於2021年11月1日起由執行董事調任為非執行董事。</p> |
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CORPORATE GOVERNANCE REPORT (continued)**企業管治報告 (續)**

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| <p>5. Mr. WONG was appointed as an INED and a member of the AC with effect from 30 June 2021 and 1 November 2021 respectively. Three Board meetings were and no AC meeting was held during his tenure of the respective offices in 2021.</p> | <p>5. 王先生分別於2021年6月30日起及2021年11月1日起獲委任為獨立非執行董事和審核委員會成員。在2021年彼任職期間召開了3次董事會會議沒有召開審核委員會會議。</p> |
| <p>6. During the year, written resolutions had been circulated and passed by all the AC members on two occasions, which were dated 18 March 2021 and 12 November 2021, respectively.</p> | <p>6. 於本年度，全體審核委員會成員已傳閱及通過2項書面決議案，日期分別為2021年3月18日及2021年11月12日。</p> |
| <p>7. During the Year, written resolutions had been circulated and passed by all the RC members on six occasions, which were dated 11 March 2021, 15 June 2021, 28 June 2021, 25 August 2021, 12 November 2021 and 15 November 2021, respectively.</p> | <p>7. 於本年度，全體薪酬委員會成員已傳閱及通過6項書面決議案，日期分別為2021年3月11日、2021年6月15日、2021年6月28日、2021年8月25日、2021年11月12日及2021年11月15日。</p> |
| <p>8. During the Year, written resolutions had been circulated and passed by all the NC members on seven occasions, which were dated 11 March 2021, 15 March 2021, 2 June 2021, 28 June 2021, 20 August 2021, 23 August 2021 and 12 November 2021, respectively.</p> | <p>8. 於本年度，全體提名委員會成員已傳閱及通過7項書面決議案，日期分別為2021年3月11日、2021年3月15日、2021年6月2日、2021年6月28日、2021年8月20日、2021年8月23日及2021年11月12日。</p> |

Training of Directors

All Directors have been given relevant guideline materials regarding the duties and responsibilities as a Director as well as relevant laws, rules and regulations applicable to the Directors, the duty of disclosure of interest and the business of the Group and induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors.

All Directors have been updated from time to time on the latest developments and changes in the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

董事培訓

所有董事均已獲提供有關擔任董事之職責及責任、適用於董事之相關法例、規則及規例、權益披露責任及本集團業務之有關指引資料，而於新任董事獲委任為本公司董事後，亦會於短期內向其提供該等介紹資料。

所有董事已不時就上市規則及其他適用監管要求之發展及變動獲得最新資料，從而確保合規，同時加強彼等對良好企業管治常規之意識。

CORPORATE GOVERNANCE REPORT (continued)
企業管治報告(續)

Each of the Directors has confirmed that he had complied with code provision C.1.4 of the CG Code on Directors' training. Throughout the Year, each of the Directors named below has participated in continuous professional development by attending seminars/in-house briefing/reading materials on the following topics to develop and refresh his knowledge and skills and provided a record of training to the Company:

董事已各自確認彼等已遵守有關董事培訓之企管守則條文第C.1.4條。本年度內，以下所有董事已透過出席有關以下主題之座談會／內部簡介／閱讀材料參與持續專業發展，以發展及更新彼等之知識及技能，並已向本公司提供培訓記錄：

Name of Directors	Topics of Training covered (Notes)	董事姓名	所涵蓋之培訓主題 (附註)
<i>EDs</i>		<i>執行董事</i>	
Mr. ZHAO Yao	(a), (b) and (c)	趙耀先生	(a)、(b)及(c)
Mr. SUN Fuji	(a), (b) and (c)	孫福紀先生	(a)、(b)及(c)
Mr. TAO Yongming	(a), (b) and (c)	陶永銘先生	(a)、(b)及(c)
Mr. YAU Hang Tat Andrew	(a), (b) and (c)	邱恒達先生	(a)、(b)及(c)
Mr. ZHANG Zheng	(a), (b) and (c)	張正先生	(a)、(b)及(c)
<i>NEDs</i>		<i>非執行董事</i>	
Dr. YEN Gordon	(a), (b) and (c)	嚴震銘博士	(a)、(b)及(c)
Mr. LIU Xianfu	(a), (b) and (c)	劉賢福先生	(a)、(b)及(c)
<i>INEDs</i>		<i>獨立非執行董事</i>	
Mr. NG Kwok Tung	(a), (b) and (c)	伍國棟先生	(a)、(b)及(c)
Mr. YING Wei	(a), (b) and (c)	應偉先生	(a)、(b)及(c)
Mr. William LAM	(a), (b) and (c)	林偉成先生	(a)、(b)及(c)
Mr. WONG Kwong Chi	(a), (b) and (c)	王幹芝先生	(a)、(b)及(c)
<i>Notes:</i>		<i>附註：</i>	
(a) corporate governance		(a) 企業管治	
(b) regulatory requirements or risk management		(b) 監管要求或風險管理	
(c) finance or business operation/management		(c) 財務或業務營運／管理	

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance coverage in respect of potential legal action against the Directors and officers.

董事及高級人員責任保險

本公司已就董事及高級人員可能面對之法律行動作出適當之投保安排。

CORPORATE GOVERNANCE REPORT (continued)

企業管治報告 (續)

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (THE “CEO”)

Since 23 January 2015, Mr. ZHAO Yao, the Chairman and an ED, has taken up the position of CEO of the Company, details of which were set out in the Company’s announcement dated 23 January 2015. This deviates from code provision C.2.1 of the CG Code, which stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. However, having considered the latest development of the Group, vesting the roles of both Chairman and CEO in different persons enables the Group to plan its overall strategy more efficiently and achieve the budgeted target. As Mr. SUN Fuji was re-designated from a NED to an ED and was appointed as the CEO of the Company in place of Mr. ZHAO with effect from 1 November 2021; and hence the Company has complied with code provision C.2.1 of the CG Code.

NON-EXECUTIVE DIRECTORS

All the existing NEDs and INEDs were appointed for a specific term. Each of the NEDs and INEDs has entered into a letter of appointment with the Company for a term of one year, subject to renewal, retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles.

CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the existing INEDs, an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all the INEDs are independent and at least one of them has appropriate professional qualifications or accounting or related financial management expertise in accordance with Rule 3.10(2) of the Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct regarding Directors’ securities transactions. In response to the specific enquiries made by the Company on all Directors, they have confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

BOARD COMMITTEES

The Board currently has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, each with specific terms of reference. Their terms of reference have been reviewed and approved by the Board and are updated by reference to the CG Code from time to time. The terms of reference of each of the Audit Committee, the Remuneration Committee and the Nomination Committee have been posted on the respective websites of the Stock Exchange and the Company.

主席及行政總裁 (「行政總裁」)

自2015年1月23日起，本公司主席及執行董事趙耀先生開始兼任本公司行政總裁職務，詳情已載於日期為2015年1月23日之公司公告。此會偏離企管守則條文C.2.1的規定，主席與行政總裁的角色應有區分，不應由一人同時兼任，但考慮到本集團最新發展，由不同人士擔任主席及行政總裁兩個職務可以讓本集團更有效率地計劃整體策略及完成預算目標。鑑於孫福紀先生於2021年11月1日起由非執行董事調任為執行董事並獲委任為行政總裁以替補趙先生；本公司亦因而能夠遵守企管守則條文C.2.1的規定。

非執行董事

所有現有非執行董事及獨立非執行董事均有特定委任年期。非執行董事及獨立非執行董事已各自與本公司訂立委任函，任期為1年，委任可予續期，但須根據章程細則於本公司股東大會上輪席告退及膺選連任。

獨立性確認書

本公司已根據上市規則第3.13條接獲各現任獨立非執行董事的書面年度獨立確認書。根據上市規則第3.10(2)條，董事會認為所有獨立非執行董事均為獨立人士，其中最少一位具備合適專業資格或會計或相關財務管理知識。

董事進行證券交易

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則 (「標準守則」) 為其有關董事進行證券交易之守則。就本公司向所有董事作出具體查詢後，彼等已確認於本年度內均已遵守標準守則所要求的標準。

董事會委員會

董事會現已成立3個委員會，分別為審核委員會、薪酬委員會及提名委員會，各自有特定職權範圍書。彼等之職權範圍書已獲董事會批准及審閱，並已參考企管守則作不時更新。審核委員會、薪酬委員會及提名委員會各自之職權範圍書已刊載於聯交所及本公司網站。

CORPORATE GOVERNANCE REPORT (continued)
企業管治報告(續)

During the Year, these committees adhered to their principles, procedures and arrangements set out in their respective terms of reference. The respective committee secretaries took full minutes of the meetings of these committees and the work of each of these committees was reported to the Board regularly.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference for the purposes of reviewing and providing supervision over the Company's financial reporting process, risk management and internal control systems. The terms of reference of the Audit Committee were revised and effective on 1 January 2019. The principal duties of the Audit Committee are to consider the appointment and remuneration of the external auditors, to monitor the integrity of the Group's financial statements with a focus on the changes in accounting policies and practices, major judgmental areas, significant audit adjustments, going concern assumptions, and compliance with accounting standards, the Listing Rules and other applicable legal requirements, and to review the Group's financial reporting system, risk management and internal control systems.

Mr. SUN Fuji ceased to be a member of the AC with effect from 1 November 2021 while Mr. WONG Kwong Chi was appointed a member of the AC with effect from 1 November 2021.

As at the date of this annual report, the Audit Committee comprises three INEDs, namely Mr. NG Kwok Tung, Mr. William LAM and Mr. WONG Kwong Chi and is chaired by Mr. NG Kwok Tung.

The Audit Committee held four meetings during the Year and details of the attendance are shown in the table on page 39 of this annual report. The Audit Committee passed 2 written resolutions during the year. A summary of the work of the Audit Committee during the Year is set out as follows:

- provided recommendations to the Board on the re-appointment of independent auditor, and approved the audit fee and the terms of engagement of the independent auditor;
- reviewed and monitored the independent auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and discussed with the independent auditor before the audit commenced, the nature and scope of the audit and the reporting obligations;
- reviewed the financial statements, interim report and annual report as well as significant financial reporting judgments contained in them;
- reviewed the financial controls, internal control and risk management systems;

本年度內，該等委員會均已遵守彼等各自之職權範圍書所載之原則、程序及安排。委員會相關秘書負責為該等委員會撰寫完整的會議記錄，而委員會則定期向董事會作出工作匯報。

審核委員會

本公司已成立審核委員會，並設有書面職權範圍書，藉以檢討及監察本公司之財務申報程序、風險管理及內部監控制度。審核委員會的職權範圍於2019年1月1日經修訂並生效。審核委員會的主要職務為考慮外聘核數師的委任及酬金、監督本集團財務報表是否完整(尤其著重會計政策及實務的更改、重要判斷範圍、重大核數調整、持續經營假設以及是否符合會計準則、上市規則及其他適用之法律要求)，同時檢討本集團的財務申報制度、風險管理及內部監控制度。

孫福紀先生於2021年11月1日起不再擔任審核委員會成員之職務，而王幹芝先生於2021年11月1日起獲委任為審核委員會成員。

截止本年報的發表日期，審核委員會由3名獨立非執行董事組成，分別為伍國棟先生、林偉成先生及王幹芝先生。審核委員會主席為伍國棟先生。

本年度內審核委員會舉行了4次會議，出席詳情列於本年報第39頁之表內。本年度內審核委員會通過了2次書面決議案。審核委員會於本年度內的工作概要包括以下事項：

- 就獨立核數師的重新委任向董事會提供建議，及核准獨立核數師酬金及聘用條款；
- 按適用的標準檢討及監察獨立核數師的獨立性及客觀性，以及核數程序的有效性；並與獨立核數師在審核工作開始前預先討論審核工作的性質和範圍及有關申報責任；
- 審閱財務報表、中期報告及年度報告，並檢閱其所載有關財務申報的重大判斷；
- 檢閱財務監控、內部監控及風險管理制度；

CORPORATE GOVERNANCE REPORT (continued)**企業管治報告 (續)**

- discussed the risk management and internal control systems with management to ensure that the management had performed its duty to have effective systems. Such discussion included the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
- ensured co-ordination between the internal and external auditors, and ensured that the internal audit function was adequately resourced and had appropriate standing within the Company, and reviewed and monitored its effectiveness;
- reviewed the financial and accounting policies and practices; and
- reviewed the independent auditor's management letter, any material queries raised by the independent auditor to management regarding the accounting records, financial accounts or systems of control and management's response.
- 與管理層討論風險管理及內部監控系統，並確保管理層已履行職責建立有效的系統。有關討論包括本公司的財務匯報職能方面資源、員工之資歷及經驗、培訓課程及有關預算是否充足；
- 確保內部和外聘核數師的工作得到協調；及確保內部審核功能在本公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察內部審核功能的有效性；
- 檢閱財務及會計政策及實務；及
- 檢閱獨立核數師致管理層的審核情況說明函件、獨立核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層的回應。

AUDITOR'S REMUNERATION

During the Year, the fees paid/payable to BDO Limited, the Group's independent auditor, in respect of audit and non-audit services for the Year amounted to approximately HK\$2,961,000 and HK\$1,101,000 respectively. The non-audit services mainly consisted of interim review of HK\$357,000, payroll services of HK\$43,000, tax services of HK\$237,000, SASAC's report of HK\$460,000 and registered services of HK\$4,000.

RESPONSIBILITIES OF DIRECTORS AND AUDITOR FOR FINANCIAL STATEMENTS

The Directors acknowledge the responsibilities for preparing the financial statements of the Company. They were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. The independent auditor's statement about its reporting responsibilities is set out on pages 76 to 80 of this annual report.

There is no disagreement between the Board and the Audit Committee on the re-appointment of the independent auditor, and they both have agreed to recommend the re-appointment of BDO Limited as the Company's independent auditor for the ensuing year at the 2022 AGM for the approval of the Shareholders.

核數師酬金

於本年度，就審計及非審計服務已付／應付予本集團之獨立核數師予香港立信德豪會計師事務所有限公司之費用分別約為2,961,000港元及1,101,000港元。非核數服務主要包括中期審閱為357,000港元、薪金服務為43,000港元、稅務為237,000港元、國資委報告為460,000港元及註冊服務為4,000港元。

董事及核數師對財務報表的責任

董事知悉其有編製本公司財務報表的責任。董事並不知悉任何有關可能對本集團按持續基準繼續經營之能力構成重大疑問之事件或情況之任何重大不明朗因素。獨立核數師發表有關其申報責任的聲明載列於本年報第76至80頁。

董事局與審核委員會對重新委任獨立核數師事宜並沒有意見分歧，他們均同意於本公司的2022年股東週年大會建議股東批准重新委任香港立信德豪會計師事務所有限公司為本公司之獨立核數師。

CORPORATE GOVERNANCE REPORT (continued)
企業管治報告(續)

NOMINATION COMMITTEE

The Company has established the Nomination Committee with written terms of reference and its principal duties are 1) to review the structure, size and composition of the Board at least annually; 2) to identify and recommend suitably qualified candidates as new Director(s) or to fill Board vacancies as they arise and to assess candidates proposed by the CEO as new Senior Vice President(s) or to fill Senior Vice President vacancies as they arise for the approval of the Board; 3) to assess the independence of the INEDs; and 4) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the CEO.

As at the date of this annual report, the Nomination Committee comprises an ED Mr. ZHAO Yao and two INEDs, namely Mr. YING Wei and Mr. William LAM and is chaired by Mr. ZHAO Yao.

The Nomination Committee passed 7 written resolutions during the Year. A summary of the work of the Nomination Committee during the Year is set out as follows:

- made recommendations to the Board and determined the policy on the appointment and re-appointment of Directors, Honorary Chairman and CEO and assessed the independence of the INEDs;
- reviewed the policy of diversity of the Board; and
- reviewed the size, structure and diversity of the Board, and assessed the balance of skills and experience of the Board as expedient with a diversity of perspectives appropriate to the requirements of the business of the Group.

NOMINATION POLICY

The Nomination Committee will recommend to the Board for the appointment of Directors (including an INED) in accordance with the following procedures and process:

- i. The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- ii. The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:
 - (a) Diversity in the aspects of, amongst others, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;

提名委員會

本公司已成立提名委員會，並設有書面職權範圍書，其主要職責包括1)至少每年檢討董事會的架構、人數及組成、2)物色及提名合資格人士成為董事會新成員或填補董事會空缺的人選，以及評審行政總裁建議成為新高級副總裁成員或填補高級副總裁空缺的人選，供董事會批准、及3)評核獨立非執行董事的獨立性及4)就董事之委任、重新委任及董事，尤其是主席及行政總裁之繼任計劃，向董事會提供意見。

截至本年報日期，提名委員會由1名執行董事及2名獨立非執行董事組成，分別為趙耀先生、應偉先生及林偉成先生，委員會主席為趙耀先生。

本年度內提名委員會通過了7次書面決議案。提名委員會於本年度內的工作概要包括以下事項：

- 就委任及重新委任董事、榮譽主席及行政總裁向董事會提供建議和決定政策，以及評核獨立非執行董事之獨立性；
- 檢討董事會成員多元化政策；及
- 檢討董事會的人數、組成、架構及多元性，並評估董事會技能的均衡和經驗；及觀點多元化以適合及有利於本集團的業務要求。

提名政策

提名委員會將根據以下程序及流程向董事會建議任命董事(包括獨立非執行董事)：

- i. 提名委員會將適當考慮董事會目前的組成和規模，首先制定一份理想的技能、觀點及經驗清單，以集中尋覓工作；
- ii. 提名委員會可諮詢其認為適當的任何來源，以識別或選擇合適的候選人，例如現有董事的推薦、廣告、第三方代理公司的推薦及股東的建議，並適當考慮(包括但不限於)下列因素：
 - (a) 各方面的多樣性，其中包括性別、年齡、文化和教育背景、專業經驗、技能、知識和服務年限；

CORPORATE GOVERNANCE REPORT (continued)

企業管治報告 (續)

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|--|---|
| (b) Commitment for responsibilities of the Board in respect of available time and relevant interest; | (b) 其能投放於董事會職責的可付出的時間及相關利益； |
| (c) Qualifications, including accomplishment and experience in the relevant industries in which the Group's business is involved; | (c) 資格、包括涉及本集團業務的相關行業的成就和經驗； |
| (d) Independence; | (d) 獨立性； |
| (e) Reputation for integrity; | (e) 誠信聲譽； |
| (f) Potential contributions that the individual can bring to the Board; and | (f) 個人可以向董事會帶來的潛在貢獻；及 |
| (g) Plan(s) in place for the orderly succession of the Board. | (g) 為董事會有序繼任而制訂的計劃。 |
| iii. The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks; | iii. 提名委員會可採用其認為適當的任何程序評估候選人的合適性，例如面試、背景調查、演示及查核第三方推薦； |
| iv. The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts; | iv. 提名委員會將考慮在董事會聯絡圈內外的各類候選人； |
| v. 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; | v. 在考慮適合擔任董事職位的候選人後，提名委員會將舉行會議及／或以書面決議案方式（如認為合適）批准向董事會提交建議，以備委任； |
| vi. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate; | vi. 提名委員會將向薪酬委員會提供所選候選人的相關資料，以備考慮該候選人的薪酬待遇； |
| vii. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a Director is considered, the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration; | vii. 及後，提名委員會將就建議的委任向董事會提出建議，而在考慮委任董事的情況下，薪酬委員會將就薪酬政策及架構向董事會提出建議； |
| viii. 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 and the Board will thereafter deliberate and decide the appointment as the case may be; and | viii. 董事會可安排選定的候選人由不屬提名委員會成員的董事會成員進行面試，此後，董事會將根據具體情況審議並決定任命；及 |
| ix. 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 relevant regulatory authorities, if required. | ix. 所有董事的任命，將通過提交相關董事的同意擔任董事函（或要求相關董事確認或接受任命為董事的任何其他類似文件，視具體情況而定）予向相關法定機構（如有需要）作存檔確認。 |

CORPORATE GOVERNANCE REPORT (continued)
企業管治報告(續)

POLICY OF DIVERSITY OF THE BOARD

The Company has adopted a policy of diversity of the Board (the “Policy”). The criteria adopted by the Nomination Committee in considering whether the relevant personnel are suitable as Directors include their qualifications, experience, expertise, skills, knowledge, ethnicity, age, cultural background and so on in view of the provisions of the Listing Rules and the particulars of the Policy as adopted by the Board are summarised as follows:

Purposes:

1. to increase diversity at the level of the Board;
2. to enhance the effectiveness of the Board and the quality of its performance; and
3. to support the attainment of strategic objectives/plan and sustainable and balanced development of the Group.

Measurable Objectives

The optimum composition of the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, regional and industry experience, skills, knowledge and other experience of the Directors. The ultimate decision will be based on merit and contribution that the selected candidate(s) will bring to the Board.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee with written terms of reference and its principal duties are 1) to make recommendations to the Board on the remuneration policy for all Directors; 2) to review and approve the Group’s remuneration policy proposed by the CEO and make recommendations to the Board; and 3) to review and approve the management’s remuneration and incentive assessment indicators proposals by reference to the Board’s corporate goals and objectives. The Group’s remuneration policy is to provide a competitive level of remuneration in accordance with current market conditions to attract and motivate the Directors and staff for their contribution.

As at the date of this annual report, the Remuneration Committee comprises an ED Mr. TAO Yongming and two INEDs, namely Mr. NG Kwok Tung and Mr. YING Wei, and is chaired by Mr. YING Wei.

董事會多樣化政策

本公司已採納董事會多樣化政策(「本政策」)。提名委員會在考慮有關人士是否適合成為董事時，基於上市規則及董事會已採納之本政策，採納的準則包括其資歷、經驗、專長、技能及知識、種族、年齡及文化背景等。本政策之細節總結如下：

目的：

1. 增加董事會之多元性；
2. 提升董事會之效率及表現質素；及
3. 支持達到本公司之策略目標／計劃及持續及平衡發展。

可計量目標

最佳的董事會組成將按一系列多元化範疇為基準，包括但不限於董事的性別、年齡、文化及教育背景、專業資格、地區及行業經驗、技能、知識及其他資歷。最終人選將按其長處及可為董事會提供的貢獻作決定。

薪酬委員會

本公司已成立薪酬委員會，並設有書面職權範圍書，其主要職務為1)就制訂所有董事之薪酬政策向董事會提出建議、2)審批行政總裁建議之本集團的薪酬政策及向董事會提出建議及3)因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬及績效考核指標建議，並向董事會提出建議。本集團的薪酬政策旨在根據目前市況提供具競爭力的薪酬，以吸引及激勵董事及員工作出貢獻。

截至本年報日期，薪酬委員會由1名執行董事及2名獨立非執行董事組成，分別為陶永銘先生、伍國棟先生及應偉先生，委員會主席為應偉先生。

CORPORATE GOVERNANCE REPORT (continued)

企業管治報告 (續)

The Remuneration Committee passed 6 written resolutions during the Year. A summary of the work of the Remuneration Committee during the Year is set out as follows:

- made recommendations to the Board on the remuneration packages of individual Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and assessed their performance;
- reviewed and approved the management's remuneration and incentive assessment indicators proposals by reference to the Board's corporate goals and objectives; and
- ensured that no Director or any of the respective associates (as defined in the Listing Rules) is involved in deciding his own remuneration.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the risk management and internal control systems of the Group. The risk management and internal control systems employed by the Group are designed to manage rather than eliminate the risk of failure to achieve the business objectives of the Group, and can only provide reasonable and not absolute assurance against material and/or financial misstatement or loss. The Board has delegated the Audit Committee the following duties:

- to review the Company's financial controls, risk management and internal control systems;
- to discuss the risk management and internal control systems with management to ensure that the management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
- where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and
- to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management's response to these findings.

本年度內薪酬委員會通過了6次書面決議案。薪酬委員會於本年度內的工作概要包括以下事項：

- 就個別董事及高級管理層之酬金待遇向董事會提供建議，包括金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償），及評審彼等之表現；
- 因應董事會所訂企業方針及目標而審批管理層薪酬及績效考核指標建議；及
- 確保任何董事或各自的任何聯繫人（定義見上市規則）不可參與決定本身之薪酬。

風險管理及內部監控

董事會全權負責維持本集團的風險管理及內部監控系統。本集團使用風險管理及內部監控系統之目的是為減少本集團營運固有的風險以達至可接受程度，但非消除所有風險，及只能就重大及／或財務的數據失實或損失作出合理而非絕對的保證。董事會已交予審核委員會以下職責：

- 檢討本公司財務監控、風險管理及內部監控系統；
- 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。討論內容應包括會計及財務彙報職能方面的資源、相關員工之資歷及經驗是否足夠，以及該等員工所接受的培訓課程及有關本公司預算是否充足；
- 如公司設有內部審計職能，須確保內部和外聘核數師的工作得到協調；也須確保內部審核功能在本公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察其成效；及
- 主動或應董事會的委派，就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究。

CORPORATE GOVERNANCE REPORT (continued)
企業管治報告(續)

The Company has established the Internal Audit Department (the “IAD”) and the Corporate Operation Management Department (the “COMD”) to manage the internal control and risk management issues of the Group respectively. The COMD reports to both the AC and the CEO, while the IAD reports only to the AC.

The AC and the CEO report to the Board periodically regarding material controls, including financial, operational and compliance controls and other risk issues of the Group identified by the AC and the CEO from time to time. The Board, through the AC, reviews risk management and internal control matters approximately once every six months. The Board and the AC are satisfied with the effectiveness of the Company’s procedure for financial reporting.

INTERNAL CONTROL

The IAD is responsible for the internal control matters of the Group and currently comprises 4 staff members. It is governed by an internal audit charter and has established an internal audit approach for its internal audit function. The IAD has prepared 17 internal audit reports during the year ended 31 December 2021. The Board has confirmed that IAD had been provided with adequate resources and budget and comprised qualified staff with sufficient experience and training programs to perform its internal audit function.

The missions of the IAD are:

- to evaluate and improve the Group’s risk management, control and operation processes; and
- to assist the organisation in achieving the best practice, thus becoming the best managed company.

The IAD is authorised to have unrestricted access to records, personnel, and physical properties relevant to the performance of audits. Their relevance depends on the nature and extent of the audits as well as the audit environment, and is subject to the internal audit guideline on the handling of sensitive information as endorsed by the AC. The IAD is authorised to directly and regularly communicate with the senior management and all executives in individual organisation being audited to discuss its major findings. All personnel within the Group are required to assert full cooperation any time and in any place with the IAD necessary to allow it to discharge its responsibilities.

本公司已成立內部審計部(「內部審計部」)及企業營運管理部(「企業營運管理部」)並分別負責管理本集團內部監控及風險管理事宜。企業營運管理部向審核委員會及行政總裁彙報，而內部審計部只向審核委員會彙報。

審核委員會及行政總裁定期向董事會彙報實質監控，包括財務、營運及合規監控及其他不時由審核委員會及行政總裁指出有關本集團的風險事宜。董事會約於每6個月會經審核委員會審閱風險管理及內部監控事宜。董事會及審核委員會信納本公司財務申報程序的有效性。

內部監控

內部審計部現時由4名員工組成並負責本集團的內部監控事宜。受內部審計憲章監管及已就其內部審計職能制定了內部審計模式。於截至2021年12月31日止年度內部審計部已完成17個內部審計報告。董事會確定已向內部審計部提供充足的資源及預算及具足夠經驗的合資格員工及培訓課程以執行其內部審計職能。

內部審計部的任務：

- 評估及改善本集團的風險管理、監控及營運流程；及
- 協助組織達到最佳常規並變成最佳管理的公司。

內部審計部獲授權可無限制地接觸與進行審計相關的記錄、人員及實物財產。其相關性視乎審計的屬性及程度以及審計環境而定，且須受審核委員會允許有關處理敏感資料的內部審計指引的規限。內部審計部獲授權直接及定期與接受審計的個別組織的高級管理人員及所有行政人員溝通，以討論其主要結果。本集團內所有人員須於任何時間及任何地點積極全面地與內部審計部進行必要的合作，以履行其責任。

CORPORATE GOVERNANCE REPORT (continued)

企業管治報告 (續)

RISK MANAGEMENT

The Group has established a comprehensive risk management framework (the “Framework”) since 2016. The Framework is to execute the basic risk management measures in various business sectors such as production, operation and management, with the aim to (i) develop a group-wide, open and proactive risk management culture, and (ii) safeguard the strategic development and current business operations of the Group.

The Framework consists of the following concepts:

風險管理

本集團於2016年開始推行全面風險管理框架（「框架」）。該框架是指通過在生產、經營與管理的各個環節執行風險管理基本流程，以(i)培育集團性，開放及主動的風險管理文化及(ii)為本集團實現發展戰略與經營業績的總體目標提供保障為目標。

框架包括以下的概念：

The Comprehensive Risk Management Framework

全面風險管理框架



The Company has also established the guideline for the Framework (the “Guideline”). According to the Guideline, the risk management function of the Group is made up of the Board, AC, CEO, senior management, COMD, IAD and various subsidiaries of the Company.

The Framework is a tri-layer system. The first layer is mainly made up of senior management and heads of various functional and operational departments of the Group, who are the key players for minimising potential risks in advance. The second layer consists of the AC, the CEO and the COMD, which is mainly responsible for the organisation, co-ordination and planning of the corporate risk management works and monitors the progress of the risk management works. Thus, the second layer is vital during a risk management crisis. The third layer is formed by the AC and the IAD to review and audit the existing operation flow such as information system, business flow and financial disclosure. The third layer is often the key to mitigate risk factors in the aftermath of a risk management crisis.

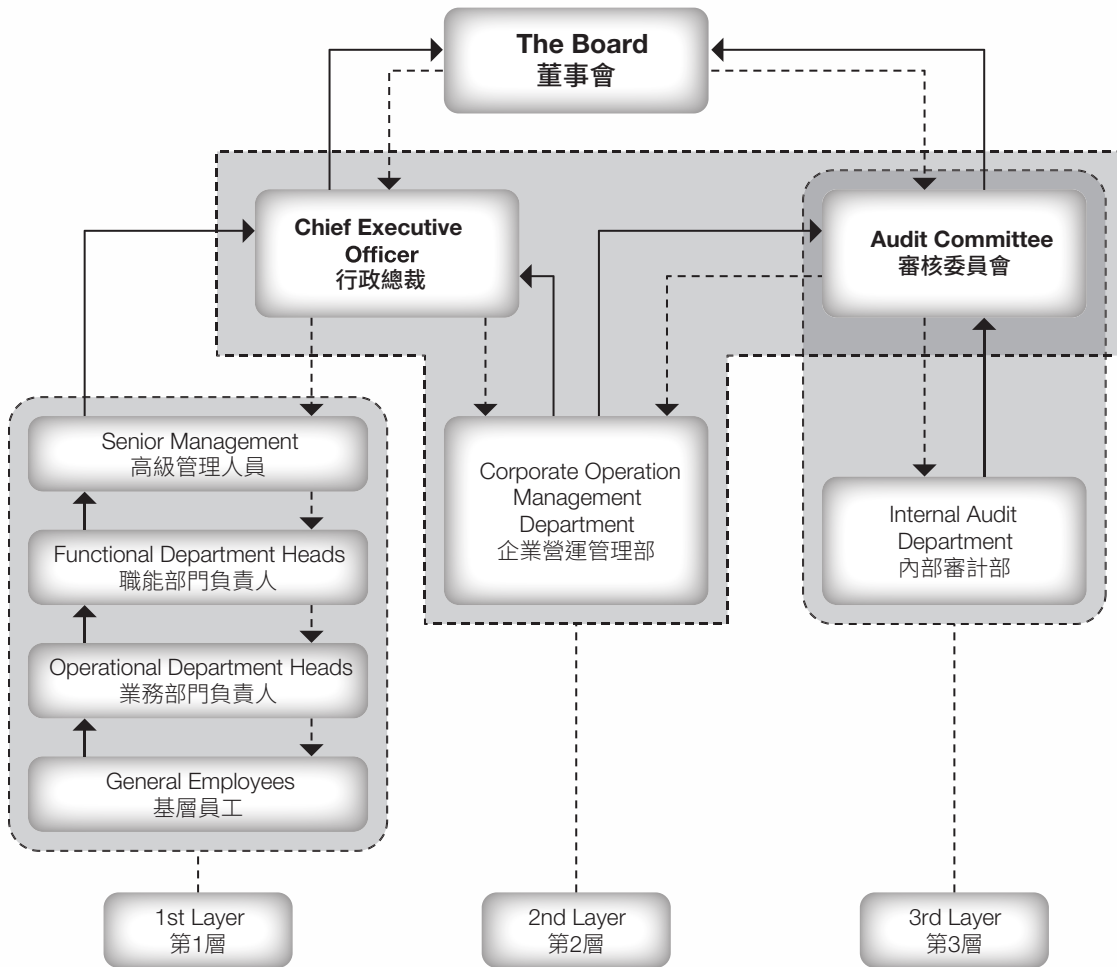
本公司亦制定了框架的守則（「守則」）。根據守則，本集團的風險管理職能由董事會、審核委員會、行政總裁、高級管理人員、企業營運管理部、內部審計部及本公司各個附屬公司所組成。

框架是一個3層系統。第1層主要包括高級管理人員及本集團不同職能部門和業務部門的主管，他們為事前控制風險的關鍵人物。第2層由審核委員會、行政總裁及企業營運管理部構成，主要負責企業風險管理工作的統籌、組織、協調與規劃，並對該項工作的開展與落實情況進行監控，是風險控制危機的關鍵。第3層包含審核委員會和內部審計部，主要負責對現時營運流程如資訊系統、業務流程及財務披露等方面進行審計及審閱，第3層常作為於風險控制危機事後處理上減低風險因素的關鍵。

CORPORATE GOVERNANCE REPORT (continued)
企業管治報告(續)

The following diagram displays the relationship and interaction among the three layers of the Framework:

下圖顯示了框架3層系統之間的關係及互動：



Notes 附註： **→** The up flow of risk related information 表示風險有關資訊上報 **---** Request to execute the risk management measures 表示風險管理要求下達

In 2022, COMD will continue to focus on the following risk management issues:

於2022年，企業營運管理部將繼續專注下列的風險管理事宜：

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Continue to strengthen and deepen the risk self-assessment and internal assessment work; 2. Set reasonable assessment standards and methods for the impact of risk categories; and 3. Accelerate the implementation progress of the risk management work. | <ol style="list-style-type: none"> 1. 繼續加強、深化風險自主評估與內部評估工作； 2. 對風險類型影響程度的評估標準與方法進行合理設置；及 3. 加快風險管理工作的實施進度。 |
|--|---|

CORPORATE GOVERNANCE REPORT (continued)

企業管治報告 (續)

During 2021, the IAD and the COMD had reviewed the risk management and internal control systems of the Group and reported their findings to the AC. The risk management and internal control systems are reviewed twice during the Year. There was no significant defect found in respect of the risk management or internal control system under review. The Board and the AC are satisfied with the effectiveness and adequacy of the risk management and internal control systems of the Group.

INSIDE INFORMATION POLICY

The Group has established a policy for ensuring that inside information (the "Inside Information") is disclosed to the public in an equal and timely manner in accordance with the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The senior management of the Group is to provide timely and accurate information, to allow the Board to make an informed decision to determine whether the information is Inside Information and/or whether the Company has to disclose such information to the public. Senior management of the Group must report to the Board and/or CEO any information they have which they believe to be Inside Information and will trigger the Company to discharge its disclosure duty. The Company Secretary will follow up accordingly.

The Company Secretary is responsible for disclosing Inside Information to the public and/or is authorised to collect any information from any department and/or employee of the Group in order to help determining whether the alleged information is Inside Information and/or whether disclosure is required.

CORPORATE GOVERNANCE

Corporate Governance Duties

The Board is responsible for performing the corporate governance duties of the Group, including (a) developing and reviewing the policies and practices on (i) corporate governance and (ii) compliance with legal and regulatory requirements of the Company; (b) reviewing and monitoring the training and continuous professional development of the Directors and senior management; (c) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and (d) reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report. The Board has, amongst other matters, reviewed this corporate governance report, ensuring compliance with the Listing Rules.

COMPANY SECRETARY

Ms. CHENG Wai Han Charmaine ("Ms. CHENG"), the company secretary of the Company, has continued to perform and discharge the duties of a company secretary under the Listing Rules.

於2021年內，內部審計部及企業營運管理部已審閱本集團的風險管理及內部監控系統並向審核委員會彙報。風險管理及內部監控系統於年內檢討兩次。有關檢討概無發現重大風險或內部監控系統問題。董事會及審核委員會均滿意本集團的風險管理及內部監控系統的成效及充足性。

內幕消息政策

本公司已制定政策，以確保內幕消息（「內幕消息」）根據上市規則及證券及期貨條例（香港法例第571章）公平及適時地向公眾發佈。

本集團的高級管理人員有責任提供可靠及適時的資料，讓董事會就釐定有關消息是否為內幕消息及／或本公司是否應即時向公眾公佈，作出知情的決定。所有本集團的高級管理人員須就其所知可能引致本公司須履行披露責任的內幕消息時，應向董事會及／或行政總裁報告，再由公司秘書跟進。

公司秘書負責向公眾披露內幕消息及／或有權向本集團任何部門及／或僱員收集任何資料，以進一步評估該資料是否屬於內幕消息及／或是否需要披露。

企業管治

企業管治職責

董事會須負責履行本集團之企業管治職責，包括(a)制定及檢討有關(i)企業管治及(ii)本公司在遵守法例及監管規定方面之政策及慣例；(b)檢討及監察董事及高級管理人員之培訓及持續專業發展；(c)制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；及(d)檢討本公司遵守企管守則的情況及在企業管治報告內的披露。董事會已（其中包括）審閱此企業管治報告，確保符合上市規則。

公司秘書

本公司之公司秘書鄭惠嫻女士（「鄭女士」）將繼續執行及履行聯交所證券上市規則項下的公司秘書職責。

CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

Ms. CHENG joined the Group in October 2003 and is currently the Deputy General Manager (Corporate Governance Department of the Group) of the Company. She has over 23 years of extensive working experience specialising in company secretarial matters, credit management, investor relations, corporate affairs and insurance operation. Ms. CHENG is a fellow member of each of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in England. Ms. CHENG obtained a Bachelor of Commerce degree from Mount Allison University, Canada, an Executive Master's degree in Business Administration (EMBA) from the Chinese University of Hong Kong and a Master of Science degree in Professional Accounting and Corporate Governance from the City University of Hong Kong. Ms. CHENG has fulfilled the specified qualifications and experience under Rule 3.28 of the Listing Rules and she has received no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules during the Year.

SHAREHOLDERS' RIGHTS

The Board and the management of the Company endeavour to maintain a continuing communication with the Shareholders and investors through various channels, including the Company's general meetings. Set out below is a summary of how the Shareholders can convene a general meeting and put forward proposals at such meetings.

Convening a general meeting

Pursuant to Sections 566 to 568 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), Shareholder(s) holding at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings may, by written request authenticated by the Shareholder(s) making it (the "Written Request") and sent to the Company, require the Directors to call a meeting.

The Written Request (i) must state the general nature of the business to be dealt with; and (ii) may include the text of a resolution that may properly be moved and is intended to be moved at the meeting.

The Directors must call a meeting within 21 days after the date on which they become subject to the requirement of the relevant Shareholder(s) and such meeting must be held within 28 days after the date of the notice convening the meeting.

If the Written Request received by the Company identifies a resolution that may properly be moved and is intended to be moved at the meeting, the notice of the meeting must include notice of the resolution. The business that may be dealt with at the meeting includes a resolution that has been included in such notice of meeting. If the resolution is to be proposed as a special resolution, the Directors must include, in the notice of the meeting, the text of the resolution and specifies the intention to propose the resolution as a special resolution.

* For identification purpose only

鄭女士於2003年10月加入本集團，現任本公司副總經理(集團企業管治部)。彼擁有超過23年的豐富工作經驗，專長於公司秘書事務、信貸管理、投資者關係、企業事務和保險營運。鄭女士是香港公司治理公會(原稱為香港特許秘書公會)及位於英國的特許公司治理公會(原稱為特許秘書及行政人員公會)的資深會員。鄭女士於加拿大艾利森山大學*取得商業學士學位，於香港中文大學取得行政人員工商管理碩士學位(EMBA)及於香港城市大學取得理科碩士學位(專業會計與企業管治)。鄭女士已符合上市規則第3.28條所要求的專業資格及資歷，彼於年內亦已遵守上市規則第3.29條所要求的接受不少於15小時的相關專業訓練。

股東之權利

本公司董事會及管理人員致力通過不同渠道與股東及投資者保持持續溝通，包括本公司之股東大會。以下概述股東可如何召開股東大會及於會上提呈建議。

召開股東大會

根據公司條例(香港法例第622章)(「公司條例」)第566至568條，1名或多名股東(佔全體有權在股東大會上表決的股東的總表決權最少5%)，可通過遞交經提呈股東認證的書面請求(「書面請求」)至本公司，要求董事召集會議。

該書面要求(i)須述明有待處理的事務的一般性質，及(ii)可包含可恰當地動議並擬在該股東大會上動議的決議文本。

董事必須於他們收到召開股東大會之相關股東的規定所規限日期後的21日內召開股東大會，該大會須在召開該股東大會的通知發出日期後的28日內舉行。

如果本公司收到書面要求，指出一項可恰當地動議並擬在該股東大會上動議的決議，則大會通知必須包括該決議的通知。已包含在大會通知內的決議，則可列為該大會上處理的事務。如果決議案提呈為特別決議案，董事必須於股東大會的通知內包含該決議的文本，並指明擬採用特別決議的形式提出該決議的意向。

* 僅供識別

CORPORATE GOVERNANCE REPORT (continued)

企業管治報告 (續)

If the Directors do not call a meeting as required by the Written Request, the Shareholders who requested the meeting, or any of them representing more than one-half of the total voting rights of all of them, may themselves call a general meeting.

The meeting to be called by the Shareholders must be called (i) within 3 months after the date on which the Directors become subject to the requirement to call a meeting and (ii) in the same manner, as nearly as possible, as that in which that meeting is required to be called by the Directors.

Any reasonable expenses incurred by the Shareholders requesting the meeting by reason of the failure of the Directors duly to call a meeting must be reimbursed by the Company.

Procedures to put forward proposals at general meetings

Pursuant to Sections 580 and 582 of the Companies Ordinance, a Shareholder may request the Company to circulate a statement of not more than 1,000 words with respect to a matter mentioned in any proposed resolution or other business to be dealt with at any general meeting.

To put forward proposals at the meeting, a Written Request must be made by (i) Shareholder(s) holding at least 2.5% of the total voting rights of all the Shareholders who have a relevant right to vote on a proposed resolution at the meeting; or (ii) at least 50 Shareholders who have a relevant right to vote on a proposed resolution at the meeting.

The Written Request must identify the statement to be circulated, and must be received by the Company at least 7 days before the relevant meeting. The expenses of circulating such statement must be paid by the Shareholder(s) who requested the circulation of the statement unless (i) the Company resolves otherwise or (ii) the meeting to which the requests related is an AGM; and requests sufficient to require the Company to circulate the statement are received in time to enable the Company to send a copy of the statement at the same time as it gives notice of the meeting.

Enquiries from Shareholders

Shareholders should direct their enquiries in respect of their shareholdings or change of address or distribution instructions to the Company's share registrar, Boardroom Share Registrars (HK) Limited. Shareholders may at any time send their enquiries to the Board via the Investor Relations Representative of the Company whose contact details are shown under "Shareholder Information" of this annual report.

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the Year.

如果董事沒有按上述書面要求的規定召開會議，則要求召開該股東大會的股東，或佔全體該等股東的總表決權過半數的股東，可自行召開股東大會。

股東召開的會議，必須(i)在董事受到召開股東大會的規定所規限的日期後的3個月內，及(ii)盡可能按董事須召開該股東大會的同樣方式召開。

如因董事沒有妥為召開股東大會，導致要求召開會議的股東產生之任何合理開支，將會由公司承擔。

於股東大會上提呈議案程序

根據公司條例第580條及582條，股東可要求公司傳閱關於有待在該股東大會上處理的決議或其他事務，而字數不多於1,000字的陳述書。

如欲在會議上提呈建議，以下人士必須提出書面要求：(i)佔全體有相關表決權利於會上就所提呈決議案表決的股東的總表決權最少2.5%的股東；或(ii)最少50名有相關表決權利於會上就所提呈決議案表決的股東。

該書面要求須指出將予傳閱的陳述書並經所有提出該要求的人認證；及須於該要求所關乎的股東大會前最少7日送抵該公司。要求傳閱有關陳述書的股東須支付傳閱有關陳述書的費用，除非(i)公司通過決議；或(ii)有關要求所關乎的股東大會，是本公司的股東週年大會；及本公司及時收到足以令本公司須傳閱該陳述書的要求，使本公司在發出該股東大會的通知的同時，能夠送交該陳述書的文本。

股東查詢

股東可向本公司之股份過戶登記處寶德隆證券登記有限公司查詢彼等之持股情況、地址更改或分配指示。股東可隨時透過本公司投資者關係代表向董事會提交查詢，其聯絡資料已列載於本年報「股東資料」內。

組織章程文件

本年度內本公司之組織章程文件並無任何變動。

PROFILES OF DIRECTORS 董事簡介

EXECUTIVE DIRECTORS (THE “EDs”)

Mr. ZHAO Yao

Chairman of the Board

Chairman of the Nomination Committee

Aged 58, has been an ED since 27 November 2012, and was appointed as the Chairman of the Board and the Chairman of the Nomination Committee on 14 November 2014. He was further appointed as the CEO of the Company on 23 January 2015. Since 1 November 2021, Mr. ZHAO no longer acted as the CEO and remains as an ED, the Chairman of the Board and the Chairman of the Nomination Committee. Mr. ZHAO also holds directorships in certain subsidiaries of the Company. Mr. ZHAO has almost 34 years of experience in the textile industry. He joined China National Textiles Import and Export Corporation* (中國紡織品進出口總公司) (“General Corporation”), the predecessor of Chinatex Corporation Limited* (中國中紡集團有限公司) (“Chinatex”), a controlling shareholder of the Company, in 1987 and held positions as the Assistant President of Chinatex, the General Manager of Asset Management Department of Chinatex, Chairman and General Manager of Chinatex Xinyuan Assets Management Co., Ltd.* (中紡信遠資產管理有限公司), General Manager of Chinatex Tianyuan Property Management Co., Ltd.* (廊坊中紡天元投資有限公司), General Manager of Chinatex Real Estate Administration Co., Ltd.* (中紡物業管理有限公司) (“Chinatex Real Estate”), Chairman of Chinatex (H.K.) Holding Limited, Chairman of Huasheng Fujitec Elevator Co., Ltd.* (華升富士達電梯有限公司), Chairman of Shanghai Huasheng Fujitec Escalator Co., Ltd.* (上海華升富士達扶梯有限公司), Chairman of Shanghai Huade Photoelectron Science & Technology Co., Ltd.* (上海華德光電科技有限公司), Financial Manager of Wah Gar Knitwear Factory Company Limited, General Manager of Suzhou Zhongfa Property Management Co., Ltd.* (蘇州中發物業有限公司) and Vice President of Chudai Trading Co., Ltd.* (日本中大株式會社), a subsidiary of Chinatex. Mr. ZHAO graduated with a diploma in industrial accounting from Renmin University of China in 1987. In 2013, Mr. ZHAO obtained a Senior Management Master’s Degree of Business Administration awarded by University of Texas at Arlington in the United States of America (“USA”).

執行董事 (「執行董事」)

趙耀先生

董事會主席

提名委員會主席

現年58歲，自2012年11月27日起出任執行董事，並於2014年11月14日獲委任為董事會主席及提名委員會主席。彼再於2015年1月23日獲委任為本公司行政總裁。自2021年11月1日起趙先生不再擔任行政總裁職務，彼繼續擔任執行董事、董事會主席及提名委員會主席。趙先生亦擔任本公司若干附屬公司之董事。趙先生擁有近34年從事紡織行業之經驗，彼於1987年加入本公司控股股東，中國中紡集團有限公司 (「中紡」) 的前身中國紡織品進出口總公司，曾任中紡總裁助理兼資產管理部總經理、中紡信遠資產管理有限公司董事長及總經理、廊坊中紡天元投資有限公司總經理、中紡物業管理有限公司 (「中紡物管」) 總經理、中紡 (香港) 控股有限公司董事長、華升富士達電梯有限公司董事長、上海華升富士達扶梯有限公司董事長、上海華德光電科技有限公司董事長、香港華嘉企業集團* (Wah Gar Knitwear Factory Company Limited) 財務經理、蘇州中發物業有限公司總經理及中紡所屬子公司日本中大株式會社副社長。趙先生1987年畢業於中國人民大學一分校工業會計專業，並於2013年獲得美國德克薩斯大學阿靈頓分校頒發的高級管理人員工商管理碩士學位。

* For identification purpose only

* 僅供識別

PROFILES OF DIRECTORS (continued)**董事簡介(續)****Mr. SUN Fuji****Chief Executive Officer**

Aged 58, was appointed as a non-executive Director and a member of the Audit Committee on 28 August 2018. Mr. SUN is a senior engineer. He has over 37 years of experience in the textile industry. Mr. SUN joined Zhucheng Chinatex Sunrise Textiles Co., Ltd. (formerly known as Zhucheng Cotton Spinning Factory) in 1984 and has held positions such as the Technician and the Deputy Officer of Front Spinning Department, the Factory Director Assistant and the Deputy Factory Director of Zhucheng Cotton Spinning Factory and the person in-charge of Zhucheng Textiles Corporation. Mr. SUN has served as the Executive Deputy General Manager of Textile & Garment BU, a subsidiary of Chinatex Corporation Limited ("Chinatex") (a controlling shareholder of the Company), the General Manager of Chinatex Jinwei Textiles Co., Ltd.* ("Chinatex Jinwei") and Chinatex Sunrise Textiles Co., Ltd. ("Chinatex Sunrise") since May 2017, and also appointed as the Chairman of Chinatex Jinwei and Chinatex Sunrise since May 2021. Once Mr. SUN's appointment as the CEO of the Company is effective, he was no longer act as the Executive Deputy General Manager of Textile & Garment BU (a subsidiary of Chinatex), the General Manager and legal representative of Chinatex Jinwei and Chinatex Sunrise. Mr. SUN graduated with a Bachelor's degree in engineering from the Textile Department of Cotton Manufacturing of Shandong Textiles Engineering Institute in the PRC in 1984.

Mr. TAO Yongming**Member of the Remuneration Committee**

Aged 56, was appointed as an ED and a member of the Remuneration Committee on 28 August 2018. Mr. TAO joined China National Cereals, Oils and Foodstuffs Corporation ("COFCO"), formerly known as China National Cereals, Oils & Foodstuffs Import & Export Corporation, a controlling shareholder of the Company, in 1987 and has held positions such as the Officer and Deputy General Manager of Planning and Finance Department of COFCO, the Executive Vice President of COFCO Capital Corporation, a subsidiary of COFCO, the General Manager of Shandong Peanut Import and Export Co., Ltd.*, a subsidiary of COFCO, the Deputy General Manager of Risk Management Department of the Auditing & Supervision Department of COFCO, the Deputy General Manager of Audit Management Department of Audit, Legal and Risk Management Department of COFCO, the General Manager of Discipline Inspection & Supervision Department of Chinatex (a controlling shareholder of the Company). Mr. TAO has served as the General Manager of Audit, Legal and Risk Management Department of Chinatex since May 2017. Mr. TAO graduated from Renmin University of China with a Bachelor's degree in Foreign Trade Accounting in 1987.

孫福紀先生**行政總裁**

現年58歲，於2018年8月28日獲委任為非執行董事及審核委員會之成員。孫先生為高級工程師。彼擁有超過37年從事紡織行業之經驗。孫先生於1984年加入中紡金旭紡織有限公司(前稱：諸城棉紡織廠)，歷任諸城棉紡織廠技術員、前紡車間副主任、廠長助理、副廠長，諸城紡織集團總公司負責人。2017年5月起任中國中紡集團有限公司(「中紡」)(本公司之控股股東)之附屬公司的紡織服裝事業部常務副總經理兼中紡金維紡織有限公司(「中紡金維」)及中紡金旭紡織有限公司(「中紡金旭」)之總經理，並於2021年5月起兼任中紡金維及中紡金旭之董事長。孫先生於正式獲委任為本公司行政總裁職務後，已不再擔任中紡之附屬公司的紡織服裝事業部常務副總經理、中紡金維及中紡金旭總經理兼法人代表人。孫先生在1984年畢業於中國山東紡織工學院紡織系棉紡專業，獲得工學學士學位。

陶永銘先生**薪酬委員會成員**

現年56歲，於2018年8月28日獲委任為執行董事及薪酬委員會成員。陶先生於1987年加入中糧集團有限公司(「中糧」)的前身中國糧油食品進出口總公司(本公司之控股股東)，歷任中糧計畫財務部業務員、副總經理、中糧(美國)金融資本有限公司(中糧之附屬公司)執行副總裁、山東中糧花生製品進出口有限公司(中糧之附屬公司)總經理、中糧審計監察部風險管理部副總經理、中糧審計與法律風控部審計管理部副總經理、中紡紀檢監察審計部總經理等職，2017年5月起任中紡(本公司之控股股東)審計與法律風控部總經理。陶先生在1987年畢業於中國人民大學一分校外貿會計專業，獲得學士學位。

PROFILES OF DIRECTORS (continued)
董事簡介(續)

Mr. YAU Hang Tat Andrew

Aged 53, was appointed as an ED on 28 August 2018. Mr. YAU is also the chief operating officer of the Group and holds directorships in certain subsidiaries of the Company. Mr. YAU joined the Group in 1992 and has over 27 years of experience in the textile industry with extensive experience in operations and strategic planning. Mr. YAU is also a director of the Hong Kong General Chamber of Textiles Limited. Mr. YAU graduated from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in 1991 with a Higher Diploma in Textile Technology and subsequently obtained a Master of Science degree in Textile Engineering from the University of Leeds in England in 1992. He earned an Executive Master of Business Administration degree and a Master of Science (MSc) degree in Finance from the Chinese University of Hong Kong in 2015 and 2019, respectively.

Mr. ZHANG Zheng

Aged 36, was appointed as an ED on 1 April 2021. Mr. ZHANG graduated with a Bachelor Degree in Economics from Renmin University of China in 2009, and a Master's Degree in Economics from Renmin University of China in 2011. Mr. ZHANG obtained with the professional qualification of board secretary of Shenzhen Stock Exchange in 2017. Mr. ZHANG has adequate knowledge in equity financing, mergers and acquisitions and fund management. Mr. ZHANG was the Researcher, Assistant of Fund Manager and Fund Manager of Da Cheng Fund Management Co., Ltd. between 2011 and 2017. Mr. ZHANG is currently the director and board secretary of Huafu Fashion Co., Ltd., a company listed on Shenzhen Stock Exchange.

邱恒達先生

現年53歲，於2018年8月28日獲委任為執行董事。彼現任本集團首席營運總裁，亦擔任本公司若干附屬公司之董事。邱先生於1992加入本集團，擁有超過27年從事紡織行業之經驗，並於營運及策略性規劃方面具廣泛經驗。邱先生同時擔任香港紡織商會會董。邱先生在1991年畢業於香港理工學院(現香港理工大學之前身)，獲頒紡織技術高級文憑，隨後前往英國裡茲大學，並於1992年獲紡織工程科學碩士學位，再分別於2015年及2019年獲得香港中文大學頒發行政人員工商管理碩士學位及金融學理學碩士學位。

張正先生

現年36歲，於2021年4月1日獲委任為執行董事。張先生於2009年畢業於中國人民大學經濟學學士學位，並於2011年畢業於中國人民大學經濟學碩士學位。彼亦於2017年考獲深圳證券交易所董事會秘書資格證書。張先生於2011年至2017年期間，歷任大成基金管理有限公司研究員、基金經理助理及基金經理。彼於股權融資、投資併購及基金管理擁有一定知識。張先生現擔任華孚時尚股份有限公司，一家於深圳證券交易所上市的公司之董事及董事會秘書職位。

* For identification purpose only

* 僅供識別

PROFILES OF DIRECTORS (continued)

董事簡介(續)

NON-EXECUTIVE DIRECTORS (THE “NEDs”)

Dr. YEN Gordon

Non-executive Vice Chairman

Aged 52, has been a NED since 31 May 2013 and was further appointed as the Non-executive Vice Chairman of the Board on 28 August 2018. Prior to that, he was the Chief Financial Officer of the Group and an ED. He joined the Group in 1999 and was then promoted to the role of ED in 2004 before being re-designated as a NED. Dr. YEN is currently the founding managing partner of Radiant Tech Ventures Limited, an innovation and technology venture capital firm, and is registered as a responsible officer under the Securities and Futures Ordinance for Type 9 (asset management) regulated activity. He serves as an independent non-executive director and a member of each of the audit committee and the nomination committee as well as the chairman of the sustainability committee of Impro Precision Industries Limited, and also serves as an independent non-executive director and a member of the nomination committee of Asia Allied Infrastructure Holdings Limited, both companies listed on the Main Board of The Stock Exchange of Hong Kong Limited. Dr. YEN is a member of the Henan Province Committee of the Chinese People's Political Consultative Conference of the PRC; Honorable Life-Chairman of the Hong Kong General Chamber of Textiles Limited; chairman of the Hong Kong Business Angel Network; and a director of the Hong Kong Chiu Chow Chamber of Commerce. He holds a Bachelor's degree in Manufacturing Engineering from Boston University, USA; a Master degree in Business Administration from McGill University, Canada and a Doctorate in Business Administration from The Hong Kong Polytechnic University.

Mr. LIU Xianfu

Aged 56, has been an ED since 28 August 2018 and was re-designated as an NED on 1 November 2021. Mr. LIU has over 27 years of experience in the textile industry. He joined Chinatex, a controlling shareholder of the Company, in 1994 and has held positions such as the Deputy Finance Section Chief of Chinatex Cotton Yarns and Fabrics Import and Export Corporation, the Deputy General Manager of Chinatex Real Estate, the Deputy General Manager of Finance Department of Chinatex, the General Manager of Audit Department of Chinatex, the General Manager of Finance Department of Chinatex, the General Manager of Chinatex Raw Materials International Trading Corporation, and the Vice President of Chinatex. Mr. LIU has served as the Chief Accountant of Chinatex since 2017. Mr. LIU graduated from Anhui University of Finance and Economics (formerly known as Anhui Finance and Trade College*) in the People's Republic of China (the “PRC”) in 1987 in professional accounting with a Bachelor's degree of Economics. He graduated in finance and obtained a Master's degree in Economics from Chinese Academy of Fiscal Sciences (formerly known as The Research Institute for Fiscal Science) in the PRC in 1990 and an Executive Master of Business Administration degree from The University of Texas at Arlington, USA in 2010.

* For identification purpose only

非執行董事 (「非執行董事」)

嚴震銘博士

非執行副主席

現年52歲，自2013年5月31日起出任非執行董事，並於2018年8月28日獲委任為董事會非執行副主席。彼之前為本集團執行董事兼首席財務官。彼於1999年加入本集團，於2004年晉升為執行董事，其後被任命為非執行董事。嚴博士現為慧科科創投資有限公司（一家創新和技術開發投資公司）的創始及執行合夥人，並註冊為證券及期貨條例下第9類（資產管理）受規管活動之負責人員。彼為鷹普精密工業有限公司之獨立非執行董事及審核委員會、提名委員會成員及可持續發展委員會主席，亦為亞洲聯合基建控股有限公司之獨立非執行董事及提名委員會之成員，兩家公司均為香港聯合交易所有限公司主板上市公司。嚴博士為中國河南省政協委員、香港紡織商會永遠榮譽會長、香港天使投資脈絡主席及香港潮州商會會董。彼持有美國波士頓大學生產工程學士學位、加拿大麥基爾大學工商管理碩士學位及香港理工大學工商管理博士學位。

劉賢福先生

現年56歲，自2018年8月28日起出任執行董事，並於2021年11月1日調任為非執行董事。劉先生擁有超過27年從事紡織行業之經驗。彼於1994年加入中紡（本公司之控股股東），歷任中紡紗布進出口公司財務科副科長、中紡物管副總經理、中紡財務部副總經理、中紡審計部總經理、中紡財務部總經理、中紡原料國際貿易公司總經理、中紡副總裁等職。劉先生自2017年起任中紡總會會計師。劉先生在1987年畢業於中國安徽財經大學（前稱：安徽財貿學院），會計學專業，獲得經濟學學士學位。彼在1990年於中華人民共和國（「中國」）財政科學研究院（前稱：財政部財政科學研究所）財政學專業畢業，獲得經濟學碩士學位；並於2010年獲得美國德克薩斯大學阿靈頓分校頒發的行政人員工商管理碩士學位。

* 僅供識別

PROFILES OF DIRECTORS (continued)
董事簡介(續)

**INDEPENDENT NON-EXECUTIVE DIRECTORS
(THE “INEDs”)**

Mr. NG Kwok Tung

Chairman of the Audit Committee
Member of the Remuneration Committee

Aged 71, joined the Board in 1993 as an INED, and was then appointed as the chairman of the Audit Committee and a member of the Remuneration Committee. Mr. NG is a practising accountant. He is also the non-executive director of Wah Ha Realty Company Limited and was an independent non-executive director of Palace Banquet Holdings Limited, until his resignation effective from 27 January 2022, both being listed companies in Hong Kong. He holds a Bachelor of Commerce Degree and a Licentiate in Accountancy from McGill University, Canada and a Diploma in Chinese Law from the University of East Asia, Macao. Mr. NG is a member of each of Hong Kong Institute of Certified Public Accountants, Institute of Chartered Professional Accountants of British Columbia, Order of Chartered Professional Accountants of Quebec, The Canadian Institute of Chartered Professional Accountants, The Taxation Institute of Hong Kong, The Society of Chinese Accountants and Auditors and the Society of Registered Financial Planners in Hong Kong.

Mr. YING Wei

Chairman of the Remuneration Committee
Member of the Nomination Committee

Aged 55, was appointed as an INED, the chairman of the Remuneration Committee and a member of the Nomination Committee on 1 January 2015. Mr. YING holds a Master’s Degree in Business Administration from the University of San Francisco and a Bachelor’s Degree in Economics from the Zhejiang Gongshang University (formerly known as Hangzhou Institute of Commerce) in the PRC. He is a non-practising member of the Chinese Institute of Certified Public Accountants. For the period from 1989 to 2007, Mr. YING served as an executive director and the Vice President of China Resources Textiles (Holdings) Company Limited. Between 2007 and 2009, he served as the Vice President of China Water Affairs Group Limited, a company listed on the main board of Hong Kong Stock Exchange. From 21 July 2008 to 30 July 2009, he held the position of an executive director and the President of China City Infrastructure Group Ltd. (formerly known as China Botanic Development Holdings Limited), a company listed on the main board of Hong Kong Stock Exchange. From September 2011 to February 2022, he was an independent non-executive director of CHTC Fong’s International Company Limited, a company listed on the main board of Hong Kong Stock Exchange. From May 2016 to February 2021, he served as a director of Giant Network Group Co., Ltd (formerly known as Chongqing New Century Cruises Co., Ltd.), a company listed on Shenzhen Stock Exchange. Currently, Mr. YING is an independent non-executive director of Zhongsheng Group Holdings Limited, a company listed on the main board of Hong Kong Stock Exchange. Mr. YING is also a managing partner of CDH.

* For identification purpose only

獨立非執行董事(「獨立非執行董事」)

伍國棟先生

審核委員會主席
薪酬委員會成員

現年71歲，於1993年加入董事會為獨立非執行董事，其後被任命為審核委員會主席及薪酬委員會成員。伍先生現為執業會計師。彼亦為華廈置業有限公司之非執行董事，及亦曾為首豐控股有限公司之獨立非執行董事，至2022年1月27日辭任，該兩間公司均為香港上市公司。彼持有加拿大麥基爾大學商學院商科學士學位及高級會計文憑及澳門東亞大學中國法律文憑。伍先生為香港會計師公會、加拿大英屬哥倫比亞特許會計師公會、加拿大魁北克省特許會計師公會、加拿大特許會計師公會、香港稅務學會、香港華人會計師公會及註冊財務策劃師協會會員。

應偉先生

薪酬委員會主席
提名委員會成員

現年55歲，於2015年1月1日獲委任為獨立非執行董事、薪酬委員會之主席及提名委員會之成員。應先生持有三藩市大學工商管理碩士學位及浙江工商大學(前稱杭州商學院)經濟學學士學位，並為中國註冊會計師協會之非執業會員。於1989年至2007年期間，應先生曾于華潤紡織(集團)有限公司工作，擔任執行董事及副總裁。於2007年至2009年期間，應先生出任於香港聯合交易所主板上市，中國水務集團有限公司之副總裁。於2008年7月21日至2009年7月30日期間，應先生出任於香港聯合交易所主板上市，中國城市基礎設施集團有限公司(前稱中國植物開發控股有限公司)之執行董事及總裁。於2011年9月至2022年2月期間出任於香港聯合交易所主板上市，中國恒天立信國際有限公司之獨立非執行董事。於2016年5月至2021年2月期間出任於深圳證券交易所上市，巨人網路集團有限公司(前稱重慶新世紀郵輪股份有限公司)之董事。目前，應先生出任於香港聯合交易所主板上市，中升集團控股有限公司之獨立非執行董事。另外，應先生現時亦是鼎暉百孚之管理合夥人。

* 僅供識別

PROFILES OF DIRECTORS (continued)**董事簡介(續)****Mr. William LAM****Member of the Audit Committee****Member of the Nomination Committee**

Aged 63, was appointed as an INED, a member of the Audit Committee and a member of the Nomination Committee on 9 May 2016. Mr. LAM is a solicitor of the Hong Kong Special Administrative Region and the Supreme Court of England and Wales, and a civil celebrant of marriages in Hong Kong. He graduated from the University of Manchester, England in 1981 with a Bachelor of Science Degree in Electronics and Electrical Engineering. His major study included computer design, power transmission and telecommunications. He is also a member of the Institute of Electrical and Electronics Engineers (M.I.E.E.E.) in USA. After obtaining his Bachelor's Degree, he studied laws at the Manchester Polytechnic (now known as Manchester Metropolitan University), England and the College of Law in Chester, England, respectively. Mr. LAM returned to Hong Kong in 1984 to work in family business of Tai Sun Company (a member of The Hong Kong-Kowloon Yarn and Fabrics Association), and Shing Fung Finance Company Limited, both founded by his late father Mr. LAM Muk Kwong in 1958 and 1972, respectively. In 1992, Mr. LAM furthered his studies in laws at the University of Hong Kong and obtained a Postgraduate Certificate in Laws (PCLL) and was admitted as a solicitor of the Supreme Court of Hong Kong in 1994 and of the Supreme Court of England and Wales in the following year. In 1999, Mr. LAM founded William Lam and Company, Solicitors to start his own practice in law. Mr. LAM also serves in many areas. He is an executive committee member of the Federation of Hong Kong Guangdong Community Organisations, the founding president of the University of Manchester Alumni Association of Hong Kong, General Committee of Yau Yat Chuen Garden City Club Ltd. and a member of the InnoTech Committee of the Law Society of Hong Kong from 18 January 2005 to 30 September 2020 and was a coopted member of the Chinese Temples Committee from 2009 to 2015. Mr. LAM has also acted as the legal advisor of various organisations, such as the Hong Kong General Chamber of Textiles Limited, the Chamber of the Hong Kong Computer Industry, the Hong Kong Information Technology Joint Council, the Hong Kong WEEE Recycling Association, the Hong Kong Society of Medical Professionals, the Hong Kong Software Industry Association, the Government Doctors' Association and the Hong Kong New Youth Energy Think Tank.

林偉成先生**審核委員會成員****提名委員會成員**

現年63歲，於2016年5月9日獲委任為獨立非執行董事、審核委員會之成員及提名委員會之成員。林先生是香港特別行政區和英格蘭和威爾士的註冊律師及香港婚姻監禮人。林先生於1981年畢業於英國曼徹斯特大學電子及電機工程系理學士學位，主修科目包括電腦設計，輸電交換及電子通訊。彼亦是美國電機電子工程師學會的會員(M.I.E.E.E.)。彼於英國曼徹斯特大學取得理學士學位後往曼徹斯特理工學院(現為曼徹斯特都會大學)和英國法律學院修讀法律。林先生1984年回港後便從事家族生意，在先父林木廣先生於1958年創立的大新公司(港九紗布經銷商之一)和1972年成立的成豐財務有限公司工作。林先生於1992年在香港大學深造法律，並考取專業法律證書(PCLL)。林先生於1994年正式成為香港高等法院律師，翌年取得英格蘭和威爾士高等法院律師資格，並在1999年成立林偉成律師行。林先生出任多項公職，包括現任香港廣東社團總會常務會董、英國曼徹斯特大學校友會(香港)創會會長、又一村花園俱樂部有限公司委員會委員、2005年1月18日至2020年9月30日香港律師會創新科技的委員會成員和2009年至2015年華人廟宇委員會的增補委員。林先生亦先後擔任香港紡織商會、香港電腦商會、香港資訊科技聯會、香港電器及電子設備回收協會、香港醫療專業人士協會、香港軟體行業協會、政府醫生協會及香港新活力青年智庫之法律顧問。

PROFILES OF DIRECTORS (continued)
董事簡介(續)

Mr. WONG Kwong Chi

Member of the Audit Committee

Aged 70, has been an INED since 30 June 2021 and was further appointed as a Member of the Audit Committee since 1 November 2021. Mr. Wong was an INED from 1998 to 2012. He has extensive experience in the capital investment market. Mr. WONG is a founding partner and a member of the investment committee of Whiz Partners Asia Limited and he is the chairman of the board of directors of Cornwall Medical Holding Company Limited. Mr. WONG was an executive director of CDC Corporation which is a listed company in the United States and an executive director of CDC Software Corporation which is a public company in the United States. He was also an executive director of China.com Inc. (now known as Sino Splendid Holdings Limited) and an independent non-executive director of Glory Mark Hi-Tech (Holdings) Limited and Sinoref Holdings Limited (now known as Cybernaut International Holdings Company Limited), all of which are listed companies in Hong Kong. Mr. WONG holds a Bachelor's degree of Science in Physics and a Master's degree in Business Administration from the Chinese University of Hong Kong. Additionally, Mr. WONG served as the former Chairman of the Hong Kong Venture Capital and Private Equity Association, the former Vice President of The Hong Kong Electronic Industries Association and the former Vice President of the Hong Kong Auto Parts Industry Association. He is also a member of the Hong Kong Young Industrialists Council and the Honorary Advisor of the Hong Kong Critical Components Manufacturers Association.

王幹芝先生

審核委員會成員

現年70歲，自2021年6月30日起出任獨立非執行董事，並於2021年11月1日獲委任為審核委員會成員。王先生於1998年至2012年曾擔任本集團獨立非執行董事。彼在資本投資市場上有豐富經驗。王先生為匯澤亞洲投資有限公司創始合夥人及投資委員會成員，以及為安和醫療集團董事會主席。彼曾任CDC Corporation之執行董事為一家美國上市公司及CDC Software Corporation之執行董事為一家美國公眾公司。彼亦曾任中華網科技公司(現稱中國華泰瑞銀控股有限公司)之執行董事、輝煌科技(控股)有限公司及華耐科技控股有限公司(現稱賽伯樂國際控股有限公司)之獨立非執行董事，均為香港上市公司。王先生持有香港中文大學頒發之物理學理學學士學位及工商管理學碩士學位。王先生為香港創業及私募投資協會前任主席、香港電子業商會前任副會長及香港汽車零部件工業協會前任副會長。彼亦為香港青年工業家協會會員及香港關鍵性零部件製造業協會名譽司庫。

* For identification purpose only

* 僅供識別

DIRECTORS' REPORT

董事會報告

The directors of the Company (the "Directors") present the annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2021 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in the textile and garment businesses, including the production and sale of knitted fabric and garments. Details of the principal activities of its principal subsidiaries are set out in note 36 to the consolidated financial statements.

FINANCIAL STATEMENTS AND APPROPRIATIONS

The Group's financial performance for the Year and the financial position of the Group as at 31 December 2021 are set out in the consolidated financial statements on pages 81 to 172 of this annual report. No interim dividend was declared for the six months ended 30 June 2021. The board of Directors (the "Board") has resolved to recommend the payment of a final dividend of HK16.00 cents per share of the Company (the "Share") in respect of the Year (2020: final dividend of HK7.00 cents per Share) to the shareholders of the Company (the "Shareholders") whose names will appear on the register of members of the Company (the "Register of Members") on Thursday, 19 May 2022 and the retention of the remaining profit for the Year.

Subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (the "AGM") to be held on Friday, 6 May 2022, it is expected that the final dividend and the special dividend will be paid on or about Tuesday, 31 May 2022.

BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the performance for the Year and an indication of likely future development in the business of the Group are provided in the Chairman's Statement and the Management Discussion and Analysis (the "MD&A") of this annual report. Description of the principal risks and uncertainties facing the Group can be found throughout this annual report, in particular the Risk Management and Internal Control section under the Corporate Governance Report and the Possible Risks and Uncertainties section of this Directors' Report. The Group did not have any significant event after the Year and up to the date of this annual report. An analysis using financial key performance indicators is provided in the Financial and Statistical Highlights and the MD&A. Compliance with relevant laws and regulations which have a significant impact on the Group can be found throughout this annual report, in particular, the Corporate Governance Report.

In addition, discussions on the Group's environmental policies and relationships with the key stakeholders that have a significant impact on the Group are contained in the Environmental, Social and Governance Policies and Performance section in the Chairman's Statement and the Stakeholders' Engagement section in the MD&A of this annual report.

本公司之董事（「董事」）提呈本集團及其附屬公司（「本集團」）截至2021年12月31日止年度（「本年度」）之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團主要從事紡織及成衣業務，包括生產及銷售針織布料及成衣。其主要附屬公司之主要業務載列於綜合財務報表附註36內。

財務報表及分配

本集團本年度之財務業績及本集團於2021年12月31日止年度之財務狀況載列於本年報第81至172頁之綜合財務報表內。截至2021年6月30日止六個月內並無派發中期股息，本公司董事會（「董事會」）決議建議就本年度向予在2022年5月19日（星期四）名列在股東名冊（「股東名冊」）之本年度股東（「股東」）派發末期股息本公司股份（「股份」）每股16.00港仙（2020年：末期股息每股7.00港仙），並保留本年度餘下的盈利。

待在於即將於2022年5月6日（星期五）舉行的本公司股東週年大會（「股東週年大會」）上獲股東批准後，末期股息及特別股息預期於2022年5月31日（星期二）或之前派付。

業務回顧

有關對本集團截至本年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，已載於本年報的主席報告及管理層討論與分析報告（「管理層討論及分析」）內。對本集團面對的主要風險及不明朗因素的描述，於本年報管理層討論與分析內之風險管理及於董事報告之潛在風險及不明朗因素已作披露。於本年度後及直至本年報日期止，本集團沒有任何重大事項。運用財務關鍵表現指標進行的分析，見於本年報的財務及統計摘要及管理層討論與分析報告書。而本集團遵守對本集團有重大影響的有關法律及規例的情況，則已在本年報各部分（尤其在企業管治報告內）作出披露。

此外，本集團的環境政策及其與對本集團有重大影響的主要持份者的關係的討論，披露於本年報主席報告的環境、社會及管治政策及表現部分及管理層討論及分析的權益人參與部分。

DIRECTORS' REPORT (continued)
董事會報告(續)

RISK MANAGEMENT

Possible Risks and Uncertainties

The Group's possible risks and uncertainties range from raw material risk, market risk, operational risk, credit risk and financial risk.

Raw Material Risk

The Group's business is dependent on the supply and cost of raw materials, in particular cotton yarns and any disruption in the supply or fluctuation in the prices of such raw materials, which could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

Market Risk

The global financial markets have experienced volatility recently, which may have a negative impact on the Group's business operation. Affected by the China-United States trade war, textile industry related products have appeared in the list of tariffs imposed by both parties. Therefore, the latest trend of trade negotiations will determine the extent of the impact of tariff policies on the textile and garment industry. The financial uncertainty may affect the global textile and garment industry, which in turn may affect the business of major retail brands and garment manufacturers, which are the principal customers of the Group.

Operational Risk

The Group's fabric production facilities emit wastewater and other pollutants and are subject to various environmental protection laws and regulations in China and other countries where the Group's production facilities are located. Any change to, or failure by the Group to comply with, environmental protection laws or regulations may cause the Group to incur additional costs and expenses.

In addition, if the production facilities of the Group experience any power, steam or water shortages, the Group's business and results of operations may be harmed.

風險管理

潛在風險及不明朗因素

本集團的潛在風險及不明朗因素包括原材料風險、市場風險、營運風險、信貸風險及財務風險。

原材料風險

本集團的業務取決於原材料(尤其是棉紗)的供應及成本,供應出現任何中斷或原材料價格出現波動可能會對本集團的業務、經營業績、財務狀況及前景造成重大不利影響。

市場風險

全球金融市場近期動盪不穩,可能會對本集團的業務經營造成不利影響。受中美貿易戰影響,紡織行業相關產品已出現在雙方加征關稅的清單中。因此,中美貿易談判的最新走勢將決定關稅政策對於紡織及成衣行業的影響程度。金融不明朗因素可能影響全球紡織及成衣行業,而這或會影響大型零售品牌及成衣製造商(為本集團的主要客戶)的業務。

營運風險

本集團的面料生產設施排放廢水及其他污染物,並須受中國及本集團生產設施所在地的其他國家的各種環保法例及法規的規限。環保法例或法規的任何變動或本集團未能遵守環保法例或法規可能令本集團產生額外費用及開支。

此外,倘本集團的生產設施出現電力、蒸汽或水力不足,本集團的業務及經營業績或會受損。

DIRECTORS' REPORT (continued)

董事會報告 (續)

Credit Risk

Credit risk arises from the possibility that a customer in a transaction may default. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, and carrying out credit assessment and monitoring asset quality. The Group has established policies, procedures, and rating systems to identify, measure, monitor, control and report on credit risk. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements and best practices in risk management processes.

Financial Risk

For financial risk, please refer to the Risk Management section under the MD&A and note 38(b) to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of the movements in the investment properties of the Group during the Year are set out in note 13 to the consolidated financial statements. Particulars of the Group's investment properties are set out on page 75 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group had additions of HK\$157,373,000 to property, plant and equipment, which were mainly used to expand and upgrade the Group's manufacturing facilities.

Details of the above and other movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 31 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to the Shareholders as at 31 December 2021, calculated under Sections 291, 297 and 299 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), amounted to HK\$1,222,564,000 (31 December 2020: HK\$1,306,206,000).

信貸風險

信貸風險源於客戶未能履行其交易承擔。本集團透過設定目標市場分部、制定適當的信貸政策和執行信貸評核程序，以及監控資產素質，來識別和管理信貸風險。本集團已制訂多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報本集團所承受的信貸風險。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求及風險管理程序的最佳做法。

財務風險

就財務風險而言，請參閱管理層討論與分析內之風險管理及綜合財務報表附註38(b)內。

投資物業

本年度本集團之投資物業變動詳情載列於綜合財務報表附註13內。本集團之投資物業詳情載列於本年報第75頁。

物業、機器及設備

本年度本集團添置物業、機器及設備157,373,000港元，主要用於擴大及增強本集團之生產設備。

本年度本集團之物業、機器及設備就上述及其他變動詳情載列於綜合財務報表附註14內。

股本

本年度之本公司股本變動詳情載列於綜合財務報表附註31內。

本公司之可供分派儲備

於2021年12月31日，本公司可供分派予股東之儲備（根據香港法例第622章公司條例第291、297及299條的規定計算）為1,222,564,000港元（2020年12月31日：1,306,206,000港元）。

DIRECTORS' REPORT (continued)
董事會報告(續)

DIRECTORS

The Directors during the Year and up to the date of this report were as follows:

Executive Directors (the “EDs”)

Mr. ZHAO Yao (*Chairman*)
Mr. SUN Fuji (*Chief Executive Officer*)
(re-designated from a non-executive Director to an executive Director on 1 November 2021)
Mr. TAO Yongming
Mr. YAU Hang Tat Andrew
Mr. ZHANG Zheng (appointed on 1 April 2021)

Non-executive Directors (the “NEDs”)

Dr. YEN Gordon (*Non-executive Vice Chairman*)
Mr. LIU Xianfu (re-designated from an executive Director to a non-executive Director on 1 November 2021)

Independent Non-executive Directors (the “INEDs”)

Mr. NG Kwok Tung
Mr. YING Wei
Mr. William LAM
Mr. WONG Kwong Chi (appointed on 30 June 2021)

According to the articles of association of the Company (the “Articles”), Mr. ZHAO Yao, Dr. YEN Gordon, Mr. YAU Hang Tat Andrew and Mr. WONG Kwong Chi will retire and being eligible, will offer themselves for re-election at the forthcoming AGM.

As at 31 December 2021, no Director proposed for re-election at the forthcoming AGM had a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The biographical details of the Directors are set out on pages 55 to 61 of this annual report.

董事

本年度內及截至本年報日期，董事名單如下：

執行董事(「執行董事」)

趙耀先生(主席)
孫福紀先生(行政總裁)
(於2021年11月1日起由非執行董事調任為執行董事)
陶永銘先生
邱恒達先生
張正先生(於2021年4月1日獲委任)

非執行董事(「非執行董事」)

嚴震銘博士(非執行副主席)
劉賢福先生(於2021年11月1日起由執行董事調任為非執行董事)

獨立非執行董事(「獨立非執行董事」)

伍國棟先生
應偉先生
林偉成先生
王幹芝先生(於2021年6月30日獲委任)

根據本公司章程細則(「章程細則」)，趙耀先生、嚴震銘博士、邱恒達先生及王幹芝先生將於即將舉行的股東週年大會上輪值告退及均符合資格膺選連任，彼等均願意於股東週年大會上膺選連任。

於2021年12月31日，並無擬在即將舉行之股東週年大會上重選連任之董事，與本公司或其任何附屬公司訂立本集團在1年內不可在不予賠償(法定賠償除外)的情況下終止的服務合約。

有關董事履歷之詳情載列於本年報第55至第61頁。

DIRECTORS' REPORT (continued)

董事會報告 (續)

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be: (a) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), (b) recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO (the "Register"), or (c) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules" and the "Model Code", respectively), were as follows:

Long positions in the Shares:

Name of Directors	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of the Issued Shares
董事姓名	身份	權益性質	股份及相關股份目	總數	約佔本公司總已發行股本百分比
Dr. YEN Gordon 嚴震銘博士	Beneficial owner 實益擁有人	Personal interest 個人權益	8,380,000	8,380,000	0.68
Mr. YAU Hang Tat Andrew 邱恒達先生	Beneficial owner 實益擁有人	Personal interest 個人權益	2,508,000	2,888,000	0.24
	Spouse's interests 配偶權益	Family interest 家族權益	380,000 (Note) (附註)		

Note: Mr. YAU Hang Tat Andrew is deemed to be interested in 380,000 Shares held by his spouse under the SFO.

董事之證券權益

於2021年12月31日，本公司董事及最高行政人員於本公司或其任何相聯法團（具有香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份及債權證中須擁有(a)按證券及期貨條例第XV部第7及8分部通知本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例之有關規定彼等被當作或視為擁有之權益及淡倉）；(b)根據本公司按證券及期貨條例第352條所存置之記錄於該條所述之名冊（「名冊」）之權益及淡倉；或(c)按聯交所證券上市規則附錄10所載之上市發行人董事進行證券交易的標準守則（分別為「上市規則」及「標準守則」）通知本公司及聯交所之權益及淡倉如下：

於股份的好倉情況：

附註：根據證券及期貨條例，邱恒達先生被視為擁有其配偶所持有本公司的380,000股股份之權益。

Save as disclosed above, as at 31 December 2021, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), (b) were recorded in the Register, or (c) had been notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述披露者外，於2021年12月31日，概無本公司董事、最高行政人員於本公司或其任何相聯法團（具有證券及期貨條例第XV部所賦予之涵義）之任何股份、相關股份及債權證中擁有根據本公司(a)按證券及期貨條例第XV部第7及8分部通知本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關規定彼等被當作或視為擁有之權益及淡倉）；(b)記錄於該條所述之名冊之權益及淡倉；或(c)按標準守則須通知本公司及聯交所之任何權益或淡倉。

DIRECTORS' REPORT (continued)
董事會報告(續)

SHARE OPTION SCHEME

The 2011 Scheme

A share option scheme was adopted by the Company pursuant to a resolution passed by the Shareholders at the extraordinary general meeting held on 20 January 2011 (the "2011 Scheme"). Under the 2011 Scheme, the Board may, at its absolute discretion, grant share options pursuant to the terms of the 2011 Scheme to eligible participants, including, among others, the directors, full-time employees and part-time employees of the Company and its subsidiaries. The 2011 Scheme expired on 19 January 2021.

As at 31 December 2021 and date of this annual report, there was no outstanding share option under the 2011 Scheme.

The following table discloses movements of the Company's share options granted under the 2011 Scheme during the Year:

Grantees	Date of Grant	Exercise Price	Outstanding as at 1 January 2021 於2021年1月1日 尚未行使	Granted during the Year	Exercised during the Year	Cancelled/Lapsed during the Year	Outstanding as at 31 December 2021 於2021年12月31日 尚未行使
承權	授出日期	行使價		年內已授出	年內已行使	年內 已取消/失效	
Employees 僱員	19/01/2018	HK\$1.10 1.10 港元	-	-	-	-	-
Total 總數			-	-	-	-	-

Notes:

- The share option would be fully vested after 12 months from the date of grant and the exercisable period of share option was from 19/01/2019 to 18/01/2020.
- The closing price of the Shares immediately before the date of grant was HK\$1.07.

Other particulars and movements of the 2011 Scheme during the Year are set out in note 33 to the consolidated financial statements.

購股權計劃

2011年計劃

本公司根據於2011年1月20日舉行之股東特別大會上由股東通過之一項決議案採納2011年計劃(「2011年計劃」)。2011年計劃下,董事會可根據2011年計劃條款全權酌情向合資格參與者(包括(其中包括)本公司及其附屬公司董事、全職僱員及兼職僱員)授出購股權。2011年計劃已於2021年1月19日屆滿。

截至2021年12月31日及本年報日,2011年計劃下並沒有尚未行使的購股權。

下表披露本公司於回顧期內根據2011年計劃已授出購股權之變動情況:

附註:

- 購股權將於授出日期起計12個月後全數歸屬及該購股權行使期限由19/01/2019開始至18/01/2020。
- 緊接授出日期前股份的收市價為1.07港元。

年內2011計劃的其他資料及變動,載於綜合財務報表附註33。

DIRECTORS' REPORT (continued)

董事會報告 (續)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31 December 2021, the following persons (other than a Director or the chief executive of the Company)/entities had interests and short positions in the Shares and underlying Shares as recorded in the register of interests of the substantial shareholders required to be kept by the Company pursuant to Section 336 of the SFO (the "Substantial Shareholders' Register").

Long positions in the Shares:

Name of Substantial Shareholders	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of the Issued Shares
主要股東名稱	身份	權益性質	持有股份數目	總數	約佔已發行股份百分比
COFCO Corporation ("COFCO") 中糧集團有限公司 (「中糧」)	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	465,262,000 (Notes 1 and 2) (附註1及2)	465,262,000	37.98
Chinatex Corporation Limited ("Chinatex") 中國中紡集團有限公司 (「中紡」)	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	465,262,000 (Notes 1 and 2) (附註1及2)	465,262,000	37.98
Chinatex Jinhui Investment Management Co., Ltd.* ("Jinhui") 中紡錦輝投資管理有限責任公司 (「錦輝」)	Interest of a controlled corporation 控制法團的權益	Corporate interest 法團權益	409,036,000 (Note 1) (附註1)	409,036,000	33.39
Chinatex Yieldfull Investment Co., Ltd. ("Yieldfull") 中紡盈豐投資管理有限公司 (「盈豐」)	Beneficial owner 實益擁有人	Personal interest 個人權益	409,036,000	409,036,000	33.39
Mr. SUN Weiting ("Mr. SUN") 孫偉挺先生 (「孫先生」)	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	211,966,000 (Note 3) (附註3)	211,966,000	17.30
Ms. CHEN Lingfen ("Ms. CHEN") 陳玲芬女士 (「陳女士」)	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	211,966,000 (Note 3) (附註3)	211,966,000	17.30
Huafu Holding Co., Ltd. ("Huafu Holding") 華孚控股有限公司 (「華孚控股」)	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	211,966,000 (Note 3) (附註3)	211,966,000	17.30

主要股東及其他人士權益

於2021年12月31日，根據本公司按證券及期貨條例第336條所存置之主要股東名冊 (「主要股東名冊」) 記錄，下列人士 (本公司董事或最高行政人員除外) 實體於股份及相關股份中擁有權益及淡倉為：

於股份的好倉情況：

DIRECTORS' REPORT (continued)
董事會報告(續)

Name of Substantial Shareholders	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of the Issued Shares
主要股東名稱	身份	權益性質	持有股份數目	總數	約佔已發行股份百分比
Huafu Fashion Co., Ltd. ("Huafu Fashion") 華孚時尚股份有限公司 ("華孚時尚")	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	211,966,000 (Note 3) (附註3)	211,966,000	17.30
Mr. HA Chung Fong ("Mr. HA") 夏松芳先生("夏先生")	Beneficial owner 實益擁有人	Personal interest 個人權益	113,814,948	113,814,948	9.29
Ms. TANG Kuen Mui ("Ms. TANG") 鄧娟妹女士("鄧女士")	Spouse's interests 配偶權益	Family interest 家族權益	113,814,948 (Note 4) (附註4)	113,814,948	9.29

* For identification purpose only

* 僅供識別

Notes:

附註:

- Yieldfull is a wholly-owned subsidiary of Jinhui. Jinhui is a wholly-owned subsidiary of Chinatex and Chinatex is a wholly-owned subsidiary of COFCO. Therefore, each of Jinhui, Chinatex and COFCO is deemed to be interested in the Shares held by Yieldfull under the SFO.
 - As at 31 December 2021, Chinatex (H.K.) Holding Limited ("Chinatex (H.K.)") held 56,226,000 Shares as beneficial owner. Chinatex (H.K.) is a wholly-owned subsidiary of Chinatex and Chinatex is a wholly-owned subsidiary of COFCO. Therefore, each of Chinatex and COFCO is deemed to be interested in the Shares held by Chinatex (H.K.) under the SFO.
 - Hong Kong Tin Shing Trading Limited ("Tin Shing") held 211,966,000 Shares as beneficial owner. Tin Shing is a wholly-owned subsidiary of Huafu HK Co. Limited ("Huafu HK"). Huafu HK is a wholly-owned subsidiary of Shenzhen Huafu Import and Export Co., Ltd. ("Shenzhen Huafu") and Shenzhen Huafu is a wholly-owned subsidiary of Huafu Fashion. Huafu Fashion is owned as to 34.27% by Huafu Holding and Huafu Holding is owned as to 50% by each of Mr. SUN and Ms. CHEN. Therefore, each of Huafu HK, Shenzhen Huafu, Huafu Fashion, Huafu Holding, Mr. SUN and Ms. CHEN is deemed to be interested in the Shares held by Tin Shing under the SFO.
 - Ms. TANG, spouse of Mr. HA, is deemed to be interested in the Shares held by Mr. HA under the SFO.
- 根據證券及期貨條例，盈豐為錦輝之全資附屬公司，錦輝為中紡之全資附屬公司，而中紡則為中糧的全資附屬公司。因此，錦輝、中紡及中糧各自被視作擁有盈豐所持股份之權益。
 - 根據證券及期貨條例，於2021年12月31日，中紡(香港)控股有限公司(「中紡(香港)」)持有56,226,000股股份(作為實益擁有人)。中紡(香港)為中紡之全資附屬公司，而中紡則為中糧之全資附屬公司。因此，中紡及中糧各自被視作擁有中紡(香港)所持股份之權益。
 - 香港天成貿易有限公司(「天成」)持有211,966,000股股份(作為實益擁有人)。天成為香港華孚有限公司(「香港華孚」)之全資附屬公司。香港華孚為深圳市華孚進出口有限公司(「深圳華孚」)之全資附屬公司，而深圳華孚為華孚時尚之全資附屬公司。華孚時尚由華孚控股持有34.27%權益，而華孚控股由孫先生及陳女士分別持有50%權益。因此，根據證券及期貨條例，香港華孚、深圳華孚、華孚時尚、華孚控股、孫先生及陳女士均被視為擁有天成持有的股份的權益。
 - 根據證券及期貨條例，鄧女士為夏先生之配偶，因而被當作擁有夏先生所持股份之權益。

Save as disclosed above, as at 31 December 2021, the Directors were not aware of any persons (other than a Director or the chief executive of the Company) who/entities which had any interests and short positions in the Shares and underlying Shares, which were recorded in the Substantial Shareholders' Register.

除上述披露者外，於2021年12月31日，董事並不知悉任何人士(本公司董事或最高行政人員除外)／實體於股份及相關股份中擁有須記錄於主要股東名冊之權益或淡倉。

DIRECTORS' REPORT (continued)

董事會報告 (續)

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year was the Company, or its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and no such arrangements subsisted as at 31 December 2021.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office. Such provision was in force during the course of the Year and remained in force as of the date of this report.

The Company has arranged appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" in this Directors' Report below and note 43 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company, or its holding companies, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted as at 31 December 2021 or at any time during the Year.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Company during the Year or during the period from 1 January 2022 to the date of this Directors' Report are available on the Company's website at www.fshl.com.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in note 43 to the consolidated financial statements, there was no contract of significance (whether for the provision of services to the Group or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

購買股份或債券安排

除上述披露者外，本公司／或其任何控股公司／或其任何附屬公司或其任何同系附屬公司，於2021年12月31日止及年度內均無或存在任何安排，使董事可藉購買本公司或任何其他公司之股份或債券而獲益。

獲准許的彌償條文

根據章程細則，每名董事就其執行職務或與此有關所蒙受或招致之一切損失或負債，均有權從本公司資產中獲得彌償。此條文在本年度期間生效，並於此報告日仍生效。

本公司已就董事及主要職員可能面對之有關法律行動安排適當的董事及主要職員責任保險。

董事擁有之重要交易，安排或合約權益

除本董事會報告「關連交易」部分及綜合財務報表附註43所披露者外，於截至2021年12月31日或在本年度任何時間，本公司／或其任何控股公司／或任何附屬公司或其任何同系附屬公司，並無與董事或與董事有關連的實體訂立或存在任何與本集團業務直接或間接重大權益之重要交易，安排或合約。

附屬公司之董事

於本年度或於2022年1月1日起至本董事會報告日期止期間任職於本公司附屬公司董事會的全體董事姓名載於本公司網站www.fshl.com。

控股股東擁有之合約權益

除綜合財務報表附註43所披露者外，於本年度結束時或在本年度任何時間，本公司或其任何附屬公司並無與其控股股東（「定義見上市規則」）或其任何附屬公司訂立或存在任何與本集團業務直接或間接重大權益之重要合約（不論是否為本集團提供服務）。

DIRECTORS' REPORT (continued)
董事會報告(續)

CONNECTED TRANSACTIONS

The Company's independent auditor was engaged to report on the Group's continuing connected transactions (as defined in the Listing Rules) (the "Continuing Connected Transactions") in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and by reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor has issued a letter containing its findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group in note 43 to the consolidated financial statements in accordance with Rule 14A.56 of the Listing Rules. A copy of the independent auditor's letter has been provided by the Company to the Stock Exchange. The information in relation to the Continuing Connected Transactions entered into during the Year is set out in note 43 to the consolidated financial statements.

The Company's independent auditor has confirmed that all of the Continuing Connected Transactions (a) had been approved by the Board; (b) were in accordance with the pricing policies of the Group, where applicable; (c) had been entered into in accordance with the terms of the agreements governing the transactions; and (d) had not exceeded the respective cap amounts in respect of each of the Continuing Connected Transactions.

The INEDs have also reviewed the Continuing Connected Transactions and confirmed that the same had been entered into by the Group:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the terms of the agreements governing such transactions that were fair and reasonable and in the interests of the Shareholders as a whole.

RELATED PARTY TRANSACTION

Save for the transactions disclosed in note 43(c) to the consolidated financial statements, none of the related party transactions disclosed in note 43 to the consolidated financial statements constituted a one-off connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements for all the one-off connected transactions or continuing connected transactions (as the case may be) in accordance with Chapter 14A of the Listing Rules.

關連交易

本公司獨立核數師已獲委聘根據香港會計師公會頒佈的《香港核證工作準則》第3000號(經修訂)「對過往財務資料進行審核或審閱以外的核證工作」及參照實務說明第740號「關於香港《上市規則》所述持續關連交易(定義見上市規則所列明)(「持續關連交易」)的核數師函件」報告本集團之持續關連交易。獨立核數師已根據上市規則第14A.56條發出函件,當中載有核數師對本集團於綜合財務報表附註43所披露之持續關連交易之發現及結論。本公司已將獨立核數師函件副本送呈聯交所。於本年度訂立之持續關連交易之資料已載於綜合財務報表附註43。

本公司獨立核數師已確認,所有持續關連交易(a)已獲董事會批准;(b)根據本集團之定價政策釐定(如適用);(c)根據監管該等交易之協議條款訂立;及(d)各項持續關連交易並無超過各自之上限金額。

獨立非執行董事亦已審閱上述持續關連交易,並確認上述持續關連交易乃由本集團按下列基準訂立:

- (i) 於本集團日常及正常業務過程中訂立;
- (ii) 按一般商業條款或不遜於本集團提供予獨立第三方或獨立第三方提供予本集團之條款訂立;及
- (iii) 根據監管該等交易之協議條款訂立,而該等協議條款屬公平合理,並符合本公司股東的整體利益。

關聯人士交易

除綜合財務報表附註43(c)所披露之交易外,概無於本集團綜合財務報表附註43所披露之關聯人士交易根據上市規則第14A章構成一次性關連交易或持續關連交易。本公司已根據上市規則第14A章遵守有關所有一一次性關連交易或持續關連交易(視情況而定)之披露規定。

DIRECTORS' REPORT (continued)

董事會報告 (續)

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, the Company had not redeemed its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such securities.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the INEDs an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considered that all the INEDs meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

REMUNERATION POLICY

The remuneration policy of the employees (including key management) of the Group was established by the management of the Group on the basis of their merit, qualifications and competence. The remuneration committee of the Board (the "Remuneration Committee") will review and approve the remuneration policy to be recommended to the Board for approval.

The remuneration of each of the Directors is reviewed and recommended by the Remuneration Committee to the Board for approval, having regard to the Company's operating results, individual performance and comparable market statistics. None of the Directors or executives, or any of their respective associates (as defined in the Listing Rules), is involved in dealing with his own remuneration.

The Company has adopted the 2011 Scheme as an incentive to the Directors and eligible employees, details of which are set out in the "SHARE OPTION SCHEME" section above and note 33 to the consolidated financial statements.

DIVIDEND POLICY

Under the dividend policy, provided the Group is profitable and without affecting the normal operations of the Group, the Company may consider to declare and pay dividends to the Shareholders. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia: (i) the general financial condition of the Group; (ii) capital and debt level of the Group; (iii) future cash requirements and availability for business operations, business strategies and future development needs; (iv) any restrictions on payment of dividends that may be imposed by the Group's lenders; (v) the general market conditions; (vi) the interests of the Shareholders; and (vii) any other factors that the Board deems appropriate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in any business (apart from the Group's business) which competed or was likely to compete, either directly or indirectly, with the business of the Group.

購回、出售或贖回本公司之上市證券

本年度內，本公司並未有贖回其上市證券，本公司及其附屬公司亦無購買或出售該等證券。

獨立性之確認

本公司已獲得每名獨立非執行董事每年書面聲明以確認各自按上市規則第3.13條的獨立性。本公司認為全體獨立非執行董事均符合上市規則第3.13條所載之獨立指引，並根據有關指引屬獨立。

薪酬政策

有關本集團僱員（包括主要管理人員）之薪酬政策由本集團管理層制定，以彼等之表現、資歷及工作能力為基準，由本公司薪酬委員會（「薪酬委員會」）審批，並作為建議向董事會呈交，供其審批。

每位董事之酬金參照本公司之營運業績、個別表現及比較市場統計數字而釐定，並由薪酬委員會審閱及作為建議向董事會呈交，供其審批。概無董事或執行人員或其任何聯繫人士（如上市規則所列）參與處理其本身之薪酬事宜。

本公司採納2011年計劃，藉以給予董事及合資格僱員獎勵，計劃詳情載於上文「購股權計劃」部分及綜合財務報表附註33。

股息政策

根據股息政策，倘本集團有盈利且不影響本集團的正常營運的情況下，則本公司可考慮向股東宣佈及派發股息。在決定是否建議宣派股息及釐定股息的金額時，董事會應考慮（其中包括）：(i)本集團的一般財務狀況；(ii)本集團的資本及債務水準；(iii)未來現金需求及業務營運、業務策略及未來發展需要的可用性；(iv)對本集團貸方可能施加的股息支付的任何限制；(v)一般市場條件；(vi)股東的利益；及(vii)董事會認為適當的任何其他因素。

董事於競爭業務之權益

本年度內，董事或彼等各自之聯繫人士（定義見上市規則）概無在與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

DIRECTORS' REPORT (continued)
董事會報告(續)

UPDATE ON THE DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors since the date of the 2021 interim report of the Company required to be disclosed in this annual report are as follows:

- Dr. YEN Gordon was appointed as an independent non-executive director of Asia Allied Infrastructure Holdings Limited (Stock Code: 711), a company listed on the Main Board of the Hong Kong Stock Exchange, with effective from 15 September 2021.
- Mr. ZHAO Yao ceased to act as the CEO but remained as an ED and the Chairman of the Board with effective from 1 November 2021.
- Mr. SUN Fuji was re-designated from NED to ED and was appointed as the CEO with effect from 1 November 2021.
- Mr. LIU Xianfu was re-designated from ED to NED with effect from 1 November 2021.
- Mr. NG Kwok Tung resigned as an independent non-executive director of Palace Banquet Holdings Limited (Stock Code: 1703), a company listed on the Main Board of the Hong Kong Stock Exchange, with effective from 27 January 2022.
- Mr. YING Wai resigned as an independent non-executive director of CHTC Fong's International Company Limited (Stock Code: 641), a company listed on the Main Board of the Hong Kong Stock Exchange, with effective from 1 March 2022.

MANAGEMENT CONTRACTS

No contracts (except for the EDs' service contracts) concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate revenue attributable to the Group's five largest customers was less than 30% of the total revenue for the Year.

During the Year, the aggregate purchases attributable to the Group's five largest suppliers was less than 30% of the total purchases for the Year.

None of the Directors nor any of their close associates (as defined in the Listing Rules) owns more than 5% of the number of issued Shares) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the Year.

根據上市規則第13.51B(1)條更新董事資料

根據上市規則第13.51B(1)條，自本公司2021年中期報告日期以來本公司董事資料的變動須於本年報中披露如下：

- 嚴震銘博士於2021年9月15日起獲委任為於香港聯合交易所主板上市，亞洲聯合基建控股有限公司(股份代號：711)之獨立非執行董事。
- 趙耀先生於2021年11月1日起不再擔任行政總裁職務，但繼續擔任執行董事及董事會主席。
- 孫福紀先生於2021年11月1日起由非執行董事調任為執行董事，並獲委任為行政總裁。
- 劉賢福先生於2021年11月1日起由執行董事調任為非執行董事。
- 伍國棟先生於2022年1月27日起辭任於香港聯合交易所主板上市，首豐控股有限公司(股份代號：1703)之獨立非執行董事。
- 應偉先生於2022年3月1日起辭任於香港聯合交易所主板上市，中國恒天立信國際有限公司(股份代號：641)之獨立非執行董事。

管理合約

於本年度內，除於執行董事訂立之服務合約，並無訂立或存在與本公司業務全部或任何重大部分有關的管理及行政合約。

主要客戶及供應商

本集團本年度內之5大客戶共佔營業總額少於30%。

本集團本年度內之5大供應商共佔採購總額少於30%。

年內，董事或彼等的任何緊密聯繫人(如上市規則所列)(就董事所深知擁有已發行股份數目5%以上)概無於本集團5大客戶及/或5大供應商中擁有任何實益權益。

DIRECTORS' REPORT (continued)

董事會報告 (續)

DONATIONS

During the Year, the Group made charitable and other donations totaling HK\$524,469 (2020: HK\$528,334).

CORPORATE GOVERNANCE

The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 36 to 54 of this annual report.

EQUITY-LINKED AGREEMENT

Save as the share options granted, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

SUFFICIENCY OF PUBLIC FLOAT

From the information publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of not less than 25% of the issued Shares throughout the Year and the period thereafter up to the date of this Directors' Report.

AUDIT COMMITTEE'S REVIEW

The Company has established the Audit Committee for the purposes of reviewing and providing supervision over the Company's financial reporting process, internal controls and risk management. The Audit Committee presently comprises three independent non-executive Directors (the "INEDs"), and one of the INEDs acts as the chairman of the Audit Committee. The Audit Committee has reviewed the audited consolidated final results as well as the systems of internal control and risk management of the Group for the year ended 31 December 2021.

INDEPENDENT AUDITOR

The Board has taken the Audit Committee's recommendation that a resolution will be submitted to the forthcoming AGM for the Shareholders' consideration and approval to re-appoint BDO Limited as the independent auditor of the Company.

On behalf of the Board

ZHAO Yao
Chairman

Hong Kong
18 March 2022

捐款

本年度本集團作出之慈善及其他捐款共 524,469 港元 (2020年：528,334 港元)。

企業管治

本公司採納之主要企業管治常規載於本年報第 36 至 54 頁之企業管治報告內。

股權掛鉤協議

除購股權授予外，於是年度結束時，本公司概無訂立或存在任何股權掛鉤協議。

足夠公眾持股量

從本公司可獲得之公開資料顯示及就董事所知，本公司於截至本年度及本董事會報告日期期間一直維持不少於已發行股份 25% 之足夠公眾持股量。

審核委員會審閱

本公司已成立審核委員會，藉以檢討及監察本公司之財務申報程序、內部監控及風險管理制度。審核委員會現由 3 名獨立非執行董事（「獨立非執行董事」）組成，並由其中 1 名獨立非執行董事擔任審核委員會主席。審核委員會已審閱本集團截至 2021 年 12 月 31 日止年度之經審核綜合末期業績以及內部監控及風險管理制度。

獨立核數師

董事會應審核委員會推薦於應屆股東週年大會上將提呈決議案供股東考慮及批准以續聘香港立信德豪會計師事務所有限公司為本公司獨立核數師。

代表董事會

趙耀
主席

香港
2022 年 3 月 18 日

PARTICULARS OF INVESTMENT PROPERTIES 投資物業詳情

Particulars of investment properties held by the Group at 31 December 2021 are as follows:
於2021年12月31日，本集團投資物業的詳情如下：

Location 地點	Lease 租賃年期	Use 用途	The Group's effective interest 本集團有效權益
Unit A2 on 5/F., & Unit A1 on 7/F., Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong 香港新界葵涌葵昌路29-39號 東海工業大廈 5樓A2室及7樓A1室	Medium-term leases 中期租賃	Warehouse and office 貨倉及辦公室	100%
Office Units A3801, 03, 05, 06, 08-10 and 12, Block A, United Plaza, Futian District, Shenzhen, the PRC 中國深圳市福田區濱河路與彩田路交匯處 聯合廣場A棟塔樓 A3801, 03, 05, 06, 08至10和12	Medium-term land use rights 中期土地使用權	Office 辦公室	100%
Factory Nos. 3 (Phase 1), 5, 6, 9 and 11, Factory Nos. 3 (Phase 2), 1, 2, 12 and 13 (Phase 3), Factory Nos. 4, 14, 15, 16 and 17 (Phase 4) and portion of bare land, No 66-68, Danxia Road, Xiangshan Industry Zone, Ningbo, Zhejiang Province, the PRC 中國浙江省寧波市象山縣工業園區 丹霞路66-68號 廠區內3(1期)、5、6、9及11號廠房、 廠區內3(2期)、1、2、12及13號(3期)廠房、 廠區內4、14、15、16及17(4期)廠房 以及部分空地	Medium-term land use rights 中期土地使用權	Factory and office 廠房及辦公室	55.5%
Portion of Dormitory No. 3, No 66-68, Danxia Road, Xiangshan Industry Zone, Ningbo, Zhejiang Province, the PRC 中國浙江省寧波市象山縣工業園區丹霞路66-68號 廠區內3號部分宿舍	Medium-term land use rights 中期土地使用權	Dormitory 宿舍	55.5%
A pier located at west port dike of Baiqu Port, near No. 9 Xiaoshan Road, High-tech Zone, Jiangyin, Jiangsu Province, the PRC 中國江蘇省江陰高新區蕭山路9號旁 白屈港河西港堤碼頭	Medium-term land use rights 中期土地使用權	Pier 碼頭	100%

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



TO THE MEMBERS OF FOUNTAIN SET (HOLDINGS) LIMITED

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Fountain Set (Holdings) Limited (“the Company”) and its subsidiaries (together “the Group”) set out on pages 81 to 172, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

致福田實業(集團)有限公司各位股東

(於香港註冊成立的有限公司)

意見

本核數師行已審核載於第81至172頁內的福田實業(集團)有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，此等財務報表包括於2021年12月31日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

本核數師行認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實且公平地反映了貴集團於2021年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例妥為編製。

意見基準

本核數師行已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核工作。本核數師行於該等準則下的責任在本核數師行的報告內「核數師就審核綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會的「職業會計師道德守則」(「守則」)，本核數師行獨立於貴集團，並已遵循守則履行其他道德責任。本核數師行相信，本核數師行所獲得的審核憑證能充足及適當地為本核數師行的意見提供基礎。

關鍵審核事項

根據本核數師行的專業判斷，關鍵審核事項為本核數師行於審核本期間的綜合財務報表中最重要的事項。本核數師行在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

INDEPENDENT AUDITOR'S REPORT (continued)
獨立核數師報告(續)

KEY AUDIT MATTERS (continued)

Impairment of inventories

Refer to note 19 to the consolidated financial statements

A degree of substandard products is typically produced during the normal course of the Group's production process. Moreover, inventories of the Group will become aged and/or obsolete in the absence or cancellation of orders. The Group maintains a sophisticated information technology system to keep track of the aging and utilisation of inventories and materials regarded as wastage for the estimation of net realisable value.

Based on the utilisation of inventories which became wastage and long-aged, the Group made an accumulated provision of HK\$221,278,000 as at year end by reference to estimated net realisable value of inventories.

We identified the impairment of inventories as a key audit matter because the estimates of net realisable value and how materials are regarded as wastage on which this impairment entailed a significant degree of management judgement.

Our response:

We performed audit procedures in relation to management's impairment assessment of inventories which included:

- evaluating the methodology and key assumptions adopted by management in estimating the net realisable value and discussing them with management;
- challenging the reasonableness of key assumptions based on our knowledge of the business and industry;
- checking, on a sample basis, the accuracy and relevance of the input data used by management in capturing the aging and utilisation of inventories and estimate the net realisable value of those inventories; and
- testing controls over recording impairment of inventories.

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.

關鍵審核事項(續)

存貨減值

請參閱綜合財務報表附註19

貴集團於日常生產過程中通常會產生一定程度之不合格產品。此外，若無訂單或取消訂單，貴集團的存貨會變為陳舊及／或廢棄。貴集團設有完善的資訊科技系統，從以監察存貨及被視作廢棄物的材料之賬齡及使用情況以估算可變現淨值。

根據廢棄及陳舊存貨的使用情況，貴集團於年度終結時經參考存貨的估計可變現淨值作出累計撥備221,278,000港元。

本核數師行確定存貨減值為關鍵審核事項，此乃由於對有關可變現淨值作出減值估計以及材料為何被視為廢棄材料時，涉及管理層的重大判斷。

本核數師行的應對：

本核數師行就管理層的存貨減值評估進行的審核程序包括：

- 對管理層於估計可變現淨值時所採納的方法及主要假設進行評估並與管理層進行討論；
- 依據本核數師行對業務及行業的瞭解，質疑關鍵假設的合理性；
- 抽樣檢查管理層於計算存貨賬齡及使用情況，以及估計該等存貨的可變現淨值時所使用輸入數據的準確性及相關性；及
- 測試對記錄存貨減值的監控。

年報內的其他資料

董事須對其他資料負責。其他資料包括 貴公司年報所載資料，惟不包括綜合財務報表及本核數師行就此發出的核數師報告。

本核數師行對綜合財務報表的意見並不涵蓋其他資料，本核數師行亦不會對其他資料發表任何形式的核證結論。

INDEPENDENT AUDITOR'S REPORT (continued)

獨立核數師報告 (續)

OTHER INFORMATION IN THE ANNUAL REPORT (continued)

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' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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 misstatements, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, 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 HKSAAs 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.

年報內的其他資料 (續)

就本核數師行審核綜合財務報表而言，本核數師行的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本核數師行在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。基於本核數師行已執行的工作，倘本核數師行認為其他資料有重大錯誤陳述，本核數師行須報告該事實。就此，本核數師行毋須作出報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例，編製真實且公平的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營相關的事項，並運用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營或別無其他實際的替代方案。

董事亦須負責監督 貴集團財務申報程序。審核委員會協助董事履行其在這方面的責任。

核數師就審核綜合財務報表須承擔的 責任

本核數師行的目標為對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本核數師行意見的核數師報告。本報告乃根據香港公司條例第405條僅向整體股東作出報告，並無作其他用途。本核數師行不會就本報告內容向任何其他人士負上或承擔任何責任及債務。

合理核證是高水平的核證，但不能保證按香港審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT (continued)
獨立核數師報告(續)

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

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

核數師就審核綜合財務報表須承擔的責任(續)

本核數師行根據香港審計準則執行審核的工作之一，是在審核的過程中運用專業判斷及保持職業懷疑。本核數師行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為本核數師行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審核相關的內部監控，以設計適當的審計程序，惟並非旨在對 貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基準的恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘本核數師行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂本核數師行意見。本核數師行的結論乃基於截至本核數師行的核數師報告日期止所得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否公平反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。本核數師行負責集團審核的方向、監督及執行。本核數師行為審核意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT (continued)

獨立核數師報告(續)

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

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

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

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.

BDO Limited

Certified Public Accountants

Lam Pik Wah

Practising Certificate Number P05325

Hong Kong, 18 March 2022

核數師就審核綜合財務報表須承擔的責任(續)

本核數師行與審核委員會就(其中包括)審核的計劃範圍、時間安排及重大審核發現進行溝通,該等發現包括本核數師行在審核過程中識別的內部監控的任何重大缺陷。

本核數師行亦向審核委員會作出聲明,指出本核數師行已符合有關獨立性的相關道德要求,並與彼等溝通可能被合理認為會影響本核數師行獨立性的所有關係及其他事宜,以及相關防範措施(如適用)。

從與董事溝通的事項中,本核數師行釐定對本期間綜合財務報表審核至關重要的事項,因而構成關鍵審核事項。本核數師行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等事項,或在極少數情況下,倘合理預期在本核數師行的報告中溝通某事項造成的負面後果超出產生的公眾利益,則本核數師行決定不應在報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

林碧華

執業證書編號P05325

香港, 2022年3月18日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		Notes 附註	2021 HK\$'000 千港元	2020 HK\$'000 千港元
Revenue	營業額	6	6,751,277	4,943,230
Cost of sales	銷售成本		(5,871,738)	(4,332,098)
Gross profit	毛利		879,539	611,132
Other revenue	其他收入		86,483	69,688
Other gains and losses	其他收益及虧損		(14,406)	(27,313)
Distribution and selling expenses	分銷及銷售費用		(141,310)	(107,256)
Administrative expenses	行政費用		(458,436)	(406,800)
Finance costs	融資成本	7	(15,225)	(19,562)
Share of profit of an associate	應佔一間聯營公司之盈利	17	805	2,256
Profit before income tax expense	除所得稅支出前盈利		337,450	122,145
Income tax expense	所得稅支出	8	(67,192)	(20,554)
Profit for the year	是年度盈利	9	270,258	101,591
Profit for the year attributable to:	應佔是年度盈利：			
Owners of the Company	本公司擁有人		241,334	85,706
Non-controlling interests	非控股權益		28,924	15,885
			270,258	101,591
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利			
– Basic	– 基本	12	19.7	7.0
– Diluted	– 攤薄	12	19.7	7.0

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
綜合損益及其他全面收益表 (續)

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		Note 附註	2021 HK\$'000 千港元	2020 HK\$'000 千港元
Profit for the year	是年度盈利	9	270,258	101,591
Other comprehensive income, net of tax	其他全面收益 (經扣除稅項)			
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類 至損益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務產生之 匯兌差額		13,456	21,035
Other comprehensive income for the year	是年度其他全面收益		13,456	21,035
Total comprehensive income for the year	是年度全面收益總值		283,714	122,626
Total comprehensive income for the year attributable to:	應佔是年度全面收益總值：			
Owners of the Company	本公司擁有人		251,418	103,004
Non-controlling interests	非控股權益		32,296	19,622
			283,714	122,626

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AS AT 31 DECEMBER 2021 於2021年12月31日

		Notes 附註	At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	13	83,195	72,524
Property, plant and equipment	物業、機器及設備	14	1,336,105	1,341,494
Right-of-use assets	使用權資產	15	196,861	217,398
Other intangible assets	其他無形資產	16	6,030	9,045
Deposit paid for purchase of plant and equipment	購買機器及設備的已付按金		16,808	12,506
Interest in an associate	於一間聯營公司之權益	17	23,598	22,793
Deferred tax assets	遞延稅項資產	18	65,914	71,062
			1,728,511	1,746,822
Current assets	流動資產			
Inventories	存貨	19	1,717,220	1,218,169
Trade and bills receivables	營業及票據應收款項	20	1,270,335	1,027,493
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	195,848	166,967
Tax recoverable	可收回稅項		7,300	3,342
Restricted bank deposits	受限制銀行存款	22	4,197	7,351
Short-term bank deposits	短期銀行存款	23	57,846	229,313
Bank balances and cash	銀行結餘及現金	23	767,133	1,026,254
			4,019,879	3,678,889
Current liabilities	流動負債			
Trade and bills payables	營業及票據應付款項	24	956,450	964,731
Other payables and accruals	其他應付款項及應計費用	25	322,984	280,312
Contract liabilities	合約負債	26	32,701	22,014
Lease liabilities – current portion	租賃負債—流動部分	27	24,641	31,399
Amounts due to non-controlling shareholders	欠非控股股東款項	28	62,834	64,525
Amount due to an associate	欠一間聯營公司款項	28	6,443	5,861
Deferred income – current portion	遞延收入—流動部分	29	5,457	3,701
Tax payable	應付稅項		32,247	17,487
Bank borrowings – due within one year	銀行借貸—一年內到期	30	327,342	229,606
			1,771,099	1,619,636
Net current assets	流動資產淨值		2,248,780	2,059,253
Total assets less current liabilities	資產總值減流動負債		3,977,291	3,806,075

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**綜合財務狀況表(續)**

AS AT 31 DECEMBER 2021 於2021年12月31日

			At 31 December 於12月31日 2021	At 31 December 於12月31日 2020
		<i>Notes 附註</i>	HK\$'000 千港元	<i>HK\$'000 千港元</i>
Non-current liabilities	非流動負債			
Deferred income – non-current portion	遞延收入—非流動部分	29	83,147	66,311
Bank borrowings – due after one year	銀行借貸—一年後到期	30	–	7,142
Lease liabilities – non-current portion	租賃負債—非流動部分	27	130,330	146,037
Deferred tax liabilities	遞延稅項負債	18	4,716	6,796
			218,193	226,286
Net assets	資產淨值		3,759,098	3,579,789
Capital and reserves	資本及儲備			
Share capital	股本	31	889,810	889,810
Reserves	儲備		2,670,428	2,504,762
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,560,238	3,394,572
Non-controlling interests	非控股權益	32	198,860	185,217
Total equity	權益總值		3,759,098	3,579,789

The consolidated financial statements on pages 81 to 172 were approved and authorised for issue by the Board of Directors on 18 March 2022 and are signed on its behalf by:

第81至172頁的綜合財務報表已於2022年3月18日由董事會通過及核准發放，並由下列董事代表簽署：

ZHAO Yao
趙耀
Director
董事

YAU Hang Tat, Andrew
邱恒達
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2021年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔						Non- controlling interests	Total equity
		Share capital 股本	Translation reserve 匯兌儲備	Share options reserve 購股權儲備	Statutory reserves 法定儲備	Retained earnings 滾存盈利	Total 總值	非控股權益	權益總值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note) (附註)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2020	於2020年1月1日	889,810	(53,224)	607	100,118	2,482,150	3,419,461	165,595	3,585,056
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	17,298	-	-	-	17,298	3,737	21,035
Profit for the year	是年度盈利	-	-	-	-	85,706	85,706	15,885	101,591
Total comprehensive income for the year	是年度全面收益總值	-	17,298	-	-	85,706	103,004	19,622	122,626
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	(127,893)	(127,893)	-	(127,893)
Transfer from retained earnings to statutory reserves	由滾存盈利調撥至法定儲備	-	-	-	5,182	(5,182)	-	-	-
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	-	-	(607)	-	607	-	-	-
At 31 December 2020	於2020年12月31日	889,810	(35,926)	-	105,300	2,435,388	3,394,572	185,217	3,579,789
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	10,084	-	-	-	10,084	3,372	13,456
Profit for the year	是年度盈利	-	-	-	-	241,334	241,334	28,924	270,258
Total comprehensive income for the year	是年度全面收益總值	-	10,084	-	-	241,334	251,418	32,296	283,714
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	(85,752)	(85,752)	(18,653)	(104,405)
Transfer from retained earnings to statutory reserves	由滾存盈利調撥至法定儲備	-	-	-	4,270	(4,270)	-	-	-
At 31 December 2021	於2021年12月31日	889,810	(25,842)	-	109,570	2,586,700	3,560,238	198,860	3,759,098

Note: In accordance with the relevant laws and regulations in the People's Republic of China (the "PRC") and Articles of Association of the company incorporated in the PRC now comprising the Group, i.e. the PRC Operational Entity, it is required to appropriate 10% of the annual net profits of the PRC Operational Entity, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserve fund before distributing any net profit. When the balance of the statutory reserve fund reaches 50% of the registered capital of the PRC Operational Entity, any further appropriation is at the discretion of shareholders. The statutory reserve fund can be used to offset prior years' losses, if any, and may be capitalised as capital, provided that the remaining balance of the statutory reserve fund after such issue is no less than 25% of registered capital.

In accordance with the Article 377 of the Commercial Code of Macau Special Administrative Region, the subsidiary registered under private limited liability company by quotas in Macau are required to transfer part of their profits of each accounting period of not less than 25% to statutory reserves, until the amount reaches half of the respective share capital.

附註：根據相關中華人民共和國（「中國」）法律及法規及現組成本集團於中國註冊成立的公司（即中國經營實體）的組織章程細則規定，於抵銷根據中國會計準則釐定的任何過往年度的虧損後，其須於分派任何純利前撥款中國經營實體年度純利的10%至法定儲備金。倘法定儲備金結餘達致中國經營實體註冊資本的50%，任何進一步的撥款乃由股東酌情決定。法定儲備金可用於抵銷過往年度的虧損（如有），並可資本化為股本，惟於有關發行後法定儲備金的餘下結餘不得少於註冊資本的25%。

根據澳門特別行政區商法典第377條，於澳門以限額註冊成為私人有限公司的附屬公司須將其於各會計期間不少於25%的部分溢利轉撥至法定儲備，直至達到相等於其股本一半的金額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		2021	2020
		HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	營運項目所得的現金流量		
Profit before income tax expense	除所得稅支出前盈利	337,450	122,145
Adjustments for:	調整：		
Amortisation of deferred income	遞延收入之攤銷	(3,105)	(1,643)
Amortisation of other intangible assets	其他無形資產之攤銷	3,015	3,015
COVID-19-related rent concessions	COVID-19相關租金減免	-	(2,082)
Depreciation of investment properties	投資物業之折舊	4,991	3,735
Depreciation of right-of-use assets	使用權資產之折舊	28,881	30,527
Depreciation and impairment of property, plant and equipment	物業、機器及設備之折舊及減值	165,475	204,727
Finance costs	融資成本	15,225	19,562
Interest income	利息收入	(7,790)	(7,574)
Loss on disposal/written-off of property, plant and equipment	出售／撇銷物業、機器及設備之虧損	61	11,286
Provision for impairment loss recognised on trade and bills receivables, net	營業及票據應收款項之減值損失撥備確認淨值	11,343	13,966
Provision for impairment loss recognised on other receivables, net	其他應收款項之減值損失撥備確認淨值	6,115	-
Share of profit of an associate	應佔一間聯營公司之盈利	(805)	(2,256)
Operating profit before working capital changes	營運資金變動前之營運盈利	560,856	395,408
(Increase)/decrease in inventories	存貨之(增加)／減少	(493,830)	42,862
(Increase)/decrease in trade and bills receivables	營業及票據應收款項之(增加)／減少	(245,931)	120,120
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之增加	(29,342)	(39,043)
(Decrease)/increase in trade and bills payables	營業及票據應付款項之(減少)／增加	(24,519)	112,585
Increase in other payables and accruals	其他應付款項及應計費用之增加	42,656	13,740
Increase in contract liabilities	合約負債之增加	10,687	6,253
Increase/(decrease) in amount due to an associate	欠一間聯營公司款項之增加／(減少)	582	(1,318)
Increase in deferred income	遞延收入之增加	21,697	14,288
Cash (used in)/generated from operations	營運(所用)／所得之現金	(157,144)	664,895
Hong Kong profits tax paid	已付香港利得稅	(5,754)	(21,429)
Overseas tax paid	已付海外稅項	(47,493)	(42,163)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	營運項目(所用)／所得的現金淨值	(210,391)	601,303

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
綜合現金流量表(續)

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		Notes 附註	2021 HK\$'000 千港元	2020 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES				
	投資項目所得的現金流量			
Interest received	已收利息		8,250	7,057
Additions of investment properties	添置投資物業	13	(13,303)	(17,313)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項		3,924	4,838
Deposit paid for purchase of property, plant and equipment	購買物業、機器及設備的已付按金		(4,302)	-
Purchases of property, plant and equipment	購買物業、機器及設備	14	(157,373)	(113,091)
Decrease in restricted bank deposits	受限制銀行存款減少		3,154	704
Decrease/(increase) in short-term bank deposits with original maturity over three months	原到期日三個月以上的短期銀行存款減少/(增加)		10,884	(27,433)
NET CASH USED IN INVESTING ACTIVITIES			(148,766)	(145,238)
CASH FLOWS FROM FINANCING ACTIVITIES				
	融資項目所得的現金流量			
New bank borrowings raised	新籌集之銀行借貸	39	1,233,089	555,833
Repayment of bank borrowings	償還銀行借貸	39	(1,142,748)	(541,961)
Repayment of principal portion of the lease liabilities	償還租賃負債之本金部分	39	(34,073)	(23,026)
Repayment of interest portion of the lease liabilities	償還租賃負債之利息部分	39	(8,555)	(8,930)
Repayment of amounts due to non-controlling shareholders	償還欠非控股股東款項	39	(1,691)	(15,575)
Interest paid	已付利息	39	(6,399)	(9,984)
Dividends paid to non-controlling shareholders	已付股息予非控股股東		(18,653)	-
Dividends paid	已付股息		(85,752)	(127,893)
NET CASH USED IN FINANCING ACTIVITIES			(64,782)	(171,536)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**綜合現金流量表(續)**

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目的(減少)／增加淨值	(423,939)	284,529
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於是年度開始時的現金及等同現金項目	1,228,134	937,353
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	匯率變動對現金及等同現金項目的影響	4,235	6,252
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	於是年度終結時的現金及等同現金項目	808,430	1,228,134
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS:	現金及等同現金項目結存的分析：		
Short-term bank deposits	短期銀行存款	57,846	229,313
Bank balances and cash	銀行結餘及現金	767,133	1,026,254
Cash and cash equivalents in the consolidated statement of financial position	綜合財務狀況表內的現金及等同現金項目	824,979	1,255,567
Less: Short-term bank deposits with original maturity over three months	減：原到期日三個月以上的短期銀行存款	(16,549)	(27,433)
Cash and cash equivalents in the consolidated statement of cash flows	綜合現金流量表內的現金及等同現金項目	808,430	1,228,134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 DECEMBER 2021 2021年12月31日

1. GENERAL

The Company is a public limited company incorporated in Hong Kong. Its issued shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and the principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 36.

The directors consider its immediate parent is Chinatex Yieldfull Investments Co., Ltd. and ultimate parent is COFCO Corporation, a state-owned enterprise under the direct supervision and administration of, and is beneficially owned by, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or amended HKFRSs

Amendments to HKAS 39, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ¹
Amendments to HKFRS 16	COVID-19-Related Rent Concessions ¹
2021 Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 ²

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

² Effective for annual periods beginning on or after 1 April 2021.

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 except for the 2021 amendments to HKFRS 16. Impact on the application of this amended HKFRS is summarised below.

1. 簡介

本公司為在香港註冊成立的公眾有限公司，其已發行股份於香港聯合交易所有限公司（「聯交所」）上市。本公司的註冊辦事處地址及主要營業地點於本年報公司資料內披露。

綜合財務報表乃以港元（「港元」）呈列，港元亦為本公司的功能貨幣。

本公司乃一間投資控股公司。其主要附屬公司的主要業務載列於附註36內。

董事認為，其直接母公司為中紡盈豐投資有限公司，而其最終母公司為中糧集團有限公司，一家由中國國務院國有資產監督管理委員會直接監督及管理以及實益擁有之國有企業。

2. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納新訂或經修訂之香港財務報告準則

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9號及香港財務報告準則第16號之修訂本	利率基準改革—第二階段 ¹
香港財務報告準則第16號之修訂本	COVID-19相關租金減免 ¹
2021年之香港財務報告準則第16號之修訂本	2021年6月30日之後的COVID-19相關租金減免 ²

¹ 於2021年1月1日或之後開始之年度期間生效。

² 於2021年4月1日或之後開始之年度期間生效。

以上新訂或經修訂香港財務報告準則對本集團當前或過往期間的業績及財務狀況並無重大影響。於本會計期間，本集團並無提前應用任何尚未生效之新訂或經修訂香港財務報告準則，惟2021年之香港財務報告準則第16號之修訂本除外。應用該經修訂香港財務報告準則的影響概述如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**(a) Adoption of new or amended HKFRSs (continued)*****Amendment to HKFRS 16, COVID-19-Related Rent Concessions***

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the COVID-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 pandemic and only if all of the following criteria are satisfied:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

Accounting for rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

2021 Amendments to HKFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021

The amendment extends the practical expedient available to lessees in accounting for COVID-19 related rent concessions by one year. The reduction in lease payments could only affect payments originally due on or before 30 June 2021 is extended to 30 June 2022. The amendment is effective for annual reporting periods beginning on or after 1 April 2021, with earlier application permitted.

The Group has elected to early adopt the above amendments and apply the practical expedient for all rent concessions that meet the criteria. In accordance with the transitional provisions, the Group has applied the amendment retrospectively, and has not restated prior period figure. As the rent concessions arose during the year ended 31 December 2020, there is no retrospective adjustment to opening balance of retained earnings at 1 January 2021 on initial application of the amendment.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)**(a) 採納新訂或經修訂之香港財務報告準則 (續)*****香港財務報告準則第16號之修訂本，COVID-19 相關租金減免***

修訂香港財務報告準則第16號乃就COVID-19疫情產生的租金減免為承租人提供可行權宜方法進行會計處理，透過在香港財務報告準則第16號中增加額外可行權宜方法，允許享有選擇不列賬租金減免（作為修訂）的權利。可行權宜方法僅在滿足以下所有標準的情況下，方可應用於由於COVID-19疫情的直接後果而產生的租金減免：

- (a) 租賃付款變動導致租賃代價有所修改，而經修改代價與緊接變動前租賃代價大致相同，或少於緊接變動前租賃代價；
- (b) 租賃付款的減幅僅影響原到期日為2021年6月30日或之前的付款；及
- (c) 租賃的其他條款及條件並無實質性變動。

符合該等標準的租金減免可根據可行權宜方法進行會計處理，意味著承租人不必要評估租金減免是否符合租賃修改的定義。承租人應用香港財務報告準則第16號中的其他規定對該租金減免進行會計處理。

將租金減免作為租賃修訂進行會計處理，將會導致本集團採用經修訂貼現率對租賃負債進行重新計量，以反映經修訂代價，並將租賃負債變動的影響入賬列為使用權資產。通過應用可行權宜方法，本集團毋須釐定經修訂貼現率，而租賃負債變動的影響則於引起租金減免的事項或狀況發生期間於損益內反映。

2021年之香港財務報告準則第16號之修訂本，2021年6月30日之後的COVID-19相關租金減免

修訂本將可供承租人作COVID-19相關租金減免入賬的可行權宜方法期限延長一年。租賃付款減少僅可能影響原於2021年6月30日或之前到期的付款期限延長至2022年6月30日。修訂本於2021年4月1日或之後開始的年度申報期間生效，並獲准提早應用。

本集團已選擇提早採納上述修訂本及對所有符合標準的租金減免應用可行權宜方法。根據過渡條例，本集團已追溯應用該修訂，及並未重列過往期間數據。由於租金減免於截至2020年12月31日止年度期間產生，於首次應用該修訂時並無對於2021年1月1日滾存盈利的年初結餘作出追溯性調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

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

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

The following amendments to HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosures of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendment to HKFRS 1, First-time Adoption of HKFRSs ¹
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendment to HKFRS 9, Financial Instruments ¹
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendment to illustrative examples accompanying HKFRS 16, Leases ¹

¹ Effective for annual periods beginning on or after 1 January 2022.
² 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.
³ Effective for annual periods beginning on or after 1 January 2023.
⁴ 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) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則

下列可能與本集團財務報表有關之香港財務報告準則之修訂本已經頒佈，惟尚未生效，且未經本集團提早採納。本集團目前擬於該等變動生效日期應用該等變動。

香港會計準則第1號之修訂本	流動或非流動負債分類及香港詮釋第5號(2020)，財務報表的呈報－借款人對載有按要價還條款的定期貸款的分類 ³
香港會計準則第1號及香港財務報告準則作業準則第2號之修訂本	會計政策披露 ³
香港會計準則第8號之修訂本	會計估計的定義 ³
香港會計準則第12號之修訂本	有關單獨交易產生的資產及負債的遞延稅項 ³
香港會計準則第16號之修訂本	用作擬定用途前的所得款項 ¹
香港會計準則第37號之修訂本	虧損合約－履行合約的成本 ¹
香港財務報告準則第3號之修訂本	概念框架的引用 ²
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營公司之間的資產出售或投入 ⁴
香港財務報告準則2018年至2020年週期之年度改進	香港財務報告準則第1號之修訂本，首次採用香港財務報告準則 ¹
香港財務報告準則2018年至2020年週期之年度改進	香港財務報告準則第9號之修訂本，金融工具 ¹
香港財務報告準則2018年至2020年週期之年度改進	香港財務報告準則第16號隨附的闡釋範例之修訂本，租賃 ¹

¹ 於2022年1月1日或之後開始之年度期間生效。
² 對收購日期為2022年1月1日或之後開始之首個年度期間開始當日或之後的業務合併有效。
³ 於2023年1月1日或之後開始之年度期間生效。
⁴ 該等修訂將追溯應用於有待釐定的日期或之後開始的年度期間產生的資產出售或注資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**(b) New or amended HKFRSs that have been issued but are not yet effective (continued)*****Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause***

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Hong Kong Interpretation 5 (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 does not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosures of Accounting Policies

The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)**(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則 (續)*****香港會計準則第1號之修訂本，流動或非流動負債分類及香港詮釋第5號(2020)，財務報表的呈報—借款人對載有按要求償還條款的定期貸款的分類***

該等修訂本澄清，負債應基於報告期末存在之權利分類為流動或非流動負債，明確規定，分類不受有關實體是否會行使其延遲清償債務權利之預期所影響，並闡述於報告期末倘已遵守契約，則存在該權利。該等修訂本亦引入「結算」的定義，以明確表示結算乃指將現金、股權工具、其他資產或服務轉移至交易對手方。

香港詮釋第5號(2020)因應於2020年8月頒佈香港會計準則第1號之修訂本而予以修訂。香港詮釋第5號(2020)之修訂更新詮釋之措辭以與香港會計準則第1號之修訂本一致，結論並無變動及並無更改現有規定。

本公司董事預期日後應用該等修訂本及修訂將不會對綜合財務報表產生影響。

香港會計準則第1號及香港財務報告準則作業準則第2號之修訂本，會計政策披露

香港會計準則第1號之修訂本要求公司披露其主要會計政策資料，而非其重大會計政策。香港財務報告準則作業準則第2號之修訂本就重要性概念應用於會計政策披露之方式提供指引。

本公司董事預期日後應用該等修訂本將不會對綜合財務報表產生影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

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

(b) New or amended HKFRSs that have been issued but are not yet effective (continued)

Amendments to HKAS 8, Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

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

The amendments clarify whether the initial recognition exemption applies to certain transactions that often result in both an asset and a liability being recognised simultaneously. Such instances might include the initial recognition of leases from the perspective of a lessee or asset retirement obligations (AROs)/decommissioning liabilities.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Amendments to HKAS 16, 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, are recognised in profit or loss.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group’s consolidated financial statements. The directors of the Company anticipate that the application of the amendments will likely have an impact on the Group’s accounting policies in respect of the construction of assets, as certain proceeds of selling items produced whilst bringing assets under construction are currently deducted from the cost of the asset.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港會計準則第8號之修訂本，會計估計的定義

該等修訂本闡明公司應對會計政策變動與會計估計變動加以區分。該區分屬重要之舉，乃因會計估計變動僅能預期應用於未來交易及其他未來事件，而會計政策變動一般亦追溯應用於過往交易及其他過往事件。

本公司董事預期日後應用該等修訂本將不會對綜合財務報表產生影響。

香港會計準則第12號之修訂本，有關單獨交易產生的資產及負債的遞延稅項

該等修訂本釐清初步確認豁免是否適用於通常導致同時確認資產及負債的若干交易。有關情況可能包括從承租人或資產報廢責任(AROs)/棄置責任的角度對租賃進行初步確認。

本公司董事預期日後應用該等修訂本將不會對綜合財務報表產生影響。

香港會計準則第16號之修訂本，用作擬定用途前的所得款項

該等修訂本禁止從物業、機器及設備項目的成本中扣除資產達到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而產生的任何出售項目所得款項。反之，將出售有關項目的所得款項及生產該等項目的成本於損益內確認。

本公司董事當前正評估應用該等修訂本對本集團綜合財務報表的影響。本公司董事預期，應用該等修訂本將可能對本集團有關在建資產的會計政策有所影響，因於在建資產之已生產銷售項目之若干所得款項當前是從資產成本中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**(b) New or amended HKFRSs that have been issued but are not yet effective (continued)*****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).

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group’s consolidated financial statements. The directors of the Company anticipate that the application of the amendments will likely have an impact on the Group’s accounting policies in respect of the determination of when contracts are onerous, and the measurement of provision for onerous contracts recognised.

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) Interpretation 21, Levies, the acquirer applies HK(IFRIC) Interpretation 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.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)**(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則 (續)*****香港會計準則第37號之修訂本，虧損合約－履行合約的成本***

該等修訂本訂明「履行合約的成本包括與合約直接相關的成本」。與合約直接相關的成本既可為履行合約的增量成本 (如直接勞工及材料)，亦可為與履行合約直接相關的其他成本分配 (如用於履行合約的物業、機器及設備項目的折舊支出分配)。

本公司董事當前正評估應用該等修訂本對本集團綜合財務報表的影響。本公司董事預期，應用該等修訂本將可能對本集團有關確定合約產生虧損時間以及確認虧損合約撥備計量的會計政策有所影響。

香港財務報告準則第3號之修訂本，概念框架的引用

該等修訂本更新香港財務報告準則第3號，令其指經修訂2018年財務報告概念框架，而非於2010年頒佈的版本。該等修訂本為香港財務報告準則第3號增加一項要求，即對香港會計準則第37號範圍內的義務而言，收購方應於收購日期應用香港會計準則第37號確定是否因過往事務而存在當前義務。就屬於香港 (國際財務報告詮釋委員會) 詮釋第21號，徵費，範圍內的徵費而言，收購方應用香港 (國際財務報告詮釋委員會) 詮釋第21號釐定導致支付徵費責任的義務事件是否已於收購日期前發生。該等修訂本亦增加明確聲明，即收購方不確認於業務合併收購的或有資產。

本公司董事預期日後應用該等修訂本將不會對綜合財務報表產生影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

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

(b) New or amended HKFRSs that have been issued but are not yet effective (continued)

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 directors of the Company anticipate that the application of these amendments may have an impact on the consolidated financial statements in future periods should such transaction arise.

Annual Improvements to HKFRSs 2018-2020 Cycle, Amendment to HKFRS 1, First-time Adoption of HKFRSs

The annual improvements permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to HKFRSs.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Annual Improvements to HKFRSs 2018-2020 Cycle, Amendment to HKFRS 9, Financial Instruments

The annual improvements amend 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.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

2. 採納香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號之修訂本,投資者與其聯營公司或合營公司之間的資產出售或投入

有關修訂澄清投資者與其聯營公司或合營公司之間存在資產出售或投入的情況。當與聯營公司或合營公司的交易採用權益法入賬時,因失去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於損益確認,惟僅以非關聯投資者於該聯營公司或合營公司的權益為限。同樣,將任何已成為聯營公司或合營公司的前附屬公司的保留權益按公允價值重新計量而產生的任何收益或虧損於損益確認,惟僅以非關聯投資者於新聯營公司或合營公司的權益為限。

本公司董事預期應用該等修訂本可能對未來期間之綜合財務報表產生影響(倘發生有關交易)。

香港財務報告準則2018年至2020年週期之年度改進,香港財務報告準則第1號之修訂本,首次採用香港財務報告準則

年度改進允許應用香港財務報告準則第1號第D16(a)段的附屬公司可按母公司過渡至香港財務報告準則的日期,使用母公司呈報的金額以計量累計換算差額。

本公司董事預期日後應用該等修訂本將不會對綜合財務報表產生影響。

香港財務報告準則2018年至2020年週期之年度改進,香港財務報告準則第9號之修訂本,金融工具

年度改進修訂多個準則(包括香港財務報告準則第9號,金融工具),其釐清於評估是否終止確認金融負債時計入香港財務報告準則第9號第B3.3.6段中「百分之十」測試之費用,解釋僅計入實體與貸款人之間支付或收取之費用(包括實體或貸款人代表另一方支付或收取之費用)。

本公司董事預期日後應用該等修訂本將不會對綜合財務報表產生影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**(b) New or amended HKFRSs that have been issued but are not yet effective (continued)****Annual Improvements to HKFRSs 2018-2020 Cycle, Amendment to illustrative examples accompanying HKFRS 16, Leases**

The annual improvements amend a number of standards, including 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.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

3. BASIS OF PREPARATION**(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the provisions of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES**(a) Business combination and basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“the Group”). 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.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)**(b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則 (續)****香港財務報告準則2018年至2020年週期之年度改進，香港財務報告準則第16號隨附的闡釋範例之修訂本，租賃**

年度改進修訂多個準則 (包括香港財務報告準則第16號，租賃)，其修訂用作說明之例子13，以刪除出租人償還租賃物業裝修之說明，以解決因該例子中如何說明租賃獎勵措施而可能出現與處理租賃獎勵有關之任何潛在混淆情況。

本公司董事預期日後應用該等修訂本將不會對綜合財務報表產生影響。

3. 編製基準**(a) 遵例聲明**

綜合財務報表乃按照所有適用之香港財務報告準則、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」) 以及香港公司條例之條文而編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則 (「上市規則」) 所規定之適用披露資料。

(b) 計量基準

綜合財務報表乃按歷史成本基準編製。

(c) 功能及呈列貨幣

綜合財務報表以港元 (「港元」) 呈列，亦為本公司之功能貨幣。

4. 主要會計政策**(a) 業務合併及綜合基準**

綜合財務報表包含本公司及其附屬公司 (「本集團」) 的財務報表。集團公司之間內部公司交易及結餘以及未變現之盈利已於編製綜合財務報表時悉數對銷。未變現虧損亦已作對銷，除非是項交易提供所轉讓資產之減值證據，則在損益賬內確認虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and basis of consolidation (continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the 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 the 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 the non-controlling interests 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.

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.

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 interest. 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 in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

4. 主要會計政策 (續)

(a) 業務合併及綜合基準 (續)

是年度收購或出售的附屬公司的業績已根據其收購或截至出售日期(如適用)包括在綜合損益及其他全面收益表內。如有需要,附屬公司的財務報表會作出調整,使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入賬。收購成本按本集團(作為收購方)於收購日期所轉移資產、所產生的負債及發行的股權的公平價值總額計量。所收購之可識別資產及所承擔的負債主要按收購日期公平價值計算。本集團先前於被收購方所持有的股權將按收購日期公平價值重新計算,所產生的收益或虧損於損益賬內確認。本集團可就每宗交易選擇按公平價值或按應佔被收購方可識別資產淨值的比例計量代表於附屬公司的目前擁有權權益之非控股權益。所有其他非控股權益按公平價值計量,除非香港財務報告準則規定另一項計量基準,則作別論。因收購所產生之相關成本一概列作開支,除非有關成本是於發行股本工具時產生,則有關成本會於權益中扣除。

收購方將予轉移之任何或然代價按收購日期公平價值確認。其後對代價之調整,則僅於調整是源自有關於收購日期之公平價值之新資料,且新資料是於計量期間(最長為收購日期起12個月)內取得時,方以商譽確認。所有其他對分類為資產或負債的或然代價作出之其後調整於損益賬內確認。

當本集團失去該附屬公司之控制權,出售盈利或虧損為以下兩者之差額:(i)已收代價公平價值與任何保留權益公平價值之總額與(ii)附屬公司過往之資產(包括商譽)及負債之賬面值及任何非控股權益。如相關資產或負債已經出售,以往於其他全面收益確認與該附屬公司有關之金額須以相同方式入賬。

於收購後,代表於附屬公司的現有擁有權權益的非控股權益的賬面值指該等權益於初步確認的金額加上該非控股權益應佔權益之其後變動。即使導致該等非控股權益結餘出現虧絀,全面收益總值亦歸屬於該等非控股權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) 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.

(c) 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.

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.

4. 主要會計政策 (續)**(b) 附屬公司**

附屬公司為本公司可以對其行使控制權的被投資方。倘以下三種因素全部出現時，本公司即控制一名被投資方：有權控制被投資方、承擔或享有來自被投資方可變回報的風險或權利，及利用其權力影響該等可變回報的能力。當有事實及情況顯示任何該等控制因素可能出現變動時，將會重新評估控制權。

於本公司的財務狀況表內，於附屬公司的投資乃按成本扣除減值損失 (如有) 入賬。附屬公司的業績由本公司按已收及應收的股息基準入賬。

(c) 聯營公司

聯營公司指本集團能對其有重大影響力，且並非附屬公司或合營安排之實體。重大影響力指可參與被投資方之財務及營運政策之決策而非控制或共同控制該等政策之權力。

聯營公司乃採取權益法入賬，據此，聯營公司初始以成本確認，其後，其賬面值根據本集團在收購後分佔聯營公司資產淨值的變動進行調整，惟超過本集團在聯營公司中的權益的虧損則不會確認，除非有義務填補有關虧損，則作別論。

本集團與其聯營公司之間的交易所產生的損益會予以確認，惟僅限於無關連投資者在聯營公司之權益。投資者應佔因該等交易而產生的有關聯營公司損益與聯營公司的賬面值對銷。倘未變現虧損提供所轉讓資產之減值證據，則立即於損益賬內確認。

任何收購聯營公司之成本超過本集團應佔所收購的可識別資產、負債及或然負債的公平價值的部分會予以資本化，並計入聯營公司的賬面值。倘有客觀證據顯示於聯營公司之投資已經減值，則投資的賬面值會以與其他非金融資產相同的方式進行減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment properties

Investment properties are properties held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Depreciation is charged so as to write off the cost of investment properties net of expected residual value over the estimated useful life using straight-line method. The useful life, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

(e) Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress and freehold land) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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 during the financial period in which they are incurred.

Property, plant and equipment (other than construction in progress and freehold land) are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Freehold land	Nil
Leasehold land and buildings	Shorter of 20 – 50 years or period of the lease term
Furniture, fixtures and equipment	3 – 10 years
Plant and machinery	5 – 10 years
Motor vehicles	3 1/3 – 5 years
Construction in progress	Nil

Freehold land is carried at cost less any recognised impairment loss.

4. 主要會計政策 (續)

(d) 投資物業

投資物業為持作賺取租金或資本增值或兩者兼有，而非於日常業務過程中持作出售、用於生產或提供貨物或服務，或作行政用途的物業。

投資物業初步以成本(包括任何直接應佔開支)計量。於初步確認後，投資物業以成本減往後累計折舊及往後累計減值損失(如有)列賬。投資物業之折舊乃按其估計可使用年期經扣減其預期剩餘價值後，以直線法撇銷其成本。可使用年期、剩餘價值及折舊方法於各報告期終進行檢討並於適當情況下作出調整。

(e) 物業、機器及設備

物業、機器及設備包括持作生產或供應貨物或提供服務或行政用途的建築物(惟在建工程及永久持有的土地除外)，以成本扣減往後累計折舊及累計減值損失(如有)後列賬。

物業、機器及設備的成本包括其購買價及收購該等項目直接應佔之成本。

僅當項目相關之未來經濟利益可能會流入本集團，而且能夠可靠地計算該項目之成本時，其後成本方會計入資產之賬面值或確認為一項獨立資產(如適宜)。被取代部分之賬面值將終止確認。所有其他維修及保養在其產生之財政期間於損益賬內確認為開支。

除在建工程及永久持有的土地外，物業、機器及設備乃按估計可使用年期經扣減其預期剩餘價值後，以直線法撇銷其成本或估值。可使用年期、剩餘價值及折舊方法於各報告期終進行檢討並於適當情況下作出調整。可使用年期載列如下：

永久持有的土地	無
租賃土地及建築物	20–50年或租賃年期(以較短者為準)
傢俬、裝置及設備	3–10年
廠房及機器	5–10年
車輛	3 1/3–5年
在建工程	無

永久持有的土地乃按成本扣減任何已確認減值損失列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Property, plant and equipment (continued)**

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate asset category when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(f) Leasing***The Group as a lessee***

All leases are required to be capitalised in the 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 of less than 12 months. The lease payments associated with those leases have been expensed on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset 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.

4. 主要會計政策 (續)**(e) 物業、機器及設備 (續)**

在建工程以成本扣減減值損失列賬。成本指建築的直接成本，以及於建築及安裝期間資本化的借貸成本。當絕大部分準備該資產以用作擬定用途所須的所有活動已完成時，則停止資本化成本，並將在建工程轉移至相關類別的資產。在建工程於完成及可按擬定用途使用前不作折舊撥備。

倘資產的賬面值高於其估計可收回金額，則會即時撇減至其可收回金額。

處置一項物業、機器及設備產生的收益或虧損為銷售所得款項淨額與其賬面值的差額，並於處置時於損益賬內確認。

(f) 租賃***本集團作為承租人***

所有租賃均須於財務狀況表內資本化為使用權資產及租賃負債，惟會計政策選擇可供實體選擇不將(i)屬短期租賃之租賃及／或(ii)相關資產為低價值之租賃進行資本化。本集團已選擇不就低價值資產及租賃期限於開始日期少於12個月之租賃確認為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限內按直線法攤銷。

使用權資產

使用權資產應按成本確認，並包括：

- (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) 於開始日或之前支付之任何租賃付款，扣減任何已收取之租賃優惠；
- (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以恢復至租賃條款及約定狀態而預計將予產生之成本，除非該等成本乃因生產存貨而產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leasing (continued)

The Group as a lessee (continued)

Right-of-use asset (continued)

The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Right-of-use assets that meet the definition of leasehold land and buildings held for own use are carried at cost model.

The Group accounts for leasehold land and buildings which are held for own use under HKAS 16 and are carried at cost model. Other than the above right-of-use assets, the Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of assets apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use assets arising from the properties under tenancy agreements are carried at depreciated cost.

Lease liability

The lease liability is 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 the 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.

4. 主要會計政策 (續)

(f) 租賃 (續)

本集團作為承租人 (續)

使用權資產 (續)

本集團採用成本模式計量使用權資產。根據成本模式，本集團按成本減任何累計折舊及任何減值損失計量使用權資產，並就任何重新計量之租賃負債進行調整。符合租賃土地及持作自用樓宇定義之使用權資產按成本模型列賬。

本集團根據香港會計準則第16號將持作自用之租賃土地及樓宇入賬，並按成本模型列值。除上述使用權資產外，本集團亦根據租賃協議租賃多項物業，本集團對其行使判斷及釐定其是否有別於持作自用租賃土地及樓宇之另一資產類別。因此，租賃協議項下物業產生之使用權資產乃以折舊成本列值。

租賃負債

於租賃開始日租賃負債按照尚未支付之租賃付款之現值確認。倘該利率可輕易釐定，則租賃付款採用租賃隱含之利率貼現。倘該利率無法輕易釐定，則本集團使用本集團之增量借款利率。

於租賃期限內，在租賃開始日尚未支付之相關資產使用權之以下付款均被視為租賃付款：

- (i) 固定付款減任何應收租賃優惠；
- (ii) 取決於指數或利率之可變租賃付款(初始使用於開始日之指數或利率計量)；
- (iii) 承租人根據擔保剩餘價值預計應付之金額；
- (iv) 購買選擇權之行使價格(倘承租人合理確定將行使該選擇權)；及
- (v) 終止租賃之罰金付款(倘租賃期限反映承租人行使終止租賃之選擇權)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Leasing (continued)*****The Group as a lessee* (continued)*****Lease liability* (continued)**

Subsequent to the commencement date, the Group measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, 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.

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. With the exception to which the practical expedient for COVID-19-Related Rent Concessions applies (see note 2(a)), if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

4. 主要會計政策 (續)**(f) 租賃 (續)*****本集團作為承租人* (續)*****租賃負債* (續)**

於開始日後，本集團計量租賃負債是以：

- (i) 增加賬面值以反映租賃負債之利息；
- (ii) 減少賬面值以反映作出之租賃付款；及
- (iii) 重新計量賬面值以反映任何重估或租賃修訂，或反映實際修訂之固定租賃付款。

於本集團修訂其任何租賃期限的估計時(例如，重新評估承租人延期或行使終止選擇權的可能性)，其調整租賃負債的賬面值以反映將於經修訂期限作出之付款，其使用經修訂貼現率進行貼現。當修訂取決於利率或指數的未來租賃付款可變部分時，除非貼現率保持不變，否則將對租賃負債的賬面值作出相同修訂。於兩種情況下，均會對使用權資產的賬面值進行同等調整，並於剩餘(經修訂)租賃期限內攤銷經修訂賬面值。倘使用權資產的賬面值調整至零，則任何進一步減少於損益賬內確認。

於本集團與出租人重新磋商租賃合約條款時，倘重新磋商導致以與所獲得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，則該修訂以單獨租賃入賬，而於所有其他情況下，倘重新磋商擴大租賃範圍(無論為延長租賃期限或租賃一項或多項額外資產)，則於修訂日期使用適用貼現率重新計量租賃負債，並對使用權資產作出相同金額調整。除適用COVID-19相關租金減免的可行權宜方法(見附註2(a))外，倘重新磋商導致租賃範圍縮小，則租賃負債及使用權資產的賬面值按相同比例減少，以反映部分或全部終止租賃，及任何差額於損益賬內確認。之後進一步調整租賃負債，以確保其賬面值反映於經重新磋商期限內之經重新磋商付款金額，而經修訂租賃付款於修訂日期按適用比率貼現及使用權資產以相同金額進行調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leasing (continued)

The Group 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 a straight-line basis over the lease term.

Any changes in the scope of the consideration for a lease that was not part of the original terms and conditions of the lease are accounted for as lease modifications. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognising the remaining lease payments as income on either a straight-line basis or another systematic basis over the remaining lease term.

(g) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(h) Intangible assets (other than goodwill)

(i) Intangible assets

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with finite 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. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Software	Shorter of 5 – 10 years or period of the contract term
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4. 主要會計政策 (續)

(f) 租賃 (續)

本集團作為出租人

本集團已出租其投資物業予若干租戶。營運租賃的租金收入乃按有關租賃期限以直線法於損益賬內確認。磋商及安排營運租賃產生的初步直接成本會加入該租賃資產的賬面值內並按租賃期限以直線法確認為開支。

並非原租賃條款及條件的一部分的租賃代價範圍的任何變動入賬列作租賃修訂。本集團自修訂生效日期起將營運租賃之修訂入賬列作新租賃，並於剩餘租賃期限內以直線法或其他系統性方式將剩餘租賃付款確認為收入。

(g) 存貨

存貨初始按成本確認，其後按成本及可變現淨值的較低者確認。成本包括所有採購成本、轉換成本及將存貨達致其目前地點及狀況所產生的其他成本。成本以先進先出基準計算。可變現淨值指日常業務過程中的估計售價減去作出銷售所需的估計成本。

(h) 無形資產 (商譽除外)

(i) 無形資產

獨立收購的無形資產初步按成本確認。其後，確定可使用年期之無形資產會按成本扣減累計攤銷及累計減值損失列賬。

攤銷乃以直線法按以下可使用年期計提撥備。不確定可使用年期之無形資產會按成本扣減任何累計減值損失列賬。攤銷費用於損益賬內確認及計入行政費用。

軟件	5–10年或合約年期 (以較短者為準)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Intangible assets (other than goodwill) (continued)****(ii) Impairment**

Intangible assets with finite 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 (see note 4(m)).

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 consolidated statement of profit or loss and other comprehensive income immediately.

(i) Financial instruments**(j) 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, 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.

Financial assets at 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 gains or losses on derecognition is recognised in profit or loss.

4. 主要會計政策 (續)**(h) 無形資產 (商譽除外) (續)****(ii) 減值**

確定年期之無形資產於資產可能出現減值之跡象時進行減值測試。不確定可使用年期之無形資產及尚未可供使用之無形資產不論是否可能出現任何減值之跡象，均會於每年進行減值測試。無形資產之減值測試為比較其賬面值與其可收回金額 (見附註4(m))。

倘估計資產之可收回金額低於其賬面值，則資產之賬面值減至其可收回金額。減值損失即時確認為開支。

倘減值損失於其後撥回，資產賬面值將增加至其經修訂之估計可收回金額；然而，賬面值不應增加至超過其可收回金額及於過往年度並無就資產確認減值損失的情況下原賬面值 (以較低者為準)。全部撥回於綜合損益及其他全面收益表內即時確認。

(i) 金融工具**(j) 金融資產**

金融資產 (除非是並無重大融資部分的營業應收款項) 首次按公平價值加上收購或發行金融資產 (並非按公平價值計入損益的金融資產) 直接應佔的交易成本計量。並無重大融資部分的營業應收款項首次按交易價格計量。

以常規方式購買及出售的金融資產，均按交易日期 (即本集團承諾購買或出售相關資產的日期) 進行確認。以常規方式購買及出售是指要求在相關市場中的規則或慣例通常約定的時間內交付資產的金融資產買賣。

於釐定內含衍生金融工具的金融資產的現金流量是否屬於僅支付本金及利息時，將全盤考慮內含衍生金融工具的金融資產。

按攤銷成本計量的金融資產：就持作收回合約現金流量的資產而言，倘有關資產的現金流量為僅支付本金及利息，則按攤銷成本計量。按攤銷成本計量的金融資產其後使用實際利率法計量。利息收入、外幣匯兌收益及虧損以及減值於損益賬內確認。終止確認的任何收益或虧損於損益賬內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss (“ECL”) on trade and bills receivables, other receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month 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.

The Group has elected to measure loss allowances for trade and bills 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 financial assets of the Group, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 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 180 days past due.

4. 主要會計政策 (續)

(i) 金融工具 (續)

(ii) 金融資產之減值損失

本集團就營業及票據應收款項、其他應收款項及按攤銷成本計量的金融資產確認預期信貸虧損(「預期信貸虧損」)虧損撥備。預期信貸虧損按以下其中一項基準計量：(1)12個月的預期信貸虧損：其為於報告日期後12個月內發生的潛在違約事件導致的預期信貸虧損；及(2)年限內預期信貸虧損：此乃於金融工具預計年內所有可能由違約事件產生的預期信貸虧損。估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期間。

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損乃按本集團根據合約應收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。該差額其後按貼近資產原有實際利率貼現。

本集團已選用香港財務報告準則第9號簡化法以計量營業及票據應收款項的虧損撥備，並已根據年限內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予以調整。

就本集團之其他金融資產而言，預期信貸虧損乃以12個月預期信貸虧損為基準。然而，當信貸風險自開始以來大幅增加時，撥備將以年限內預期信貸虧損為基準。

於釐定金融資產之信貸風險自初步確認後有否大幅增加及於估計預期信貸虧損時，本集團會考慮相關及無須付出過多成本或努力即可獲得之合理及可靠資料。此包括根據本集團之過往經驗及已知信貸評估得出之量化及質化資料及分析，並包括前瞻性資料。

本集團假設，倘金融資產逾期超過60日，其信貸風險已大幅增加。

本集團認為金融資產於下列情況下為信貸減值：(1)借款人不大可能在本集團無追索權採取行動(例如：變現抵押)(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180日。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Financial instruments (continued)****(ii) Impairment loss on financial assets (continued)**

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

The Group considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or being past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income ("FVTOCI"), for which the loss allowance is recognised in other comprehensive income and accumulated in "FVTOCI reserve (recycling)".

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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. Interest income on non credit-impaired financial assets is calculated based on the gross carrying amount.

4. 主要會計政策 (續)**(i) 金融工具 (續)****(ii) 金融資產之減值損失 (續)**

根據金融工具的性質，對信貸風險顯著增加的評估乃按個別或共同基準開展。按共同基準開展評估時，金融工具根據共有的信貸風險特徵（如逾期狀況及信貸風險評級）進行分組。

本集團認為金融資產於下列情況下為信貸減值：

- 債務人出現嚴重財務困難；
- 違反合約，例如拖欠或逾期；
- 本集團以原應不予考慮的條款重組貸款或墊款；或
- 債務人可能將會進入破產或其他財務重組。

本集團於損益賬內確認所有金融工具之減值收益或虧損，並透過虧損撥備賬調整相應賬面值，惟就按公平價值計入其他全面收益（「按公平價值計入其他全面收益」）計量的債務工具投資而言，虧損撥備於其他全面收益內確認並於「按公平價值計入其他全面收益的儲備（可回撥）」內累計。

當有資料顯示債務人有嚴重財政困難且無實際收回前景時（例如當債務人已開展清盤或進入破產程序時），本集團會撇銷金融資產。經考慮適當法律意見後，本集團仍可能根據追討程序對撇銷的金融資產進行強制執行活動。任何收回款項均在損益賬內確認。

信貸減值金融資產的利息收入按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按總賬面值計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

(iii) Financial liabilities

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

Financial liabilities at amortised cost including trade and bills payables, other payables, amounts due to non-controlling shareholders/an associate and bank borrowings 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.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) 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.

(j) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise short-term bank deposits, bank balances and cash are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, which are repayable on demand and form an integral part of the Group's cash management.

4. 主要會計政策 (續)

(i) 金融工具 (續)

(iii) 金融負債

本集團視乎負債產生的目的將其金融負債分類。按攤銷成本計量的金融負債初步以公平價值，扣除所產生的直接應佔成本後計算。

按攤銷成本計量的金融負債包括營業及票據應付款項、其他應付款項、欠非控股股東／一間聯營公司款項及銀行借貸，其後乃按實際利率法以攤銷成本計量。有關利息費用於損益賬內確認。

收益或虧損於終止確認負債時透過攤銷程序於損益賬內確認。

(iv) 實際利率法

實際利率法是一種計算金融資產或金融負債的攤銷成本以及按有關期間攤分利息收入或利息費用的方法。實際利率是透過金融資產或金融負債的預期年期或(如適用)更短期間估計未來現金收入或付款準確貼現的利率。

(v) 權益工具

本公司發行的權益工具乃以所收款項，扣除直接發行成本後記賬。

(vi) 終止確認

本集團於與金融資產有關之未來現金流量合約權利屆滿，或此類金融資產已轉讓且該轉讓根據香港財務報告準則第9號符合終止確認標準時，終止確認金融資產。

當有關合約所訂明責任已告解除、註銷或屆滿時，金融負債將被終止確認。

(j) 現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括短期銀行存款、銀行結餘及現金，均受價值變動的輕微風險所限，且到期日數短暫，一般於收購後三個月內到期，且按要求償還並組成本集團現金管理不可或缺部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Cash and cash equivalents (continued)**

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise short-term bank deposits, bank balances and cash which are not restricted as to use.

(k) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

(l) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

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, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Impairment of assets (other than financial assets)

At the end of the 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 exist or may have decreased:

- investment properties;
- property, plant and equipment;
- right-of-use assets;
- other intangible assets; and
- interest in an associate.

4. 主要會計政策 (續)**(j) 現金及等同現金項目 (續)**

就綜合財務狀況表而言，現金及等同現金項目包括短期銀行存款、銀行結餘及現金，其用途不受限制。

(k) 政府補貼

除非能合理確定本集團將符合補貼所附帶之條件及將獲發有關補貼，否則政府補貼不予確認。

政府補貼於本集團確認有關成本為開支的期間內，有系統地於損益賬內確認，該補貼擬用於補償相關成本。與折舊資產有關的政府補貼於綜合財務狀況表確認為遞延收入，並按相關資產的可使用年期撥入損益。

(l) 撥備及或然負債

倘本集團因過往事件而承擔法律或推定責任，而有可能將導致經濟利益外流及能夠可靠估計時，則會為未確定時間或金額之負債確認撥備。

倘經濟利益需要外流的可能性不大，或不能對有關金額作出可靠估計時，則有關責任會作為或然負債披露，惟經濟利益外流之可能性極低則作別論。僅以發生或未發生一項或多項未來事件方可確定是否存在的可能責任，亦會披露為或然負債，惟經濟利益外流之可能性極低則作別論。

(m) 資產減值 (金融資產除外)

於報告期終，本集團會檢討以下資產的賬面值，以判斷是否有任何跡象顯示該等資產出現減值損失，或過往確認的減值損失是否不再存在或已經減少：

- 投資物業；
- 物業、機器及設備；
- 使用權資產；
- 其他無形資產；及
- 於一間聯營公司的權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (other than financial assets) (continued)

If the recoverable amount (i.e. the greater 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 as an expense immediately.

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 as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, 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.

(n) Revenue recognition

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.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services 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.

4. 主要會計政策 (續)

(m) 資產減值(金融資產除外)(續)

若估計一項資產的可收回金額(即公平價值減處置成本與使用價值兩者的較高者)低於其賬面值時,該資產的賬面值會減至其可收回金額。此項減值損失會立即確認為支出。

倘減值損失其後出現撥回,則該資產的賬面值可增加至其經修訂的估計可收回金額,惟增加後的賬面值不得超過該資產於過往年度並未確認減值損失時的賬面值。此項減值損失撥回會立即確認為收入,惟有關資產根據另一香港財務報告準則以重估金額列賬,則減值損失撥回會根據該香港財務報告準則視為重估增值。

使用價值按基於預計將源自資產之估計未來現金流量,按照能反映當時市場對貨幣時間值和資產或現金產生單位特定風險的評估的稅前貼現率貼現至其現值計算。

(n) 收入確認

客戶合同收入在貨物或服務的控制權轉移予客戶時確認,金額為反映本集團預期就交換該等貨物或服務有權獲得的代價(經扣除代表第三方收取的金額)。收入不包括增值稅或其他銷售稅,並扣除任何貿易折讓。

視乎合約條款及適用於該合約之法律規定,貨物或服務控制權可隨時間轉移或於某一時間點轉移。倘本集團在履約過程中滿足下列條件,貨物或服務控制權屬隨時間轉移:

- 提供的所有利益,客戶同時取得並消耗;
- 創建或提升客戶控制之資產(如本集團履約);或
- 沒有創建對本集團而言有其他用途之資產,而本集團可強制執行其權利收回就累計至今已完履約部分之款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Revenue recognition (continued)**

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 services.

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.

(i) Production and sales of dyed fabrics, yarns and garments

Customers obtain control of the products when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the products. There is generally only one performance obligation. Invoices are usually payable within 60 days.

Some of the Group's contracts with customers from the sale of product provides customers a right of return (a right to exchange another product). These rights of return do not allow the returned goods to be refund in cash. The right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred.

(ii) Other revenue

Rental income under operating lease is recognised on a straight-line basis over the term of the relevant lease.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

4. 主要會計政策 (續)**(n) 收入確認 (續)**

倘貨物或服務之控制權隨時間轉移，收入確認將按整個合約期間已完成履約責任之進度進行。否則，收入於客戶獲得貨物或服務控制權之時間點確認。

當合約包含融資部分，就貨物或服務轉移予客戶而為客戶提供重大利益超過一年時，收入按應收金額的現值計量，使用合約開始時在本集團與客戶之間訂立的獨立融資交易中反映的貼現率貼現。當合約包含為本集團提供重大財務利益的融資部分時，根據合約確認的收入包括根據實際利率法計算的合約負債所附加的利息開支。對於付款與承諾貨物或服務轉移之間的期限為一年或不足一年的合約，根據香港財務報告準則第15號應用可行權宜方式，交易價格不會就重大融資部分的影響進行調整。

(i) 製造及銷售色布、紗及成衣

當貨物已交付且獲接收時，客戶獲得產品的控制權。因此於客戶接收產品時確認收入。合約通常僅有一項履約責任。發票通常須於60日內支付。

本集團與客戶簽訂的部分產品銷售合約提供客戶退貨權(交換另一產品的權利)。該等退貨權不允許退貨的商品以現金退還。退貨權產生可變代價。可變代價乃於合約開始時估計且受約束，直至相關不確定性於其後解除為止。對可變代價應用約束會增加將予遞延的收入金額。

(ii) 其他收入

營運租賃的租金收入乃按有關租賃年期以直線法確認。

金融資產的利息收入乃於經濟效益可能流入本集團，且收入金額能被可靠地計量時予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 4(i)(ii) and are reclassified to receivables when the right to the consideration has become unconditional.

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

(p) Capitalisation of 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. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Income taxes

Income taxes for the year comprise 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)

(o) 合約資產及負債

合約資產指本集團對已轉移至客戶的貨物而換取尚未成為無條件的代價的權利，其乃根據香港財務報告準則第9號進行減值評估。相對而言，應收款項指本集團對代價的無條件權利，即支付該代價僅須經過時間流逝方會到期。

合約負債指本集團就本集團已經自客戶收取的代價(或到期的代價金額)而向該客戶轉移貨物的責任。

合約資產於本集團根據合約所載的付款條件無條件收取代價前確認收入時確認。合約資產根據附註4(i)(ii)所載的政策評估預期信貸虧損，並於有權無條件收取代價時重新分類為應收款項。

合約負債於本集團確認相關收入前客戶支付代價時確認。倘本集團在確認相關收入前有權無條件收取代價，亦會確認合約負債。於該等情況下亦會確認相應的應收款項。

(p) 借貸成本撥作資本

收購、建造或生產合資格資產(即需要大量時間達成其擬定用途或供銷售的資產)直接應佔的借貸成本撥作資本，作為該等資產成本的一部分。該等資產有待支銷的特定借貸臨時投資所賺得的收入，從資本化的借貸成本中扣除。所有其他借貸成本在其產生期間的損益賬內確認。

(q) 所得稅

是年度所得稅包括是年度稅項及遞延稅項。

是年度稅項乃根據日常業務之盈利或虧損，就所得稅而言毋須課稅或不可扣稅之項目作出調整，按報告期終已頒佈或實際上已頒佈的稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Income taxes (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. 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, associates and jointly controlled entities, 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.

(r) Foreign currencies

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)**(q) 所得稅 (續)**

遞延稅項乃就用於財務報告目的之資產及負債的賬面值與用於稅務目的之相應金額之間的暫時差額而確認。除商譽以及不影響會計或應課稅盈利的已確認資產及負債外，會就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產於有可能動用應課稅盈利抵銷可抵扣暫時差額的情況下確認。遞延稅項乃按預期資產或負債變現或清償資產或負債賬面值的方式以及於報告期終已頒佈或實質上已頒佈的適用稅率計量。

對於計量遞延稅項金額時用於釐定適合稅率的一般規定而言，有一個例外情況，即投資物業是根據香港會計準則第40號「投資物業」而按公平價值列賬。除非該假定被推翻，否則此等投資物業的遞延稅項金額是以出售此等投資物業時所適用的稅率以及按其於報告日期的賬面值而計量。若投資物業是可計提折舊並根據一個商業模式而持有，而該商業模式的目的是隨著時間推移而消耗該物業所體現的絕大部分經濟效益（而不是通過出售）時，該假定即被推翻。

附屬公司、聯營公司及共同控制實體的投資產生的應課稅暫時差額會被確認為遞延稅項負債，惟若本集團可控制暫時差額的撥回及於可見將來不會將暫時差額撥回則除外。

所得稅乃於損益賬內確認，除非該等稅項與其他全面收益或與於權益內直接確認的項目有關，在此情況下，該等稅項亦分別於其他全面收益或直接於權益中確認。

(r) 外幣

集團實體以其經營所在的主要經濟環境貨幣（「功能貨幣」）以外的貨幣進行的交易乃按交易發生時的適用匯率入賬。外幣貨幣資產及負債則以報告期終的適用匯率換算。按公平價值以外幣列賬的非貨幣項目乃按釐定公平價值當日的匯率重新換算。按歷史成本以外幣計算的非貨幣項目毋須重新換算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Foreign currencies (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 foreign exchange reserve (attributed to minority 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 foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

(s) Employee benefits

(i) 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 service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

4. 主要會計政策 (續)

(r) 外幣 (續)

於結算及換算貨幣項目時產生的匯兌差額乃於其產生的期間於損益賬內確認。於重新換算以公平價值列賬的非貨幣項目時產生的匯兌差額計入該期間之損益賬內，惟重新換算之非貨幣項目所產生差額的盈虧是在其他全面收益確認時，在此情況下，有關匯兌差額亦於其他全面收益確認。

綜合賬目時，海外業務的收入及支出項目乃按該年度的平均匯率換算為本集團的呈列貨幣（即港元），除非匯率於該期間內出現大幅波動則除外，在此情況下則會採用進行該等交易時的相若匯率換算。所有海外業務的資產及負債均以報告期終的適用匯率換算。所產生的匯兌差額（如有）於其他全面收益確認，並於權益累計入賬為外匯儲備（少數股東權益外匯儲備（如適用））。於換算構成本集團於所涉海外業務的部分投資淨額的長期貨幣項目時，集團實體獨立財務報表的損益賬內確認的匯兌差額則重新分類至其他全面收益，並於權益累計入賬為外匯儲備。

當處置海外業務時，外匯儲備內確認該業務截至處置日期止的累積匯兌差額將重新分類至損益賬，作為處置盈利或虧損的一部分。

(s) 僱員福利

(i) 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的年度呈報期末後12個月以內將全數結付的僱員福利（離職福利除外）。短期僱員福利於僱員提供相關服務的年度內確認。

(ii) 定額供款退休計劃

向定額供款退休計劃作出的供款，於僱員提供服務時在損益賬內確認為開支。

(iii) 離職福利

離職福利於本集團在不得撤銷提供該等福利時或本集團確認重組成本（涉及支付離職福利）時（以較早者為準）確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)**(t) Equity-settled share-based payment transactions**

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in the share options reserve will be credited to share capital. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share options reserve will be transferred to retained profits.

(u) 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 the Group's parent.

4. 主要會計政策 (續)**(t) 以權益結算以股份為基礎之付款交易**

參考購股權於授出日的公平價值所釐定的已收取服務的公平價值，於歸屬期間以直線法支銷，並會於權益中作出相應增加（購股權儲備）。

於報告期終，本集團修訂其對預期最終會歸屬的購股權數目之估計。於歸屬期間，修訂該等估計的影響（如有）將於損益賬內確認，並於購股權儲備作出相應調整。

當購股權獲行使時，原於購股權儲備中確認的金額將計入股本。當購股權於歸屬日期後遭沒收或於到期日仍未獲行使，則原於購股權儲備中確認的金額則會撥入滾存盈利。

(u) 關聯人士

(a) 倘屬以下人士，則該人士或該人士的近親與本集團有關聯：

- (i) 對本集團有控制權或共同控制權；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團或本公司母公司主要管理人員的成員。

(b) 倘符合下列任何條件，則該實體與本集團有關聯：

- (i) 該實體及本集團屬同一集團（即各母公司、附屬公司及同系附屬公司為互相關聯）。
- (ii) 一個實體是另一實體的聯營公司或合營公司（或集團成員公司之聯營公司或合營公司，而另一實體為該集團成員公司）。
- (iii) 兩個實體皆為相同第三方的合營公司。
- (iv) 一個實體為第三實體之合營公司及另一實體為該第三實體的聯營公司。
- (v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受(a)內所識別的人士控制或共同控制。
- (vii) 於(a)(i)內所識別對實體有重大影響的人士或是實體（或實體之母公司）主要管理人員的成員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) 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.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are difference from previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

Estimated impairment of trade and bills receivables

The Group recognises lifetime ECLs for trade and bills receivables, using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The amount of the impairment loss based on ECL model is 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, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

4. 主要會計政策(續)

(u) 關聯人士(續)

該名人士的近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響的該等家族成員並包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的家屬。

5. 估計不確定性的主要來源

於報告期終有極大風險會導致下個財政年度的資產及負債的賬面值出現重大調整之不確定性估計的主要來源如下：

物業、機器及設備項目的可使用年期及剩餘價值

在釐定物業、機器及設備項目的可使用年期及剩餘價值時，本集團須考慮多項因素，例如因生產變動或改進或市場對有關資產的產品或服務輸出的需求有所改變而產生的技術性或商業性過時、資產預期用途、預期自然損耗、資產維修及保養以及使用資產所受到的法律或類似限制。估計資產的可使用年期時，本集團根據經驗考慮類似用途的類似資產。倘若物業、機器及設備項目的估計可使用年期及／或剩餘價值與先前估計不同，則增加折舊。可使用年期及剩餘價值於每個財政年度結算日按情況變化檢討。

營業及票據應收款項的估計減值

本集團根據本集團過往信貸虧損經驗使用撥備矩陣確認營業及票據應收款項的年限內預期信貸虧損，並根據於報告日期債務人的特定因素、整體經濟環境及對現有及預計的環境方向的評估進行調整。根據預期信貸虧損模式作出的減值損失金額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將收到的所有現金流量之間的差額計量，並按初始確認時的實際利率貼現。倘未來現金流量少於預期或因事實及環境變化而向下修訂，則可能產生重大減值損失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

5. KEY SOURCES OF ESTIMATION UNCERTAINTY
(continued)**Estimated impairment of trade and bills receivables** (continued)

The economic downturn and uncertainties that have arisen as a result of COVID-19 pandemic have made these estimates more judgemental, which the Group has taken into account in its determination of applicable ECLs attributable to trade and bills receivables arising from sales to customers on credit term, including the incorporation of forward-looking information to supplement historical credit loss rate. Further information on the impairment assessment on trade and bills receivables is provided in note 38(b).

Allowance for inventories

Inventories are valued at the lower of cost and net realisable value. The Group regularly reviews its inventory levels in order to identify slow-moving and obsolete merchandise. The Group makes allowance for slow-moving and obsolete items through management's estimation of the net realisable value for such obsolete and slow-moving items based primarily on the latest invoice prices and current market conditions, including the consideration of potential impacts on the subsequent sales orders and demand of its products resulting from the COVID-19 pandemic. When the Group identifies items of inventories which have a market price that is lower than its carrying amount, the Group estimates the amount of write-down of inventories as allowance for inventories. If the market price of inventories of the Group becomes lower than its carrying amount subsequently, an additional allowance may be required.

5. 估計不確定性的主要來源 (續)**營業及票據應收款項的估計減值 (續)**

因COVID-19疫情導致的經濟下滑及產生的不確定性令有關估計較具判斷性，本集團在釐定按信貸條款向客戶銷售產生之營業及票據應收款項應佔之適用預期信貸虧損時已計及此項因素，包括計入前瞻性資料以補充過往信貸虧損率。有關營業及票據應收款項減值評估的更多資料載於附註38(b)。

存貨撥備

存貨乃按成本及可變現淨值的較低者估值。本集團定期檢討其存貨水平，以辨別滯銷及陳舊商品。本集團通過管理層主要基於最新發票價格及當前市況（包括考慮對其後銷售訂單的潛在影響及因COVID-19疫情導致對產品的需求）對有關陳舊及滯銷項目的可變現淨值估計，就滯銷及陳舊項目作出撥備。本集團定期檢討其存貨水平，以辨別滯銷及陳舊商品。倘本集團發現存貨項目的市價低於其賬面值，則本集團估計存貨撇減的金額為存貨撥備。倘本集團的存貨市價之後低於其賬面值，則或須作出額外撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

6. REVENUE AND SEGMENT INFORMATION

The board of directors of the Company (the “Board”), i.e. the chief operating decision maker, regularly reviews the operating results and financial information based on distinct geographical areas of location of customers, including Hong Kong (place of domicile of the Group), the People’s Republic of China (the “PRC”), Taiwan, Korea, Sri Lanka, America, Europe and Others, i.e. representing other geographical locations mainly Bangladesh, Vietnam, Singapore and Macau. All of these geographical areas are operating segments except “Others” which is an aggregation of operating segments.

The following is an analysis of the Group’s revenue and profit from the production and sales of dyed fabrics, yarns and garments and results by reportable segments for the year.

6. 營業額及分類資料

本公司董事會(「董事會」)(即主要營運決策者)根據客戶所在地區不同的地域位置定期審閱經營業績及財務資料,包括香港(本集團所屬地)、中華人民共和國(「中國」)、台灣、韓國、斯里蘭卡、美洲、歐洲及其他地區(即指其他地域位置,主要為孟加拉國、越南、新加坡及澳門)。所有該等地域位置為營運分類,而「其他地區」則為綜合之營運分類。

以下為本集團於是年度源自製造及銷售色布、紗及成衣按可申報分類劃分之營業額及盈利以及業績所作之分析。

2021	2021年	Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Korea 韓國 HK\$'000 千港元	Sri Lanka 斯里蘭卡 HK\$'000 千港元	America 美洲 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Segment total 分類總值 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	營業額											
External sales	對外銷售	798,421	2,146,338	391,790	396,295	1,077,315	536,395	64,156	1,340,567	6,751,277	-	6,751,277
Inter-segment sales (note)	分類間銷售(附註)	3,548,512	1,897,481	-	-	349,085	-	-	154,940	5,950,018	(5,950,018)	-
Total segment revenue	分類營業額總值	4,346,933	4,043,819	391,790	396,295	1,426,400	536,395	64,156	1,495,507	12,701,295	(5,950,018)	6,751,277
Results	業績											
Segment profit	分類盈利	84,571	214,139	42,201	42,484	82,555	53,448	6,894	140,739			667,031
Interest income	利息收入											7,790
Unallocated income	未分配收入											4,091
Depreciation, amortisation and impairment loss	折舊、攤銷及減值損失											(173,481)
Other unallocated expenses	其他未分配支出											(153,561)
Finance costs	融資成本											(15,225)
Share of profit of an associate	應佔一間聯營公司之盈利											805
Profit before income tax expense	除所得稅支出前盈利											337,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註 (續)

31 DECEMBER 2021 2021年12月31日

6. REVENUE AND SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and profit from the production and sales of dyed fabrics, yarns and garments and results by reportable segments for the year. (continued)

2020	2020年	Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Korea 韓國 HK\$'000 千港元	Sri Lanka 斯里蘭卡 HK\$'000 千港元	America 美洲 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Segment total 分類總值 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	營業額											
External sales	對外銷售	608,561	1,602,187	352,448	398,678	737,851	205,977	57,174	980,354	4,943,230	-	4,943,230
Inter-segment sales (note)	分類間銷售 (附註)	2,581,795	1,216,163	-	-	200,970	-	-	57,461	4,056,389	(4,056,389)	-
Total segment revenue	分類營業額總值	3,190,356	2,818,350	352,448	398,678	938,821	205,977	57,174	1,037,815	8,999,619	(4,056,389)	4,943,230
Results	業績											
Segment profit	分類盈利	58,644	175,986	37,969	42,891	65,244	7,870	6,163	103,929			498,696
Interest income	利息收入											7,574
Unallocated income	未分配收入											1,635
Depreciation, amortisation and impairment loss	折舊、攤銷及減值損失											(211,477)
Other unallocated expenses	其他未分配支出											(156,977)
Finance costs	融資成本											(19,582)
Share of profit of an associate	應佔一間聯營公司之盈利											2,256
Profit before income tax expense	除所得稅支出前盈利											122,145

Note: Inter-segment sales are charged at price by reference to the prevailing market rates.

6. 營業額及分類資料 (續)

以下為本集團於是年度源自製造及銷售色布、紗及成衣按可申報分類劃分之營業額及盈利以及業績所作之分析。(續)

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of central administration costs and other expenses (including non-production related employee benefits expenses, directors' emoluments, bank charges, etc.), depreciation and amortisation of investment properties, property, plant and equipment and other intangible assets, interest income, impairment loss and loss on disposal/written-off of property, plant and equipment, finance costs, share of profit of an associate, etc. This is the measure reported to the Board for the purposes of resource allocation and performance assessment. No analysis on segment assets and liabilities is disclosed as it is not presented to the Board.

可申報分類之會計政策與附註4所述之本集團會計政策相同。分類盈利指各分類所賺取的盈利，當中並無計入中央行政成本及其他費用（包括與非生產有關之僱員福利開支、董事酬金、銀行費用等）、投資物業、物業、機器及設備及其他無形資產之折舊及攤銷、利息收入、物業、機器及設備之減值損失及出售/撇銷虧損、融資成本、應佔一間聯營公司之盈利等。此乃為資源分配及績效評估而向董事會匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向董事會呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

6. REVENUE AND SEGMENT INFORMATION (continued)

Other segment information

Amounts included in the measure of segment profit:

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	綜合
		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
2021	2021年									
Impairment loss (reversed)/ recognised on trade and bills receivables, net	營業及票據應收款項之 減值損失(回撥)/ 確認淨值	1,836	4,223	(73)	109	3,010	912	2	1,324	11,343
2020	2020年									
Impairment loss (reversed)/ recognised on trade and bills receivables, net	營業及票據應收款項之 減值損失(回撥)/ 確認淨值	3,868	6,794	643	124	2,187	(18)	7	361	13,966

Geographical information

The following is an analysis of geographical location of the Group's non-current assets (note) at the end of the reporting period:

6. 營業額及分類資料 (續)

其他分類資料

已包括計量分類盈利之金額：

地域資料

於報告期終，本集團之非流動資產(附註)按地理位置之分析如下：

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
The PRC	中國	1,509,304	1,509,710
Hong Kong	香港	20,456	25,194
Sri Lanka	斯里蘭卡	130,317	137,429
Others	其他地區	2,520	3,427
		1,662,597	1,675,760

Note: Non-current assets excluded deferred tax assets.

附註：非流動資產不包括遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

6. REVENUE AND SEGMENT INFORMATION (continued)**Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by products and timing of revenue recognition are as follows:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號範圍內的客戶合同收入：		
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	5,917,779	4,322,991
Production and sales of garments	製造及銷售成衣	833,498	620,239
		6,751,277	4,943,230
Timing of revenue recognition:	確認收入的時間：		
At a point in time	在某時間點	6,751,277	4,943,230
Transferred over time	隨時間轉移	-	-
		6,751,277	4,943,230

The following table provides information about trade and bills receivables and contract liabilities from contracts with customers.

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Trade and bills receivables (note 20)	營業及票據應收款項 (附註20)	1,270,335	1,027,493
Contract liabilities (note 26)	合約負債 (附註26)	32,701	22,014

Information about major customers

No revenue from individual customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2021 and 31 December 2020.

6. 營業額及分類資料 (續)**營業額分列**

按產品及按確認收入時間劃分的客戶合同收入分列如下：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號範圍內的客戶合同收入：		
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	5,917,779	4,322,991
Production and sales of garments	製造及銷售成衣	833,498	620,239
		6,751,277	4,943,230
Timing of revenue recognition:	確認收入的時間：		
At a point in time	在某時間點	6,751,277	4,943,230
Transferred over time	隨時間轉移	-	-
		6,751,277	4,943,230

下表提供有關營業及票據應收款項以及來自客戶合同的合約負債資料。

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Trade and bills receivables (note 20)	營業及票據應收款項 (附註20)	1,270,335	1,027,493
Contract liabilities (note 26)	合約負債 (附註26)	32,701	22,014

有關主要客戶之資料

截至2021年12月31日及2020年12月31日止年度，來自個別客戶之收入佔本集團營業總額均無超過10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

7. FINANCE COSTS
7. 融資成本

		2021	2020
		HK\$'000 千港元	HK\$'000 千港元
Finance costs on:	融資成本：		
Bank borrowings	銀行借貸	6,670	10,632
Lease liabilities	租賃負債	8,555	8,930
		15,225	19,562

8. INCOME TAX EXPENSE
8. 所得稅支出

		2021	2020
		HK\$'000 千港元	HK\$'000 千港元
Current tax:	是年度稅項：		
Hong Kong	香港	23,534	9,969
The PRC	中國	28,324	22,203
Other jurisdictions	其他司法地區	13,202	8,806
		65,060	40,978
(Over)/under provision in prior years:	過往年度(超額撥備) / 撥備不足：		
Hong Kong	香港	358	(34)
The PRC	中國	(812)	(384)
Other jurisdictions	其他司法地區	(558)	1,601
		(1,012)	1,183
		64,048	42,161
Deferred tax (note 18):	遞延稅項(附註18)：		
Hong Kong	香港	(2,006)	(3,117)
The PRC	中國	8,123	(15,711)
Other jurisdictions	其他司法地區	(2,973)	(2,779)
		3,144	(21,607)
		67,192	20,554

Under the Hong Kong two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of one subsidiary of the Company, which is a qualifying corporation, is taxed at 8.25% and the remaining assessable profits at 16.5%. The profits of other group entities not entitled to the two-tiered profits tax rates regime will continue to be taxed at 16.5%.

根據香港利得稅兩級制，本公司一間為合資格企業的附屬公司的首2,000,000港元應課稅盈利稅率為8.25%，而餘下的應課稅盈利則為16.5%。未享有利得稅兩級制的其他集團實體之盈利將繼續按稅率16.5%課稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

8. INCOME TAX EXPENSE (continued)

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant laws and regulations in Sri Lanka, the tax rate of Sri Lanka subsidiary is 14%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Details of the deferred tax are set out in note 18.

The tax charge for the year can be reconciled to the profit before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

8. 所得稅支出 (續)

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25%。

根據斯里蘭卡有關之法律及法規，斯里蘭卡附屬公司之稅率為14%。

其他司法地區之稅項是以有關各自司法地區當時之稅率計算。

有關遞延稅項之詳情載於附註18。

是年度於綜合損益及其他全面收益表的稅項支出與除所得稅支出前盈利的對賬如下：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Profit before income tax expense	除所得稅支出前盈利	337,450	122,145
Tax at domestic rates applicable to profits or losses in the jurisdiction concerned	按有關司法地區適用於損益之當地稅率計算的稅項	63,744	19,946
Tax effect of expenses not deductible for tax purpose	費用不獲扣稅的稅務影響	7,576	2,665
Tax effect of income not taxable for tax purpose	收入毋須課稅的稅務影響	(3,888)	(2,846)
Over provision in prior years	過往年度超額撥備	(1,012)	(265)
Tax effect of tax losses not recognised	稅項虧損未被確認的稅務影響	233	3,499
Tax effect of other deferred tax not recognised	其他遞延稅項未被確認的稅務影響	2,145	113
Utilisation of tax losses previously not recognised	運用過往未被確認的稅項虧損	(2,185)	(62)
Utilisation of other deferred tax previously not recognised	運用過往未被確認的其他遞延稅項	(30)	(2,077)
Deferred tax provided on withholding tax on overseas subsidiaries	就海外附屬公司預扣稅作出的遞延稅項撥備	861	317
Income tax on concessionary rate	按優惠稅率計算的所得稅	(237)	(738)
Others	其他	(15)	2
Tax charge for the year	是年度稅項支出	67,192	20,554

The weighted average applicable tax rate for the year increased which is caused by changes in profitability of the Group's subsidiaries in respective countries they are operating.

是年度加權平均適用稅率上升乃由於本集團之附屬公司於彼等經營所在各國之盈利能力變動所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

9. PROFIT FOR THE YEAR

9. 是年度盈利

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Profit for the year has been arrived at after charging/(crediting):	是年度盈利已扣減/(計入):		
Amortisation of deferred income (note i) ¹	遞延收入之攤銷(附註i) ¹	(3,105)	(1,643)
Amortisation of other intangible assets (note 16) ³	其他無形資產之攤銷(附註16) ³	3,015	3,015
Auditors' remuneration	核數師之薪酬		
– BDO Limited	– 香港立信德豪會計師事務所有限公司	2,961	2,913
– Other auditors	– 其他核數師	51	47
Cost of sales (note ii)	銷售成本(附註ii)	5,871,738	4,332,098
Depreciation of investment properties (note 13)	投資物業之折舊(附註13)	4,991	3,735
Depreciation and impairment of property, plant and equipment (note 14)	物業、機器及設備之折舊及減值(附註14)	165,475	204,727
Depreciation of right-of-use assets (note 15)	使用權資產之折舊(附註15)	28,881	30,527
Employee costs (including directors' emoluments set out in note 10)	僱員成本(包括載於附註10之董事酬金)	982,519	813,296
Government grants (note iii) ¹	政府補貼(附註iii) ¹	(7,077)	(18,417)
Interest income ¹	利息收入 ¹	(7,790)	(7,574)
Loss on disposal/written-off of property, plant and equipment ²	出售/撇銷物業、機器及設備之虧損 ²	61	11,286
Net exchange (gains)/losses ²	匯兌(收益)/虧損淨值 ²	(3,113)	2,218
Net rental income from investment properties ¹	投資物業之租金收入淨值 ¹	(13,574)	(11,772)
Provision for impairment loss recognised on trade and bills receivables, net ²	營業及票據應收款項之減值損失撥備確認淨值 ²	11,343	13,966
Provision for impairment loss recognised on other receivables, net ²	其他應收款項之減值損失撥備確認淨值 ²	6,115	–
COVID-19-related rent concessions ¹	COVID-19相關租金減免 ¹	–	(2,082)
Research and development costs	研發成本	54,219	35,197

¹ Included in other revenue
² Included in other gains and losses
³ Included in administrative expenses

¹ 包括在其他收入內
² 包括在其他收益及虧損內
³ 包括在行政費用內

Notes:

附註:

(i) Amortisation of deferred income mainly represents grants received from the PRC local government authority as subsidies to the Group for acquiring property, plant and equipment for business development and energy saving scheme implemented by the PRC local government.

(i) 遞延收入之攤銷主要指收取來自中國當地政府機構授予本集團用作購入物業、機器及設備之補貼，該等補貼乃用於業務發展及中國當地政府執行的節能計劃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

9. PROFIT FOR THE YEAR (continued)

Notes: (continued)

- (ii) Cost of sales includes HK\$1,672,851,000 (2020: HK\$1,377,761,000) of staff costs, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, subcontracting fee, recognition/(reversal) of write-down of inventories and other manufacturing overheads. Staff costs, depreciation and impairment of property, plant and equipment and depreciation of right-of-use assets are also included in the respective total amounts disclosed above for each of these types of expenses.
- (iii) For the year ended 31 December 2021, government grants included grants of HK\$7,077,000 (2020: HK\$9,064,000) received from the PRC local government authority as subsidies to the Group for incentive of foreign trade and steady growth of business and there were no restrictions with the use of such government grants.

For the year ended 31 December 2020, the Group applied for government support programs introduced in response to the COVID-19 pandemic. Included in profit or loss was HK\$9,353,000 of government grants obtained relating to supporting the payroll of the Group's employees from the Hong Kong Government and the Macau Government. The Group elected to present this government grant separately, rather than reducing the related expense. The Group had to commit to spending the assistance on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group did not have any unfulfilled obligations relating to this program. No such government grants were obtained for the year ended 31 December 2021.

9. 是年度盈利 (續)

附註：(續)

- (ii) 銷售成本包括1,672,851,000港元(2020年：1,377,761,000港元)之員工成本、物業、機器及設備折舊及減值、使用權資產折舊、加工費用、撇銷存貨確認／(回撥)及其他製造費用。員工成本、物業、機器及設備折舊及減值以及使用權資產折舊亦已包括在上文所披露各類開支之相關總額內。
- (iii) 截至2021年12月31日止年度，政府補貼包括收取來自中國當地政府機構授出作為本集團鼓勵外貿及業務穩定增長之補貼7,077,000港元(2020年：9,064,000港元)，而該等政府補貼的使用並無限制。

截至2020年12月31日止年度，本集團申請應對COVID-19疫情而引入之政府支持計劃。就支持本集團支付僱員之工資而取得香港政府及澳門政府之政府補貼9,353,000港元計入損益。本集團選擇單獨呈列該政府補貼，而非扣減相關開支。本集團須承諾將補貼用於支付工資開支，且於特定期間內不可將員工人數減少至低於所規定的水平。本集團就該計劃並無任何尚未履行之責任。截至2021年12月31日止年度，概無獲取該政府補貼。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註 (續)

31 DECEMBER 2021 2021年12月31日

10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) (the Regulation) are as follows: (continued)

2020	2020年	ZHAO	YEN	NG	William	YING	YAU	LIU	TAO	SUN	Total
		Yao	Gordon	Kwok Tung	LAM	Wei	Hang Tat, Andrew	Xianfu, Yongming	陶永銘	Fuji	
		趙耀	嚴震銘	伍國棟	林偉成	應偉	邱恒達	劉賢福	陶永銘	孫福紀	總值
		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
Fees	袍金	-	200	250	200	200	-	-	-	-	850
Other emoluments	其他酬金										
Salaries and other benefits	薪金及其他福利	3,304	-	-	-	-	2,384	-	-	-	5,688
Discretionary bonuses*	酌情獎金*	1,525	-	-	-	-	-	-	-	-	1,525
Retirement benefits scheme contribution	退休福利計劃供款	18	-	-	-	-	165	-	-	-	183
		4,847	200	250	200	200	2,549	-	-	-	8,246

* The basis of the discretionary bonus is based on the profitability of the Group.

Notes:

- (i) Mr. LIU Xianfu, was re-designated from an executive director as a non-executive director on 1 November 2021.
- (ii) Mr. WONG Kwong Chi was appointed as an independent non-executive director on 30 June 2021.
- (iii) Mr. ZHANG Zheng was appointed as executive director on 1 April 2021.

During the years 2021 and 2020, no emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office.

During the year ended 31 December 2021, three directors (2020: three directors) waived their whole-year emoluments.

10. 董事及僱員酬金資料 (續)

(a) 董事酬金 (續)

根據香港公司條例(第622章)第383條及公司(披露董事利益資料)規例(第622G章)(規例)披露的董事酬金如下:(續)

* 酌情獎金的基礎是基於本集團盈利能力。

附註:

- (i) 劉賢福先生於2021年11月1日由執行董事調任為非執行董事。
- (ii) 王幹芝先生於2021年6月30日獲委任為獨立非執行董事。
- (iii) 張正先生於2021年4月1日獲委任為執行董事。

於2021年及2020年,本集團並無向任何董事支付酬金,以作為加盟本集團或於加入本集團時的獎勵或離職補償。

截至2021年12月31日止年度,3位(2020年:3位)董事放棄彼等全年酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) Employees' emoluments

The five highest paid employees included two (2020: two) directors, whose emoluments are set out in note (a) above. Emoluments of the remaining three (2020: three) employees are as follows:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	6,421	6,290
Retirement benefits scheme contributions	退休福利計劃供款	163	105
		6,584	6,395

Their emoluments were within the following bands:

		2021	2020
HK\$1,500,000 to HK\$2,000,000	1,500,000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	3	2

(c) Senior management's emoluments

The emoluments paid or payable to members of senior management were within the following bands:

		2021	2020
HK\$2,000,000 to HK\$3,000,000	2,000,000港元至3,000,000港元	1	1
HK\$4,000,001 to HK\$5,000,000	4,000,001港元至5,000,000港元	1	1

10. 董事及僱員酬金資料 (續)

(b) 僱員酬金

最高酬金的5名僱員包括2位(2020年:2位)董事,其酬金詳情載於上述附註(a)。餘下3位(2020年:3位)僱員的酬金如下:

彼等之酬金介乎以下組別:

(c) 高級管理層酬金

已付或應付高級管理層成員之酬金介乎以下組別:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

11. DIVIDENDS

11. 股息

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Dividend recognised as distribution during the year:	是年度已確認為分派之股息：		
2020 final dividend of HK7.00 cents (2019: HK9.28 cents) per share	2020年末期股息每股7.00港仙 (2019年：每股9.28港仙)	85,752	113,683
2020 nil special dividend (2019 special dividend: HK1.16 cents) per share	2020年無特別股息 (2019年特別股息：每股1.16港仙)	-	14,210
		85,752	127,893

No interim dividend was paid or proposed for both years.

於兩個年度並無已付或擬派中期股息。

The final dividend of HK16.00 cents in respect of the year ended 31 December 2021 (2020: HK7.00 cents) per share, amounting to approximately HK\$196,004,000 (2020: HK\$85,752,000) has been recommended by the Board and will be subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

董事會建議派付截至2021年12月31日止年度之末期股息每股16.00港仙(2020年：7.00港仙)，合共約196,004,000港元(2020年：85,752,000港元)，並將須待股東於本公司應屆股東週年大會上批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

12. EARNINGS PER SHARE

The calculation of the basic earnings and diluted earnings per share attributable to owners of the Company is based on the following data:

12. 每股盈利

本公司擁有人應佔每股基本盈利及攤薄盈利乃根據下列數據計算：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to ordinary equity shareholders of the Company for the purpose of computation of basic earnings and diluted earnings per share	就計算每股基本盈利及攤薄盈利所用之本公司普通股股權持有人應佔是年度盈利	241,334	85,706
		2021	2020
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of computation of basic earnings and diluted earnings per share	就計算每股基本盈利及攤薄盈利所用之普通股加權平均數目	1,225,026,960	1,225,026,960

(a) Basic earnings per share

The computation of basic earnings per share for the year ended 31 December 2021 is based on the profit attributable to ordinary equity shareholders of the Company of HK\$241,334,000 (2020: HK\$85,706,000) and the weighted average of 1,225,026,960 ordinary shares (2020: 1,225,026,960 ordinary shares) during the year.

(a) 每股基本盈利

截至2021年12月31日止年度之每股基本盈利乃按年內本公司普通股股權持有人應佔盈利241,334,000港元(2020年: 85,706,000港元)及加權平均數目1,225,026,960股普通股(2020年: 1,225,026,960股普通股)計算。

(b) Diluted earnings per share

The Company had no potentially dilutive ordinary shares outstanding for the years ended 31 December 2021 and 31 December 2020.

(b) 每股攤薄盈利

截至2021年12月31日及2020年12月31日止年度,本公司並無發行在外之具潛在攤薄影響之普通股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

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13. INVESTMENT PROPERTIES**13. 投資物業**

HK\$'000 千港元

Cost	成本	
At 1 January 2020	於2020年1月1日	71,281
Additions	增加	17,313
Transfer from property, plant and equipment	調撥自物業、機器及設備	4,689
Currency realignment	外幣換算差額	3,661
At 31 December 2020	於2020年12月31日	96,944
Additions	增加	13,303
Transfer from property, plant and equipment	調撥自物業、機器及設備	604
Currency realignment	外幣換算差額	2,309
At 31 December 2021	於2021年12月31日	113,160
Depreciation	折舊	
At 1 January 2020	於2020年1月1日	19,736
Currency realignment	外幣換算差額	949
Provided for the year	是年度撥備	3,735
At 31 December 2020	於2020年12月31日	24,420
Currency realignment	外幣換算差額	554
Provided for the year	是年度撥備	4,991
At 31 December 2021	於2021年12月31日	29,965
Carrying values	賬面值	
At 31 December 2021	於2021年12月31日	83,195
At 31 December 2020	於2020年12月31日	72,524

The Group's investment properties consisted of leased properties and leased pier. The fair value of the Group's investment properties at 31 December 2021 was HK\$297,025,000 (31 December 2020: HK\$261,907,000). The fair value of leased properties was HK\$269,139,000 (31 December 2020: HK\$237,312,000) and the fair value of leased pier was HK\$27,886,000 (31 December 2020: HK\$24,595,000) which have been arrived at based on a valuation carried out by RHL Appraisal Limited, an independent property valuer.

本集團的投資物業包括租賃物業及租賃碼頭。本集團投資物業於2021年12月31日的公平價值為297,025,000港元(2020年12月31日:261,907,000港元)。租賃物業的公平價值為269,139,000港元(2020年12月31日:237,312,000港元)及租賃碼頭的公平價值為27,886,000港元(2020年12月31日:24,595,000港元)，乃由獨立物業估值師永利行評值顧問有限公司進行的估值計算得出。

The valuation of leased properties was determined by direct comparison method and term and reversion analysis of investment approach.

租賃物業的估值乃按直接比較法以及投資期限和回歸分析法釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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13. INVESTMENT PROPERTIES (continued)

Direct comparison method is based on the principle of substitution, where comparison is made based on prices realised on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

Term and reversion analysis of investment approach estimates the capital value of a property by capitalised rental income on a fully leased basis having regard to the current passing rental income from existing tenancy and the potential reversionary rental income at market level.

The valuation of leased pier was determined by Depreciated Replacement Cost approach, which is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements less allowance for physical deterioration and all relevant forms of obsolescence and optimisation. The key input of Depreciated Replacement Cost approach is the building construction cost per square metre. A significant increase/decrease in building construction cost per metre used would result in a significant increase/decrease in the fair value of the leased pier.

The valuation of leased properties takes into account the characteristics of the investment properties, which include the location, size, shape, view, floor level, year of completion and other factors collectively, to arrive at the unit market price. The key input of direct comparison method is the unit market price. A significant increase/decrease in the market price would result in a significant increase/decrease in the fair value of the leased properties.

Significant unobservable inputs were used in the valuation of investment properties. The fair value of investment properties is a level 3 recurring fair value measurement under the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

The above investment properties are depreciated on a straight-line basis over the shorter of 20 to 50 years or period of the lease term.

All of the investment properties of the Group are held to earn rentals or for capital appreciation.

13. 投資物業(續)

直接比較法乃以替代原則為基準，而比較乃按實際銷售實現之價格及／或可供比較物業之索價作出。大小、規模、性質、特徵及地點相若之可供比較物業乃按照各物業之相關利弊進行分析及仔細衡量，以達致公平市值比較。

投資期限和回歸分析法乃在考慮到現有租約的當期租金收入和市場水平的潛在復歸租金收入的基礎上，按全額租賃基準將租金收入資本化估計一項物業的資本價值。

租賃碼頭的估值乃按折舊重置成本法釐定，該方法乃根據土地的現有用途對市值作出估計，加上目前裝修重置的成本減去實質損耗撥備及所有相關形式的陳舊及優化計算。折舊重置成本法的主要輸入數據為每平方米的建築成本。每平方米的建築成本大幅上升／下跌將導致租賃碼頭之公平價值大幅上升／下跌。

租賃物業估值時會考慮投資物業之整體特性，包括位置、尺寸、形狀、景觀、樓層、落成年份及其他因素，以得出單位市場價格。直接比較法之主要輸入數據為單位市場價格。市場價格大幅上升／下跌將導致租賃物業之公平價值大幅上升／下跌。

重大不可觀察輸入參數計量乃用於投資物業之估值。投資物業之公平價值為香港財務報告準則第13號公平價值計量所界定的3級公平價值層級項下之第3級經常性公平價值計量。公平價值計量乃按以上述物業之最高及最佳用途為依據，其與物業之實際用途並無差別。

上述投資物業以直線法按20至50年或租賃年期(以較短者為準)折舊。

本集團所有投資物業乃持作賺取租金或資本增值。

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綜合財務報表附註(續)

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、機器及設備

		Freehold and leasehold land 永久持有及 租賃的土地 HK\$'000 千港元	Buildings 建築物 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Cost	成本							
At 1 January 2020	於2020年1月1日	21,560	1,006,468	955,197	2,371,593	24,499	29,151	4,408,468
Currency realignment	外幣換算差額	(11)	3,053	11,081	864	150	3,553	18,690
Additions	增加	-	-	19,637	27,538	338	70,951	118,464
Transfer from construction in progress	調撥自在建工程	-	-	9,166	-	-	(9,166)	-
Transfer to investment properties	調撥至投資物業	-	(6,775)	-	-	-	-	(6,775)
Disposals/written-off	出售/撤銷	-	(397)	(84,539)	(158,333)	(2,461)	-	(245,730)
At 31 December 2020	於2020年12月31日	21,549	1,002,349	910,542	2,241,662	22,526	94,489	4,293,117
Currency realignment	外幣換算差額	14	2,113	5,814	3,481	113	1,382	12,917
Additions	增加	-	495	11,956	81,316	1,506	62,100	157,373
Transfer from construction in progress	調撥自在建工程	103	-	105,417	26,713	-	(132,233)	-
Transfer to investment properties	調撥至投資物業	-	(1,357)	-	-	-	-	(1,357)
Disposals/written-off	出售/撤銷	-	(573)	(55,915)	(125,222)	(2,786)	-	(184,496)
At 31 December 2021	於2021年12月31日	21,666	1,003,027	977,814	2,227,950	21,359	25,738	4,277,554
Depreciation and impairment	折舊及減值							
At 1 January 2020	於2020年1月1日	13,305	530,186	705,474	1,705,093	18,924	-	2,972,982
Currency realignment	外幣換算差額	-	1,530	4,453	(295)	(82)	-	5,606
Provided for the year	是年度撥備	215	38,639	66,253	97,852	1,768	-	204,727
Eliminated on disposals/written-off	出售/撤銷時沖銷	-	(188)	(71,385)	(155,689)	(2,344)	-	(229,606)
Transfer to investment properties	調撥至投資物業	-	(2,086)	-	-	-	-	(2,086)
At 31 December 2020	於2020年12月31日	13,520	568,081	704,795	1,646,961	18,266	-	2,951,623
Currency realignment	外幣換算差額	-	1,028	2,405	2,105	77	-	5,615
Provided for the year	是年度撥備	215	38,210	31,733	93,840	1,477	-	165,475
Eliminated on disposals/written-off	出售/撤銷時沖銷	-	(515)	(33,637)	(143,701)	(2,658)	-	(180,511)
Transfer to investment properties	調撥至投資物業	-	(753)	-	-	-	-	(753)
At 31 December 2021	於2021年12月31日	13,735	606,051	705,296	1,599,205	17,162	-	2,941,449
Carrying values	賬面值							
At 31 December 2021	於2021年12月31日	7,931	396,976	272,518	628,745	4,197	25,738	1,336,105
At 31 December 2020	於2020年12月31日	8,029	434,268	205,747	594,701	4,260	94,489	1,341,494

The cost of above items of property, plant and equipment are depreciated, after taking into account of their estimated residual values, on a straight-line basis.

上述物業、機器及設備之成本於計入彼等之估計剩餘價值後以直線法折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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15. RIGHT-OF-USE ASSETS
15. 使用權資產

		Land and buildings 土地及建築物 HK\$'000 千港元	Equipment 設備 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Total 總值 HK\$'000 千港元
At 1 January 2020	於2020年1月1日	243,728	593	158	244,479
Currency realignment	外幣換算差額	842	-	-	842
Additions	增加	2,550	-	131	2,681
Depreciation	折舊	(30,139)	(183)	(205)	(30,527)
Effect of modification to lease terms	修訂租賃條款之影響	(59)	-	(18)	(77)
At 31 December 2020	於2020年12月31日	216,922	410	66	217,398
Currency realignment	外幣換算差額	347	-	5	352
Additions	增加	3,265	-	1,536	4,801
Depreciation	折舊	(28,556)	(182)	(143)	(28,881)
Effect of modification to lease terms	修訂租賃條款之影響	3,191	-	-	3,191
At 31 December 2021	於2021年12月31日	195,169	228	1,464	196,861

The analysis of the net book value of right-of-use assets by class of underlying assets is as follows:

按相關資產類別劃分之使用權資產賬面淨值分析如下：

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Ownership interests in leasehold land and buildings, carried at depreciated cost with remaining lease term of:	於租賃土地及建築物之所有權權益，按折舊成本列值及餘下租賃期為：		
– 30 years or more	– 30年或以上	79,631	81,773
– between 10 and 30 years	– 10年及30年之間	9,440	9,788
Other properties leased for own use, carried at depreciated cost	租賃作自用之其他物業，按折舊成本列值	106,098	125,361
Plant, machinery and equipment, carried at depreciated cost	廠房、機器及設備，按折舊成本列值	1,692	476
		196,861	217,398

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

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16. OTHER INTANGIBLE ASSETS**16. 其他無形資產**

		Software 軟件 HK\$'000千港元
Cost	成本	
At 1 January 2020	於2020年1月1日	31,267
Additions	增加	—
At 31 December 2020	於2020年12月31日	31,267
Additions	增加	—
At 31 December 2021	於2021年12月31日	31,267
Amortisation	攤銷	
At 1 January 2020	於2020年1月1日	19,207
Provided for the year	是年度撥備	3,015
At 31 December 2020	於2020年12月31日	22,222
Provided for the year	是年度撥備	3,015
At 31 December 2021	於2021年12月31日	25,237
Carrying values	賬面值	
At 31 December 2021	於2021年12月31日	6,030
At 31 December 2020	於2020年12月31日	9,045

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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17. INTEREST IN AN ASSOCIATE
17. 於一間聯營公司之權益

		At 31 December 於12月31日 2021 HK\$'000千港元	At 31 December 於12月31日 2020 HK\$'000千港元
Unlisted investment, at cost	非上市投資，以成本列值	16,204	16,204
Share of post-acquisition profit	應佔收購後盈利	7,394	6,589
		23,598	22,793

Particulars of the associate of the Group at 31 December 2021 and 31 December 2020 is as follows:

本集團聯營公司於2021年12月31日及2020年12月31日之詳情如下：

Name	Form of business structure	Place of incorporation	Place of operation and principal activities	Percentage of ownership interests/voting rights/profit share 所佔擁有權權益／投票權／盈利百分比
名稱	業務架構形式	註冊成立所在地	營業所在地及主要業務	
東莞欣潤水務有限公司	Corporation 法團	The PRC 中國	Construction and managing of sewage treatment plant in the PRC 於中國建設及管理污水處理廠	30%

The primary business of 東莞欣潤水務有限公司 is engaged in construction and managing of sewage treatment plant in Dongguan of Guangdong Province.

東莞欣潤水務有限公司的主要業務乃於廣東省東莞市建設及管理污水處理廠。

The above associate is accounted for using the equity method in the consolidated financial statements.

上述聯營公司乃以權益法於綜合財務報表列賬。

Summarised financial information of an associate that are not individually material:

個別非屬重要之聯營公司之財務資料概述：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Profit from continuing operations	持續經營業務之盈利	805	2,256
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	全面收益總值	805	2,256

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

18. DEFERRED TAX

The major deferred tax liabilities/(assets) recognised by the Group and movements thereon during the current and prior reporting periods are as follows:

		Right-of-use assets 使用權資產 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Accelerated tax depreciation 提前稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Others 其他 HK\$'000 千港元 (note) (附註)	Total 總值 HK\$'000 千港元
At 1 January 2020	於2020年1月1日	37,075	(45,213)	18,745	(633)	(52,589)	(42,615)
Charged/(credited) to profit or loss	於損益賬內扣除/(計入)	(6,091)	2,923	(1,980)	(224)	(16,235)	(21,607)
Currency realignment	外幣換算差額	-	-	(44)	-	-	(44)
At 31 December 2020	於2020年12月31日	30,984	(42,290)	16,721	(857)	(68,824)	(64,266)
Charged/(credited) to profit or loss	於損益賬內扣除/(計入)	(4,994)	4,369	(1,685)	120	5,334	3,144
Currency realignment	外幣換算差額	-	-	88	-	(164)	(76)
At 31 December 2021	於2021年12月31日	25,990	(37,921)	15,124	(737)	(63,654)	(61,198)

Note: The amount represents mainly deferred tax assets arising from unrealised profit on inventories, provision for impairment of property, plant and equipment and trade and bills receivables, other receivables, write-down of inventories, unrealised gain on transfer of plant and equipment between subsidiaries and deferred tax liabilities arising from withholding tax charged on two PRC/overseas subsidiaries.

18. 遞延稅項

本集團於本報告期間及過往報告期間確認的主要遞延稅項負債/(資產)及其變動如下:

附註: 有關款額主要為存貨的未變現盈利、物業、機器及設備以及營業及票據應收款項及其他應收款項、減值撥備、存貨撇減、附屬公司之間機器及設備調撥的未變現收益所產生的遞延稅項資產,以及對兩間中國/海外附屬公司徵收的預扣稅所產生的遞延稅項負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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18. DEFERRED TAX (continued)

As at 31 December 2021, the Group had unused tax losses of approximately HK\$25 million (31 December 2020: HK\$48 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$4 million (31 December 2020: HK\$5 million) of such losses, which represent tax losses incurred by certain of the Company's subsidiaries as it is considered by the management that future taxable profits will be available against which the tax losses can be utilised. No deferred tax asset has been recognised in respect of the remaining HK\$21 million (31 December 2020: HK\$43 million) tax losses due to the unpredictability of future profit streams. As at 31 December 2021, of the above tax losses, nil (31 December 2020: an aggregate amount of approximately HK\$2 million) can be carried forward for five years following the year when the losses were incurred. Other tax losses may be carried forward indefinitely.

In addition, at 31 December 2021, the Group had other deductible temporary differences of approximately HK\$51 million (31 December 2020: HK\$43 million) mainly consist of unrealised gain on transfer of plant and equipment between subsidiaries, unrealised profit on inventories, allowance for doubtful debts and inventories and interest capitalisation. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not certain that taxable profits will be available against which the deductible temporary differences can be utilised.

According to the EIT Law, starting from 1 January 2008, 10% withholding income tax will be imposed on dividends relating to profits earned in the calendar year 2008 onwards to foreign investors for the companies established in the PRC. For investors incorporated in Hong Kong and holds at least 25% of the equity interest in the PRC company, reduced rate of 5% will be applied. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the wholly-owned PRC subsidiaries amounting to HK\$519,677,000 (31 December 2020: HK\$474,700,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Besides, no deferred tax has been provided for in the consolidated financial statements in respect of the temporary differences attributable to such loss amounting to HK\$3,323,000 as at 31 December 2020. As at 31 December 2021, there was no temporary differences attributed to such loss since all of this loss was utilised during the year ended 31 December 2021.

As at 31 December 2021, the Group provided the deferred tax in full in respect of the withholding tax attributable to the undistributed profits after 1 January 2008 of a partially-owned PRC subsidiary amounting to HK\$29,110,000 (31 December 2020: HK\$13,602,000).

18. 遞延稅項 (續)

於2021年12月31日，本集團可用作抵銷未來盈利的未運用稅項虧損約為25,000,000港元（2020年12月31日：48,000,000港元）。而此項虧損中約4,000,000港元（2020年12月31日：5,000,000港元）已確認為一項遞延稅項資產，此乃本公司若干附屬公司所產生的稅項虧損，經管理層考慮認為未來的應課稅盈利將可運用此稅項虧損。餘下的稅項虧損為21,000,000港元（2020年12月31日：43,000,000港元）因未能預測將來的盈利來源而未有確認為遞延稅項資產。於2021年12月31日，上述稅項虧損中，概無（2020年12月31日：總金額約2,000,000港元）可於產生虧損年度後轉存5年的稅項虧損。其他稅項虧損可無限期地轉存。

此外，於2021年12月31日，本集團其他可扣減暫時差額約為51,000,000港元（2020年12月31日：43,000,000港元），主要包含附屬公司之間機器及設備調撥的未變現收益、存貨的未變現盈利、呆賬及存貨撥備以及利息資本化。因未能確定應課稅盈利將可作抵銷此可扣減暫時差額，故未有確認該可扣減暫時差額為遞延稅項資產。

根據企業所得稅法，由2008年1月1日起，於中國成立的公司向境外投資者派發與於2008曆年及以後年度的盈利有關的股息須繳納10%預扣所得稅。於香港註冊成立且持有中國公司最少25%權益的投資者，將應用寬減稅率5%。由於本集團可以控制暫時差額撥回之時間，而暫時差額很可能於可見將來不會撥回，故並未就全資中國附屬公司滾存盈利之暫時差額519,677,000港元（2020年12月31日：474,700,000港元）在綜合財務報表內作出遞延稅項撥備。此外，於2020年12月31日，綜合財務報表內並無就該等虧損產生的暫時差額3,323,000港元作出遞延稅項撥備。於2021年12月31日，由於截至2021年12月31日止年度已動用全部虧損，該等虧損已全部使用及並無產生暫時差異。

於2021年12月31日，本集團已就一間非全資之中國附屬公司於2008年1月1日後之未分派盈利29,110,000港元（2020年12月31日：13,602,000港元）之預扣稅全數計提遞延稅項撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

18. DEFERRED TAX (continued)

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for reporting purposes:

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(65,914)	(71,062)
Deferred tax liabilities	遞延稅項負債	4,716	6,796
		(61,198)	(64,266)

19. INVENTORIES

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Spare parts	備件	28,039	26,165
Raw materials	原料	526,525	437,988
Work-in-progress	半製品	580,700	380,750
Finished goods	製成品	581,956	373,266
		1,717,220	1,218,169

20. TRADE AND BILLS RECEIVABLES

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Trade receivables	營業應收款項	1,037,003	857,558
Bills receivables	票據應收款項	270,164	194,991
Less: loss allowance	減：虧損撥備	(36,832)	(25,056)
		1,270,335	1,027,493

The Group allows a credit period ranging from 30 days to 60 days to its trade customers. The following is an ageing analysis of trade and bills receivables based on the invoice dates, as at the end of the reporting period:

18. 遞延稅項 (續)

就綜合財務狀況表的呈列而言，若干遞延稅項資產及負債已抵銷。以下是就呈報而言的遞延稅項結餘分析：

19. 存貨

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Spare parts	備件	28,039	26,165
Raw materials	原料	526,525	437,988
Work-in-progress	半製品	580,700	380,750
Finished goods	製成品	581,956	373,266
		1,717,220	1,218,169

20. 營業及票據應收款項

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Trade receivables	營業應收款項	1,037,003	857,558
Bills receivables	票據應收款項	270,164	194,991
Less: loss allowance	減：虧損撥備	(36,832)	(25,056)
		1,270,335	1,027,493

本集團提供介乎30天至60天信貸期予其營業客戶。營業及票據應收款項根據發票日期於報告期終的賬齡分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

20. TRADE AND BILLS RECEIVABLES (continued)

20. 營業及票據應收款項(續)

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Within 1 month	1個月內	753,219	586,759
1 to 2 months	1至2個月	331,739	278,901
2 to 3 months	2至3個月	128,921	116,324
Over 3 months	3個月以上	93,288	70,565
		1,307,167	1,052,549
Less: loss allowance	減：虧損撥備	(36,832)	(25,056)
		1,270,335	1,027,493

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly.

本集團於接納任何新客戶前，會評估該潛在客戶的信貨質素及界定其信貸限額。信貸銷售將會給予信貸記錄良好的客戶。客戶信貸限額定期予以檢討。

The Group does not hold any collateral over the trade and bills receivables.

本集團並無就營業及票據應收款項持有任何抵押品。

No interest is charged on the overdue trade receivables. The Group has fully provided for all trade receivables over 360 days as, based on historical experience, trade receivables that are past due beyond 360 days are generally not recoverable. Trade receivables not past due and due within 360 days have been provided for based on estimated irrecoverable amounts, determined by reference to past default experiences.

逾期營業應收款項不計利息。本集團已就超過360天的所有營業應收款項全數計提撥備，此乃由於根據過往經驗，逾期超過360天的營業應收款項一般是無法收回。並無逾期及逾期360天內的營業應收款項乃按估計無法收回金額並參考過往欠款經驗所釐定而計提撥備。

The Group recognised impairment loss based on the accounting policy stated in note 4(i).

本集團根據附註4(i)所載列的會計政策確認減值損失。

Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in note 38(b).

有關本集團信貸政策及來自應收賬款及票據應收款項的信貨風險的進一步詳情載於附註38(b)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

20. TRADE AND BILLS RECEIVABLES (continued)**Transferred financial assets that are derecognised in their entirety**

At 31 December 2021, the Group endorsed certain bills receivable accepted by banks in Mainland China (the “Derecognised Bills”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of HK\$77,231,000 (2020: HK\$45,708,000). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Value-added tax recoverable	可收回增值稅	69,167	61,161
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	132,796	105,806
Less: loss allowance	減：虧損撥備	(6,115)	—
		195,848	166,967
Opening provision for impairment of other receivables	年初其他應收款項之減值撥備	—	—
Increased during the year	年內增加	6,115	—
Closing provision for impairment of other receivables	年末其他應收款項之減值撥備	6,115	—

22. RESTRICTED BANK DEPOSITS

As at 31 December 2021, restricted bank deposits of HK\$4,197,000 (31 December 2020: HK\$7,351,000) mainly represented guaranteed deposits placed in the banks in PRC and Sri Lanka as securities for the bills payables and bank overdraft.

20. 營業及票據應收款項 (續)**全部終止確認的已轉讓金融資產**

於2021年12月31日，本集團向其若干供應商背書獲中國內地的銀行接納的若干票據應收款項（「終止確認票據」），以結清賬面值合共為77,231,000港元（2020年：45,708,000港元）的欠付該等供應商的營業應付款項。於報告期終，終止確認票據的期限為1至6個月。根據中國票據法，倘中國的銀行違約，則終止確認票據持有人對本集團有追索權（「持續參與」）。董事認為，本集團已轉移有關終止確認票據的絕大部分風險及回報，據此，已取消確認終止確認票據及相關營業應付款項的全部賬面值。本集團因持續參與終止確認票據及因購回該等終止確認票據的未貼現現金流量而面臨的最大損失等於其賬面值。董事認為，本集團之持續參與終止確認票據的公平價值並不重大。

21. 預付款項、按金及其他應收款項

	At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Value-added tax recoverable	69,167	61,161
Deposits, prepayments and other receivables	132,796	105,806
Less: loss allowance	(6,115)	—
	195,848	166,967
Opening provision for impairment of other receivables	—	—
Increased during the year	6,115	—
Closing provision for impairment of other receivables	6,115	—

22. 受限制銀行存款

於2021年12月31日，受限制銀行存款4,197,000港元（2020年12月31日：7,351,000港元）主要指存放於中國及斯里蘭卡銀行作為票據應付款項及銀行透支抵押的有擔保存款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

23. SHORT-TERM BANK DEPOSITS AND BANK BALANCES AND CASH

Short-term bank deposits and bank balances carry market interest rates ranging from 0.001% to 4.89% (31 December 2020: 0.001% to 4.50%) per annum.

24. TRADE AND BILLS PAYABLES

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Trade payables	營業應付款項	727,898	631,840
Bills payables	票據應付款項	228,552	332,891
		956,450	964,731

The following is an ageing analysis of trade and bills payables based on the invoice dates, as at the end of the reporting period:

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Within 1 month	1個月內	608,512	726,372
1 to 2 months	1至2個月	226,591	146,890
2 to 3 months	2至3個月	44,258	49,141
Over 3 months	3個月以上	77,089	42,328
		956,450	964,731

All the bills payables of the Group were not yet due at the end of the reporting period.

As at 31 December 2021, bills payables of HK\$13,038,000 (31 December 2020: HK\$28,991,000) were secured by the Group's restricted bank deposits of HK\$2,608,000 (31 December 2020: HK\$5,798,000).

The credit period on purchase of goods ranges from 30 days to 120 days.

23. 短期銀行存款及銀行結餘及現金

短期銀行存款及銀行結餘乃按介乎0.001%至4.89% (2020年12月31日: 0.001%至4.50%) 之市場年利率計息。

24. 營業及票據應付款項

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Trade payables	營業應付款項	727,898	631,840
Bills payables	票據應付款項	228,552	332,891
		956,450	964,731

營業及票據應付款項按發票日期於報告期終的賬齡分析如下:

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Within 1 month	1個月內	608,512	726,372
1 to 2 months	1至2個月	226,591	146,890
2 to 3 months	2至3個月	44,258	49,141
Over 3 months	3個月以上	77,089	42,328
		956,450	964,731

於報告期終, 本集團之所有票據應付款項均未到期。

於2021年12月31日, 票據應付款項13,038,000港元 (2020年12月31日: 28,991,000港元) 乃由本集團之受限制銀行存款2,608,000港元 (2020年12月31日: 5,798,000港元) 作為抵押。

購貨的信貸期介乎30天至120天。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

25. OTHER PAYABLES AND ACCRUALS

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Other payables	其他應付款項	145,158	89,156
Accruals	應計費用	177,826	191,156
		322,984	280,312

25. 其他應付款項及應計費用

26. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Contract liabilities	合約負債	32,701	22,014

26. 合約負債

本集團已確認以下收入相關合約負債：

Movements in contract liabilities

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
At 1 January	於1月1日	22,014	15,315
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	因年內確認年初計入合約負債的收入而導致合約負債減少	(22,116)	(15,542)
Increase in contract liabilities as a result of advanced consideration received from customers	因收自客戶的預付代價而導致的合約負債增加	32,701	21,795
Currency realignment	外幣換算差額	102	446
At 31 December (note 6)	於12月31日 (附註6)	32,701	22,014

合約負債的變動

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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27. LEASE LIABILITIES

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the jurisdictions from which it operates. The Group leases various factories, staff quarters, offices premises, warehouse and machinery and equipment. Rental contracts are typically made for fixed periods from 2 to 50 years for land and buildings and 2 years for machinery. All rental contracts comprise only fixed payments over the lease terms.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk of lessee; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

27. 租賃負債

租賃業務之性質(作為承租人)

本集團於其營運之司法地區租賃多項物業。本集團租賃多間工廠、員工宿舍、辦公室物業、倉庫以及機器及設備。租賃合約一般按固定年期由2至50年(就土地及建築物而言)及2年(就機器而言)訂立。所有租賃合約僅包含於租賃期作出固定付款。

合約可包含租賃及非租賃組成部分。本集團根據租賃及非租賃組成部分之相對單獨價格，將合約之代價分配至租賃及非租賃組成部分。

租賃期乃按個別基準進行磋商，且包含多種不同條款及條件。租賃協議不會施加任何契諾。租賃資產不得用作借款之抵押。

租賃款項乃使用租賃隱含之利率貼現。倘無法輕易釐定該利率(本集團之租賃通常如此)，則使用承租人之增量借款利率，即個別承租人於類似經濟環境根據類似條款、抵押及條件為借入取得與使用權資產價值相若之資產所需之資金而將須支付之利率。

為釐定增量借款利率，本集團：

- 在可能情況下使用個別承租人近期取得之第三方融資作為基點，並作出調整以反映自取得第三方融資以來融資條件之變動；
- 使用累加法，首先就承租人之信貸風險調整無風險利率；及
- 對租賃作出特定調整，如年期、國家、貨幣及抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

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27. LEASE LIABILITIES (continued)

27. 租賃負債(續)

Lease liabilities	租賃負債	Land and buildings 土地及建築物 HK\$'000 千港元	Equipment 設備 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Total 總值 HK\$'000 千港元
At 1 January 2020	於2020年1月1日	189,070	609	157	189,836
Additions	增加	2,550	–	131	2,681
Interest expense	利息支出	8,909	16	5	8,930
Lease payments	租賃款項	(31,552)	(197)	(207)	(31,956)
COVID-19-related rent concessions (note)	COVID-19相關租金減免 (附註)	(2,082)	–	–	(2,082)
Effect on modification of lease terms	修改租賃條款之影響	(96)	–	(18)	(114)
Currency realignment	外幣換算差額	10,138	–	3	10,141
At 31 December 2020	於2020年12月31日	176,937	428	71	177,436
Additions	增加	3,265	–	1,536	4,801
Interest expense	利息支出	8,503	10	42	8,555
Lease payments	租賃款項	(41,649)	(197)	(782)	(42,628)
Effect on modification of lease terms	修改租賃條款之影響	2,165	–	–	2,165
Currency realignment	外幣換算差額	4,638	–	4	4,642
At 31 December 2021	於2021年12月31日	153,859	241	871	154,971

Note: For the year ended 31 December 2020, the Group received rent concessions from lessors due to the COVID-19 pandemic in the form of rent relief (e.g. reductions in rent contractually due under the terms of lease agreements). The Group elected to apply the practical expedient introduced by the amendment to HKFRS 16 to all rent concessions that satisfied the criteria. All of the rent concessions entered into during the year ended 31 December 2020 satisfied the criteria to apply the practical expedient. The application of the practical expedient resulted in the reduction of total lease liabilities of HK\$2,082,000. The effect of this reduction recorded in profit or loss in the period in which the event or condition that triggered those payments occurred. No such rent concessions were received for the year ended 31 December 2021.

附註：截至2020年12月31日，由於COVID-19疫情，本集團以租金減免的形式（如根據租賃協議條款按合約規定減少租金）自出租人獲得租金減免。本集團選擇將香港財務報告準則第16號之修訂本引入之可行權宜方法應用於所有符合該標準的租金減免。於截至2020年12月31日止年度訂立之所有租金減免均符合應用可行權宜方法之標準。應用可行權宜方法導致租賃負債總額減少2,082,000港元。該減少之影響於發生觸發該等付款之事件或條件之期間於損益入賬。於截至2021年12月31日止年度，本集團並無取得租金減免。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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27. LEASE LIABILITIES (continued)

The analysis of the present value of future lease payments is as follows:

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Current liabilities	流動負債	24,641	31,399
Non-current liabilities	非流動負債	130,330	146,037
		154,971	177,436
		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Short-term lease expense	短期租賃支出	5,676	4,132
Aggregate undiscounted commitments for short-term leases	未貼現短期租賃承擔總額	1,178	1,196

28. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS/AN ASSOCIATE

(a) Amounts due to non-controlling shareholders

The amounts are unsecured, interest-free and repayable on demand.

(b) Amount due to an associate

The amount is unsecured, interest-free and repayable with agreed 30 days credit period.

28. 欠非控股股東／一間聯營公司款項

(a) 欠非控股股東款項

有關款項為無抵押、免息及應要求償還。

(b) 欠一間聯營公司款項

有關款項為無抵押、免息及須於30天協定信貸期間償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註 (續)

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29. DEFERRED INCOME

29. 遞延收入

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Arising from government grants (note i)	由政府補貼所產生 (附註i)	54,663	56,349
Arising from rental income (note ii)	由租金收入所產生 (附註ii)	33,941	13,663
		88,604	70,012
Current	流動	5,457	3,701
Non-current	非流動	83,147	66,311
		88,604	70,012

Notes:

附註：

- i) In 2008, the Group received a government subsidy of HK\$72,912,000 for the purchase of certain assets, which had been deferred to recognise as income over the useful lives of the relevant assets upon the fulfillment of the relevant conditions. The Group has no unfulfilled conditions attaching to the government grants.
- ii) As at 31 December 2021, the amount represents the rental income of HK\$33,941,000 for the leasing of three investment properties, which had been deferred to recognise as income over the rental periods of 10 years and 9 years. As at 31 December 2020, the amount represented the rental income of HK\$13,663,000 for the leasing of an investment property, which had been deferred to recognise as income over the rental period of 10 years.
- i) 於2008年，本集團已收一項政府補貼72,912,000港元，用於購買若干資產，補貼已於達成相關條件後按有關資產使用年期確認為收入。本集團並無該等政府補貼所附帶的未達成條件。
- ii) 於2021年12月31日，該款項為出租三處投資物業的租金收入33,941,000港元，已按租期10年及9年遞延確認為收入。於2020年12月31日，該款項為出租一處投資物業的租金收入13,663,000港元，已按租期10年遞延確認為收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

30. BANK BORROWINGS
30. 銀行借貸

		At 31 December 於12月31日 2021 <i>HK\$'000 千港元</i>	At 31 December 於12月31日 2020 <i>HK\$'000 千港元</i>
Unsecured borrowings:	無抵押借貸：		
Bank loans	銀行貸款	96,134	208,729
Import bills loans	進口貸款	231,208	28,019
		327,342	236,748
Repayable as follows:	須於下列期間償還：		
On demand or within one year (note)	應要求償還或1年內 (附註)	327,342	229,606
More than one year, but not exceeding two years	1年以上但不超過2年	-	7,142
		327,342	236,748
Less: Amounts repayable on demand or due within one year shown under current liabilities	減：列入流動負債應要求償還或1年內到期的金額		
- bank borrowings due within one year	- 1年內到期的銀行借貸	(327,342)	(229,606)
Amounts due after one year	1年後到期金額	-	7,142

Note: As at 31 December 2021 and 2020, the current liabilities include bank loans that are all scheduled to repay within one year.

附註： 於2021年及2020年12月31日，流動負債包括須於1年內到期償還之銀行貸款。

The bank borrowings of the Group are mainly variable rate borrowings which carry interest at HIBOR plus a spread, ranging from 0.95% to 2.25% (2020: 0.975% to 2.25%) or London Interbank Offered Rate plus a spread, ranging from 0.95% to 1.8% (2020: 0.975% to 1.8%) per annum in Hong Kong. The average effective interest rates of the bank borrowings of the Group is 1.44% (2020: 2.46%) per annum. Some other bank borrowings of the Group carry interest at fixed rates ranging from 0.67% to 1.76% (2020: 1.41% to 2.50%) per annum.

本集團的銀行借貸主要為浮息借貸，於香港乃按香港銀行同業拆息加上息差介乎0.95%至2.25%（2020年：0.975%至2.25%）或倫敦銀行同業拆息加上息差介乎0.95%至1.8%（2020年：0.975%至1.8%）之年利率計息。本集團銀行借貸之平均實際年利率為1.44%（2020年：2.46%）。本集團部分其他銀行借貸乃按固定年利率介乎0.67%至1.76%（2020年：1.41%至2.50%）計息。

Pursuant to the Group's banking facilities letters, the Group was required to maintain a number of covenant ratios. During the years ended 31 December 2021 and 2020, the Group had complied with all covenant ratios.

根據本集團的銀行融資函件，本集團須維持數個契約比率。於截至2021年及2020年12月31日止年度，本集團已遵守所有契約比率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

31. SHARE CAPITAL**31. 股本**

		At 31 December 於12月31日 2021		At 31 December 於12月31日 2020	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Ordinary shares, issued and fully paid	普通股，已發行及繳足				
At beginning and at end of the year	於年初及於年終	1,225,026,960	889,810	1,225,026,960	889,810

In accordance with section 135 of the Hong Kong Companies Ordinance (Cap. 622), the ordinary shares of the Company do not have a par value.

根據香港公司條例(第622章)第135條，本公司的普通股並無票面價值。

32. NON-CONTROLLING INTERESTS

Ocean Lanka (Private) Limited, a 60% (2020: 60%) owned subsidiary of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered not to be material.

32. 非控股權益

本公司於一間附屬公司Ocean Lanka (Private) Limited擁有60% (2020年：60%) 股權的重大非控股權益(「非控股權益」)。並非由本集團擁有100%權益之所有其他附屬公司之非控股權益被認為並不重大。

Summarised financial information in relation to the NCI of Ocean Lanka (Private) Limited, before intra-group eliminations, is presented below:

於集團內部對銷之前，有關Ocean Lanka (Private) limited非控股權益的概要財務資料呈列如下：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
For the year ended 31 December	截至12月31日止年度		
Revenue	營業額	1,009,300	677,137
Profit for the year	是年度盈利	47,324	33,388
Other comprehensive (expense)/income	其他全面(開支)/收益	(2,644)	1,900
Total comprehensive income	全面收益總額	44,680	35,288
Profit allocated to NCI	分配至非控股權益的盈利	18,930	13,355
Dividend paid to NCI	派付予非控股權益的股息	18,653	—
For the year ended 31 December	截至12月31日止年度		
Cash flows (used in)/from operating activities	營運項目(所用)/所得的現金流量	(67,228)	78,048
Cash flows from/(used in) investing activities	投資項目所得/(所用)的現金流量	7,349	(28,677)
Cash flows used in financing activities	融資項目所用的現金流量	(19,240)	(37,437)
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及等同現金項目的影響	1,017	(622)
Net cash (outflows)/inflows	現金(流出)/流入淨額	(78,102)	11,312

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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32. NON-CONTROLLING INTERESTS (continued)

32. 非控股權益(續)

		At 31 December 於12月31日 2021 <i>HK\$'000 千港元</i>	At 31 December 於12月31日 2020 <i>HK\$'000 千港元</i>
Current assets	流動資產	479,962	453,234
Non-current assets	非流動資產	130,317	137,429
Current liabilities	流動負債	(158,792)	(147,292)
Non-current liabilities	非流動負債	(6,675)	(7,875)
Net assets	資產淨值	444,812	435,496
Accumulated non-controlling interests	累計非控股權益	174,614	173,279

33. SHARE-BASED PAYMENT TRANSACTIONS

The 2011 Scheme

A share option scheme was adopted by the Company pursuant to a resolution passed by the Shareholders at the extraordinary general meeting held on 20 January 2011 (the "2011 Scheme"). Under the 2011 Scheme, the Board may, at its absolute discretion, grant share options pursuant to the terms of the 2011 Scheme to eligible participants, including, among others, the directors, full-time employees and part-time employees of the Company and its subsidiaries.

Under the 2011 Scheme, share options comprising 26,100,000 shares were granted on 19 January 2018. The share option was fully vested after 12 months from the date of grant and the exercisable period of share option was from 19 January 2019 to 18 January 2020. The closing price of the shares immediately before the date of grant was HK\$1.07 each. Among those granted on 19 January 2018, share options comprising 5,800,000 shares were lapsed during the year ended 31 December 2020 due to non-exercise during the pre-determined exercisable period. The 2011 Scheme expired on 19 January 2021.

As at 31 December 2020 and 31 December 2021, there were no outstanding share options under the 2011 Scheme.

33. 以股份為基礎之付款交易

2011年計劃

本公司根據於2011年1月20日舉行之股東特別大會上由股東通過之一項決議案採納2011年計劃(「2011年計劃」)。2011年計劃下,董事會可根據2011年計劃條款全權酌情向合資格參與者(包括(其中包括)本公司及其附屬公司董事、全職僱員及兼職僱員)授出購股權。

根據2011年計劃,於2018年1月19日已授出包含26,100,000股股份之購股權。購股權已自授出日期起12個月後悉數歸屬,而購股權的行使期為2019年1月19日至2020年1月18日。股份於緊接授出日期前之收市價為每股1.07港元。其中就於2018年1月19日授出的包含5,800,000股股份之購股權因在預先釐定之行使期內未獲行使而已於截至2020年12月31日止年度失效。2011年計劃於2021年1月19日到期。

於2020年12月31日及2021年12月31日,2011年計劃下,並無尚未行使的購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

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33. SHARE-BASED PAYMENT TRANSACTIONS (continued)**The 2011 Scheme (continued)**

The following table discloses movements of the Company's share options granted under the 2011 Scheme.

	Scheme	Date of grant	Exercise price	(Audited) Outstanding at 1 January 2020 (經審核) 於2020年 1月1日 尚未行使	Cancelled/ lapsed/ forfeited during the year 年內已註銷/ 失效/沒收	(Unaudited) Outstanding at 31 December 2020 (未經審核) 於2020年 12月31日 尚未行使
	計劃	授出日期	行使價			
Employees	2011	19 January 2018	HK\$1.10	5,800,000	(5,800,000)	-
僱員	2011年	2018年1月19日	1.10港元			

The following assumptions were used to calculate the fair value of share options:

33. 以股份為基礎之付款交易 (續)**2011年計劃 (續)**

下表披露本公司根據2011年計劃已授出購股權之變動情況。

於計算購股權公平價值所用之假設如下：

Number of options	購股權數目	26,100,000
Grant date fair value	授出日期之公平價值	HK\$2,732,000港元
Grant date share price	授出日期之股價	HK\$1.10港元
Exercise price	行使價	HK\$1.10港元
Suboptimal exercise factor	次優行使因素	2.86
Contractual life	合約年期	2 years 年
Expected volatility	預計波幅	23.81%
Dividend yield	股息率	4.82%
Risk-free interest rate	無風險利率	1.28%

Under the 2011 Scheme Share options granted on 19 January 2018 根據2011年計劃於2018年1月19日已授出的購股權

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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33. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The 2011 Scheme (continued)

The Polynomial model has been used to estimate the fair value of the share options granted on 19 January 2018. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share options reserve.

Expected volatilities were determined by using historical volatilities of the stock return of the Company over the previous 2 years. The risk-free interest rate used in the model was determined based on the yield of Hong Kong Sovereign Curve for the share options granted on 19 January 2018.

All share options granted on 19 January 2018 under the 2011 Scheme lapsed on 18 January 2020.

As at 31 December 2020 and 31 December 2021, there was no remaining contractual life of outstanding share options as all lapsed after 18 January 2020.

For the year ended 31 December 2020 and 31 December 2021, there was no expense charged in relation to share options granted by the Company.

34. RESERVES

The Group

The Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

The Company

33. 以股份為基礎之付款交易(續)

2011年計劃(續)

於2018年1月19日授出的購股權之公平價值採用多項式模式估計。於計算購股權公平價值時使用之變數及假設乃按董事之最佳估計釐定。變數及假設變動可能引致購股權之公平價值變動。

於各報告期終，本集團修訂其對預期最終歸屬的購股權數目之估計。修訂估計產生之影響(如有)於損益賬內確認，並於購股權儲備作出相應調整。

預期波幅乃採用本公司過去2年股票回報之歷史波幅釐定。模式中所採用之無風險利率乃根據香港主權曲線回報率(就2018年1月19日已授出之購股權)釐定。

根據2011年計劃於2018年1月19日授出的所有購股權在2020年1月18日失效。

於2020年12月31日及2021年12月31日，尚未行使之購股權並無餘下合約年期，原因為其在2020年1月18日後全部失效。

截至2020年12月31日及2021年12月31日止年度，並無與本公司授出之購股權有關之開支。

34. 儲備

本集團

本集團本年度及過往年度的儲備及其變動載列於綜合權益變動表。

本公司

		Share options reserve 購股權儲備 HK\$'000 千港元	Retained earnings 滾存盈利 HK\$'000 千港元	Total 總值 HK\$'000 千港元
As 1 January 2020	於2020年1月1日	607	1,400,836	1,401,443
Profit for the year	是年度盈利	-	32,656	32,656
Dividend recognised as distribution	已確認為分派之股息	-	(127,893)	(127,893)
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	(607)	607	-
As 31 December 2020	於2020年12月31日	-	1,306,206	1,306,206
Profit for the year	是年度盈利	-	2,110	2,110
Dividend recognised as distribution	已確認為分派之股息	-	(85,752)	(85,752)
At 31 December 2021	於2021年12月31日	-	1,222,564	1,222,564

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綜合財務報表附註(續)

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35. HOLDING COMPANY'S STATEMENT OF FINANCIAL POSITION

35. 控股公司之財務狀況報表

		Notes 附註	At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備		2,909	3,492
Right-of-use assets	使用權資產		330	687
Investments in subsidiaries	附屬公司投資		7,650	7,650
			10,889	11,829
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		1,390	907
Amounts due from subsidiaries	附屬公司所欠款項		2,876,660	2,981,562
Bank balances and cash	銀行結餘及現金		28,581	64,441
			2,906,631	3,046,910
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用		7,623	7,256
Lease liabilities – current portion	租賃負債 – 流動部分		296	361
Amounts due to subsidiaries	欠附屬公司款項		797,178	854,761
			805,097	862,378
Net current assets	流動資產淨值		2,101,534	2,184,532
Total assets less current liabilities	資產總值減流動負債		2,112,423	2,196,361
Non-current liabilities	非流動負債			
Lease liabilities – non-current portion	租賃負債 – 非流動部分		49	345
Net assets	資產淨值		2,112,374	2,196,016
Capital and reserves	資本及儲備			
Share capital	股本	31	889,810	889,810
Reserves	儲備	34	1,222,564	1,306,206
Total equity	權益總值		2,112,374	2,196,016

ZHAO Yao
趙耀
Director
董事

YAU Hang Tat, Andrew
邱恒達
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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36. INVESTMENTS IN SUBSIDIARIES

Particulars of the principal subsidiaries of the Company at 31 December 2021 and 31 December 2020 are as follows:

36. 附屬公司投資

於2021年12月31日及2020年12月31日本公司主要附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/登記及 營業所在地/國家	Issued and fully paid share capital/ registered capital 已發行及 繳足的股本/ 登記股本	Proportion of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 登記股本的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. (note b) 東莞沙田麗海紡織印染有限公司 (附註b)	The PRC 中國	HK\$307,500,000 307,500,000港元	-	95	Knitting, dyeing, printing and sales of dyed fabrics 針織、染色、印花和銷售色布
Fountain Set Limited 福田實業有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	100	-	Trading of dyed fabrics and yarns 色布及色紗貿易
Highscene Limited 漢盛有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	100	-	Trading of yarns 胚紗貿易
Hiway Textiles Limited 海匯紡織有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Trading of garments 成衣貿易
Jiangyin Fuhui Textiles Limited (note a) 江陰福匯紡織有限公司 (附註a)	The PRC 中國	USD110,000,000 110,000,000美元	-	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售色布及色紗
Lake Side Printing Factory Limited 麗海印花廠有限公司	Hong Kong 香港	HK\$2 2港元	100	-	Investment holding 投資控股
Ningbo Young Top Garments Co., Ltd. (note a) 寧波創裕製衣有限公司 (附註a)	The PRC 中國	USD18,000,000 18,000,000美元	-	55.5	Production and sales of garments 製造及銷售成衣
Ocean Lanka (Private) Limited	Democratic Socialist Republic of Sri Lanka 斯里蘭卡民主社會主義 共和國	Sri Lanka Rupee ("LKR") 985,000,000 985,000,000 斯里蘭卡盧比 (「盧比」)	-	60	Knitting, dyeing, printing and sales of dyed fabrics 針織、染色、印花和銷售色布
Oceanstar Textiles International Limited 海星紡織國際有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Trading of garments 成衣貿易
Ocean Yarn Dyeing Factory Limited 海洋染紗廠有限公司	Hong Kong 香港	HK\$2 2港元	100	-	Investment holding 投資控股

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綜合財務報表附註(續)

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36. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries of the Company at 31 December 2021 and 31 December 2020 are as follows: (continued)

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/登記及 營業所在地/國家	Issued and fully paid share capital/ registered capital 已發行及 繳足的股本/ 登記股本	Proportion of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 登記股本的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Prosperlink (Macao Commercial Offshore) Limited	Macao	Macau Pataca 100,000	-	100	Trading of yarns, dyestuffs and chemicals 胚紗及顏化料貿易
匯漢(澳門離岸商業服務)有限公司	澳門	100,000澳門幣			
Shanghai Fuhui Textiles Trading Co., Ltd. (note a) 上海福匯紡織貿易有限公司(附註a)	The PRC 中國	RMB5,000,000 人民幣5,000,000元	-	100	Trading of dyed fabrics 色布貿易
深圳福力紡織品有限公司 (note a) (附註a)	The PRC 中國	RMB35,000,000 人民幣35,000,000元	-	100	Trading of dyed fabrics 色布貿易
Suqian Young Top Garments Co., Ltd. (note a) 宿遷創裕製衣有限公司(附註a)	The PRC 中國	USD800,000 800,000美元	-	55.5	Production and sales of garments 製造及銷售成衣
東莞福田綠洲供熱有限公司 (note a) (附註a)	The PRC 中國	RMB90,000,000 人民幣90,000,000元	-	100	Heating supply 熱力供應
Yancheng Fuhui Textiles Limited. (note a)	The PRC	USD89,900,000	-	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售色布及色紗
鹽城福匯紡織有限公司(附註a)	中國	89,900,000美元			

Notes:

- Companies are established as wholly foreign owned enterprise in the PRC.
- Companies are established as cooperative joint ventures in the PRC.

The above table includes the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the Group for the year or formed a substantial portion of the assets and liabilities of the Group at the end of the reporting period. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

36. 附屬公司投資(續)

於2021年12月31日及2020年12月31日本公司主要附屬公司的詳情如下:(續)

附註:

- 於中國以外商獨資企業成立的公司。
- 於中國以合資經營的合作形式成立的公司。

以上本公司的附屬公司乃基於本公司董事認為其對本集團是年度業績有重要影響或構成本集團於報告期終的資產及負債重要部分而表列。本公司董事認為併列其他附屬公司的詳情會引致篇幅過於冗長。

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37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debts, which include the borrowings disclosed in note 30, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associated with the share capital. Based on recommendations of the directors, the Group may balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts and the redemption of existing debts.

The Group monitors capital using a gearing ratio, which is total liabilities divided by total capital. Total liabilities is calculated as current liabilities and non-current liabilities. Capital includes equity attributable to owners of the Company. The gearing ratio at the end of reporting period was as follows:

37. 資本風險管理

本集團管理資本之目的，在於確保本集團各實體得以持續經營，同時透過取得債務與權益之間的最佳平衡，為持份者爭取最大回報。本集團的整體策略與往年一致。

本集團的資本架構包括債務(當中包括附註30所披露的借貸)及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事按持續基準檢討資本架構。作為檢討一部分，董事會考慮資本的成本與股本的相關風險。根據董事的建議，本集團會以透過派發股息、發行新股及購回股份以及發行新債務及贖回現有債務以平衡其整體資本架構。

本集團使用資本負債比率(即負債總額除以總資本)監控其資本。負債總額乃按流動負債及非流動負債計算。資本包括本公司擁有人應佔權益。於報告期終的資本負債比率如下：

		At 31 December 於12月31日 2021 <i>HK\$'000 千港元</i>	At 31 December 於12月31日 2020 <i>HK\$'000 千港元</i>
Total liabilities	負債總額	1,989,292	1,845,922
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,560,238	3,394,572
Gearing ratio	資本負債比率	55.9%	54.4%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

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38. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

		At 31 December 於12月31日 2021 <i>HK\$'000</i> 千港元	At 31 December 於12月31日 2020 <i>HK\$'000</i> 千港元
Financial assets	金融資產		
Financial assets measured at amortised cost (including cash and cash equivalents)	按攤銷成本計量的金融資產 (包括現金及等同現金項目)	2,129,061	2,310,364
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	1,630,314	1,521,160

(b) Financial risk management objectives and policies

The major financial instruments of the Group include trade and bills receivables, other receivables, restricted and short-term bank deposits, bank balances and cash, trade and bills payables, other payables, amounts due to non-controlling shareholders, amount due to an associate and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk*(i) Currency risk*

Certain entities in the Group have foreign currency transactions, which expose the Group to foreign currency risk.

The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner. To mitigate the risk of foreign currency, the Group manages the foreign currency bank balances by performing regular review. The Group will continue to assess if the use of the foreign currency hedging strategy as appropriate in order to mitigate the foreign currency risk.

38. 金融工具**(a) 金融工具類別**

		At 31 December 於12月31日 2021 <i>HK\$'000</i> 千港元	At 31 December 於12月31日 2020 <i>HK\$'000</i> 千港元
Financial assets	金融資產		
Financial assets measured at amortised cost (including cash and cash equivalents)	按攤銷成本計量的金融資產 (包括現金及等同現金項目)	2,129,061	2,310,364
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	1,630,314	1,521,160

(b) 財務風險管理目標及政策

本集團的主要金融工具包括營業及票據應收款項、其他應收款項、受限制及短期銀行存款、銀行結餘及現金、營業及票據應付款項、其他應付款項、欠非控股股東的款項、欠一間聯營公司的款項及銀行借貸。該等金融工具之詳情已於各自附註中披露。與該等金融工具有關的風險包括市場風險 (貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列有關如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時和有效地採取適當措施。

市場風險*(i) 貨幣風險*

本集團若干實體有外幣交易，故本集團涉及外幣風險。

本集團管理及監控外匯風險，以確保及時和有效地採取適當措施。為降低外幣風險，本集團透過定期檢討以管理外幣之銀行結餘。本集團將繼續評估是否使用適當外幣對沖策略以降低外幣風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

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38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

At the end of the reporting period, the carrying amounts of foreign currency denominated monetary assets and monetary liabilities of the Group that are considered significant by the management are as follows:

Monetary assets and monetary liabilities:

38. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

於報告期終，管理層認為屬重大的本集團以外幣列值的貨幣資產及貨幣負債的賬面值如下：

貨幣資產及貨幣負債：

		Assets 資產		Liabilities 負債	
		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元	At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
USD	美元	614,211	838,088	575,402	439,010
RMB	人民幣	365,941	300,670	605,679	549,824
CAD	加元	3,312	6,016	38	-
LKR	盧比	1,602	1,402	3,404	2,697
HK\$	港元	1,345	2,572	15,797	16,278
Indonesian Rupiah ("IDR")	印尼盾(「印尼盾」)	446	360	3,104	1,165

Sensitivity analysis

The Group is mainly exposed to the risk of fluctuation of USD, RMB, CAD and HK\$ when such currencies are different from the relevant group entities.

The following table detail the sensitivity of the Group to a 5% increase and decrease in the above foreign currencies against the functional currency of the corresponding group entity, except for HK\$ against USD since HK\$ is pegged to USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the year end for a 5% change in foreign currency rates. On this basis, there will be an increase/(decrease) in pre-tax profit for the year where foreign currencies strengthen against the functional currencies of the corresponding group entity by 5%, and vice versa. The analysis is performed on the same basis for 2020.

敏感度分析

本集團主要涉及美元、人民幣、加元及港元(當該等貨幣與相關集團實體的功能貨幣不同時的波動風險。

下表詳細載列上述外幣兌相關集團實體功能貨幣升值或貶值5%的敏感度，由於港元與美元掛鉤，因此港元兌美元除外。5%為向主要管理人員內部呈報外匯風險及管理人員對匯率可能合理變動的評估所採用的敏感度比率。敏感度分析僅包括尚未結算以外幣列值的貨幣項目，並於年終按5%的外匯率變動調整其換算。按此基準，當外幣兌相關集團實體功能貨幣升值5%，是年度稅前盈利將會增加/減少，反之亦然。有關分析乃按2020年的相同基準進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

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38. FINANCIAL INSTRUMENTS (continued)**(b) Financial risk management objectives and policies (continued)****Market risk (continued)***(i) Currency risk (continued)*

Sensitivity analysis (continued)

Monetary assets and monetary liabilities:

		At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Increase/(decrease) in pre-tax profit for the year	是年度稅前盈利增加／(減少)		
RMB against HK\$	人民幣兌港元	(11,685)	(12,215)
CAD against HK\$	加元兌港元	164	299
		(11,521)	(11,916)

(ii) Interest rate risk

The Group is mainly exposed to cash flow interest rate risk primarily in relation to variable-rate bank balances and borrowings. It is the Group's policy to keep its bank borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's Hong Kong dollars denominated borrowings. In light of low interest rate expected to be maintained in long period of time, the Group shall monitor the interest rate fluctuation closely and arrange appropriate financial instruments to minimise the interest rate risk.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments (included variable-rate borrowings only as the directors consider the exposure on bank balances is not significant) at 31 December 2021 and 2020. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 (31 December 2020: 50) basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For non-derivative bank borrowings, if interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the year would increase/decrease by HK\$1,442,000 (31 December 2020: increase/decrease in pre-tax profit by HK\$914,000).

38. 金融工具 (續)**(b) 財務風險管理目標及政策 (續)****市場風險 (續)***(i) 貨幣風險 (續)*

敏感度分析 (續)

貨幣資產及貨幣負債：

	At 31 December 於12月31日 2021 HK\$'000 千港元	At 31 December 於12月31日 2020 HK\$'000 千港元
Increase/(decrease) in pre-tax profit for the year		
RMB against HK\$	(11,685)	(12,215)
CAD against HK\$	164	299
	(11,521)	(11,916)

(ii) 利率風險

本集團的現金流量利率風險主要與浮息銀行結餘及借貸有關。本集團的政策是維持其銀行借貸於浮動利率以減低公平價值利率風險。本集團的現金流量利率風險主要集中於由本集團以港元計值的借貸產生之香港銀行同業拆息波動。由於低利率預料維持一段長時間，本集團會密切留意利率波動，並安排合適的金融工具降低利率風險。

敏感度分析

下列敏感度分析根據非衍生工具（僅包括浮息借貸，因董事認為就銀行結餘所承擔之風險並不重大）於2021年及2020年12月31日的利率風險釐定。有關分析乃基於報告期終尚未償還的負債數額在本年整個年度內均為未償還的假設而編製。向主要管理人員內部呈報利率風險乃採用50個（2020年12月31日：50個）基點的升降，代表管理層對利率可能合理變動的評估。

就非衍生銀行借貸而言，倘利率上升／下跌50個基點，而所有其他變數維持不變，則本集團的是年度之稅前盈利將增加／減少1,442,000港元（2020年12月31日：稅前盈利增加／減少914,000港元）。

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38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

As at 31 December 2021 and 2020, the maximum exposure to credit risk by the Group which will cause a financial loss due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the recognised financial assets as stated in the statements of financial position.

In order to manage the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Credit sales of products are only made to customers with good credit quality and repayment history. In addition, the Group regularly reviews the recoverable amount of debt on both collective and individual basis to ensure that adequate impairment losses are made for irrecoverable amounts. In response to the COVID-19 pandemic, management has also been performing more frequent reviews of credit limits for customers in regions and industries that are severely impacted. During the year ended 31 December 2021, a net impairment loss of HK\$11,343,000 (31 December 2020: HK\$13,966,000) in respect of the trade and bills receivables was recognised.

The Group measures loss allowances for trade and bills receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade and bills receivables as at 31 December 2021 and 2020:

2021	2021年	Expected loss rate 預期虧損比率 (%)	Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Not yet due	未到期	1.73%	1,139,206	19,761
Overdue 1-60 days	逾期1-60天	3.31%	147,392	4,883
Overdue 61-365 days	逾期61-365天	46.12%	15,556	7,175
Overdue >365 days	逾期超過365天	100.00%	5,013	5,013
			1,307,167	36,832

38. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險

於2021年及2020年12月31日，本集團因對手方未能履行責任而導致財務損失的最高信貸風險為各項在財務狀況表所呈列已確認金融資產的賬面金額。

為管理信貸風險，本集團的管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進行動收回逾期債項。產品信貸銷售僅提供予具有良好信貸質素及還款記錄的客戶。此外，本集團會定期按集體及個別基準檢討債項的可收回款額，以確保就無法收回款額作出足夠的減值損失。為應對COVID-19疫情，管理層亦已對受到嚴重影響的地區及行業的客戶實行更加頻繁的信貸限額審閱。於截至2021年12月31日止年度內，本集團已就營業及票據應收款項確認減值損失淨值11,343,000港元(2020年12月31日：13,966,000港元)。

本集團按等於年限內預期信貸虧損的金額(根據撥備矩陣計算得出)計量營業及票據應收款項虧損撥備。由於本集團的過往信貸虧損經驗並無表明不同客戶分部的虧損模式具有明顯差異，故並無進一步區分本集團不同客戶群按逾期狀況的虧損撥備。

下表提供關於本集團於2021年及2020年12月31日就營業及票據應收款項所面臨的信貸風險及預期信貸虧損的資料：

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38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

2020	2020年	Expected loss rate 預期虧損比率 (%)	Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Not yet due	未到期	1.10%	925,273	10,199
Overdue 1-60 days	逾期1-60天	1.10%	102,445	1,123
Overdue 61-365 days	逾期61-365天	52.87%	23,547	12,450
Overdue >365 days	逾期超過365天	100.00%	1,284	1,284
			1,052,549	25,056

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the group's view of economic conditions over the expected lives of the receivables.

Movements in the loss allowance are as follows:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
At 1 January	於1月1日	25,056	14,538
Impairment loss made on trade and bills receivables, net	營業及票據應收款項之計提減值損失淨值	11,343	13,966
Amounts written off as uncollectible	因不可收回而撇銷的金額	(12)	(3,448)
Currency realignment	外幣換算差額	445	-
At 31 December	於12月31日	36,832	25,056

At 31 December 2021, the Group's trade and bills receivables included in the loss allowance with an aggregate balance of HK\$36,832,000 (31 December 2020: HK\$25,056,000) was impaired. The Group does not hold any collateral over these balances.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

預期虧損比率乃按過往5年的實際虧損經驗為基準。該等比率乃經調整，以反映在收集歷史數據期間的經濟狀況、目前狀況以及集團對應收款項的預期年年期間經濟狀況之看法的差異。

虧損撥備之變動如下：

於2021年12月31日，包括在虧損撥備合共結餘為36,832,000港元（2020年12月31日：25,056,000港元）的本集團營業及票據應收款項已減值。本集團並無就該等結餘持有任何抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The following changes in the gross carrying amounts of trade and bills receivables mainly contributed to the increase in the loss allowance:

- increase in lifetime expected credit loss after assessing existing or forecast change in business, financial or economic conditions which may cause deterioration in the operating results of the debtors;
- increase in the adjustment factors to expected loss rates as a consequence of the COVID-19 pandemic; and
- written-off of uncollectible trade and bills receivables.

Furthermore, the Company only provides financial guarantees to its subsidiaries after a careful consideration of its subsidiaries' financial conditions. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds of the Group is limited because the counterparties are banks with high credit ratings assigned by reputable credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group has no significant concentration of credit risk with exposure spread over a number of counterparties.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

Other than equity, the Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2021, the available unutilised banking facilities of the Group are approximately HK\$2,761 million (31 December 2020: HK\$2,793 million).

38. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

營業及票據應收款項總賬面值之以下變動主要由於虧損撥備增加所致：

- 經評估可能導致債務人之經營業績惡化之業務、財務或經濟狀況之現有或預測變動後增加年限內預期信貸虧損；
- 因COVID-19疫情而增加預期虧損率的調整因素；及
- 撇銷不可收回的營業及票據應收款項。

此外，本公司僅於審慎考慮其附屬公司的財務狀況後方向其附屬公司提供財務擔保。就此而言，本公司董事認為本集團的信貸風險已大幅減低。

本集團的流動資金信貸風險有限，因對手方均為具信譽的信貸評級機構給予高信貸評級的銀行。

除有關存放於若干高信貸評級銀行的流動資金之信貸風險集中外，本集團並無面對重大集中信貸風險，因風險分散於多個對手方。

流動資金風險

於管理流動資金風險時，本集團會監察及維持管理層視為足夠水平的現金及等同現金項目，以撥付本集團營運所需及減低現金流量波動的影響。管理層會監察銀行借貸的運用情況，並確保遵守相關貸款契約。

除權益外，本集團倚賴銀行借貸作為主要流動資金來源。於2021年12月31日，本集團的可動用但未運用銀行信貸額約為2,761,000,000港元(2020年12月31日：2,793,000,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註 (續)

31 DECEMBER 2021 2021年12月31日

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following tables detail the Group's remaining contractual maturity for their non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest is floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

下表詳列根據議定償還條款本集團非衍生金融負債的餘下合約到期情況。該表乃按本集團可能被要求付款的最早日期根據金融負債的未貼現現金流量編製。該表包括利息及本金現金流量。在利息採用浮動利率之限度內，未貼現金額乃由報告期終之利率得出。

2021	2021年	Weighted average effective interest rate	Less than 1 month or on demand	3 months to 1 year				Total undiscounted cash flows			Carrying amount at 31 December 2021 於2021年12月31日的賬面值
				1-3 months	to 1 year	1-2 years	2-5 years	Over 5 years	未貼現現金流量總值	HK\$'000	
		加權平均實際利率 %	少於1個月或應要求 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	1至2年 HK\$'000 千港元	2至5年 HK\$'000 千港元	超過5年 HK\$'000 千港元	HK\$'000	千港元	
Non-derivative financial liabilities 非衍生金融負債											
Trade, bills and other payables	營業、票據及其他應付款項		724,633	294,231	59,860	-	-	-	1,078,724	1,078,724	
Amounts due to non-controlling shareholders	欠非控股股東款項		62,834	-	-	-	-	-	62,834	62,834	
Amount due to an associate	欠一間聯營公司款項		6,443	-	-	-	-	-	6,443	6,443	
Bank borrowings	銀行借貸										
- variable rate	- 浮息	1.44	132,534	133,956	22,329	-	-	-	288,819	288,350	
- fixed rate	- 定息	0.75	-	39,027	-	-	-	-	39,027	38,992	
Lease liabilities	租賃負債	5.11	3,052	5,980	23,714	28,491	67,094	85,312	213,643	154,971	
			929,496	473,194	105,903	28,491	67,094	85,312	1,689,490	1,630,314	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

2020	2020年	Weighted average effective interest rate	Less than 1 month or on demand						Total undiscounted cash flows	Carrying amount at 31 December 2020
				1-3 months	3 months to 1 year	1-2 years	2-5 years	Over 5 years		
		加權平均實際利率 %	少於1個月或應要求 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	1至2年 HK\$'000 千港元	2至5年 HK\$'000 千港元	超過5年 HK\$'000 千港元	未貼現現金流量總值 HK\$'000 千港元	於2020年12月31日的賬面值 HK\$'000 千港元
Non-derivative financial liabilities 非衍生金融負債										
Trade, bills and other payables	營業、票據及其他應付款項		694,531	289,106	52,953	-	-	-	1,036,590	1,036,590
Amounts due to non-controlling shareholders	欠非控股股東款項		64,525	-	-	-	-	-	64,525	64,525
Amount due to an associate	欠一間聯營公司款項		5,861	-	-	-	-	-	5,861	5,861
Bank borrowings	銀行借貸									
- variable rate	- 浮息	2.46	7,862	33,811	136,332	7,151	-	-	185,156	182,479
- fixed rate	- 定息	1.76	-	-	54,771	-	-	-	54,771	54,269
Lease liabilities	租賃負債	4.96	9,195	5,704	24,831	28,248	77,029	97,700	242,707	177,436
			781,974	328,621	268,887	35,399	77,029	97,700	1,589,610	1,521,160

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and bills receivables, other receivables, trade and bills payables, other payables, lease liabilities, amounts due to non-controlling shareholders, amount due to an associate and bank borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and bills receivables, other receivables, trade and bills payables, other payables, lease liabilities, amounts due to non-controlling shareholders and amount due to an associate approximates their fair value.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2021 and 31 December 2020.

38. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

倘浮動利率之變動有別於於報告期終所釐定之利率估計，則上述非衍生金融負債之浮息工具之金額可能有所改動。

(c) 公平價值

並非以公平價值計量之金融工具

並非以公平價值計量之金融工具包括現金及等同現金項目、營業及票據應收款項、其他應收款項、營業及票據應付款項、其他應付款項、租賃負債、欠非控股股東款項、欠一間聯營公司的款項及銀行借貸。

由於屬短期性質，現金及等同現金項目、營業及票據應收款項、其他應收款項、營業及票據應付款項、其他應付款項、租賃負債、欠非控股股東款項及欠一間聯營公司款項的賬面值與其公平價值相若。

本集團按成本或攤銷成本列值的金融工具的賬面值，與彼等於2021年12月31日及2020年12月31日的公平價值並無重大差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

39. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

39. 綜合現金流量表附註

融資活動產生的負債之對賬：

		Bank borrowings 銀行借貸 (note 30) (附註30) HK\$'000 千港元	Amounts due to non-controlling shareholders 欠非控股 股東款項 HK\$'000 千港元	Lease liabilities 租賃負債 (note 27) (附註27) HK\$'000 千港元
At 1 January 2020	於2020年1月1日	222,382	80,100	189,836
Changes from cash flows:	現金流量變動：			
New bank borrowings raised	新籌集之銀行借貸	555,833	-	-
Repayment of bank borrowings	償還銀行借貸	(541,961)	-	-
Interest paid	已付利息	(9,984)	-	-
Repayment of amounts due to non-controlling shareholders	償還欠非控股股東款項	-	(15,575)	-
Repayment of principal portion of the lease liabilities	償還租賃負債之本金部分	-	-	(23,026)
Repayment of interest portion of the lease liabilities	償還租賃負債之利息部分	-	-	(8,930)
Total changes from financing cash flow:	融資現金流量變動總額：	3,888	(15,575)	(31,956)
Other changes:	其他變動：			
Interest expenses (note 7)	利息開支 (附註7)	10,632	-	8,930
Increase in lease liabilities from entering into new leases during the year	因年內訂立新租賃而導致之租賃負債增加	-	-	2,681
COVID-19-related rent concessions	COVID-19相關租金減免	-	-	(2,082)
Effect of modification of lease terms	修訂租賃條款之影響	-	-	(114)
Currency realignment	外幣換算差額	(154)	-	10,141
Total other changes	其他變動合計	10,478	-	19,556
At 31 December 2020	於2020年12月31日	236,748	64,525	177,436

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

39. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Reconciliation of liabilities arising from financing activities: (continued)

39. 綜合現金流量表附註(續)

融資活動產生的負債之對賬:(續)

		Bank borrowings	Amounts due to non-controlling shareholders	Lease liabilities
		銀行借貸	欠非控股股東款項	租賃負債
		(note 30)	(note 27)	(note 27)
		(附註30)	(附註27)	(附註27)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2020	於2020年12月31日	236,748	64,525	177,436
Changes from cash flows:	現金流量變動:			
New bank borrowings raised	新籌集之銀行借貸	1,233,089	-	-
Repayment of bank borrowings	償還銀行借貸	(1,142,748)	-	-
Interest paid	已付利息	(6,399)	-	-
Repayment of amounts due to non-controlling shareholders	償還欠非控股股東款項	-	(1,691)	-
Repayment of principal portion of the lease liabilities	償還租賃負債之本金部分	-	-	(34,073)
Repayment of interest portion of the lease liabilities	償還租賃負債之利息部分	-	-	(8,555)
Total changes from financing cash flow:	融資現金流量變動總額:	83,942	(1,691)	(42,628)
Other changes:	其他變動:			
Interest expenses (note 7)	利息開支(附註7)	6,670	-	8,555
Increase in lease liabilities from entering into new leases during the year	因年內訂立新租賃而導致之租賃負債增加	-	-	4,801
Effect of modification of lease terms	修訂租賃條款之影響	-	-	2,165
Currency realignment	外幣換算差額	(18)	-	4,642
Total other changes	其他變動合計	6,652	-	20,163
At 31 December 2021	於2021年12月31日	327,342	62,834	154,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

40. CAPITAL COMMITMENTS

		At 31 December 於12月31日 2021 <i>HK\$'000 千港元</i>	At 31 December 於12月31日 2020 <i>HK\$'000 千港元</i>
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	與購買物業、機器及設備相關之已簽約但於綜合財務報表未有作出撥備之資本開支	116,978	105,938

41. OPERATING LEASES**As lessor**

Gross rental income earned from investment properties of the Group during the year was approximately HK\$14,834,000 (2020: HK\$12,299,000). The related outgoings amounted to HK\$1,260,000 (2020: HK\$527,000).

At the end of the reporting period, the Group had contracted with tenants, in respect of rented premises, for the following future minimum lease receipts.

		At 31 December 於12月31日 2021 <i>HK\$'000 千港元</i>	At 31 December 於12月31日 2020 <i>HK\$'000 千港元</i>
Within one year	1年內	20,046	10,566
In the second to fifth year inclusive	第2年至第5年內 (首尾兩年包括在內)	17,375	8,749
Over five years	5年以上	9,676	792
		47,097	20,107

42. RETIREMENT BENEFIT SCHEMES

The Group operates a defined contribution scheme registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Scheme Ordinance for all the eligible employees of the Group in Hong Kong. The assets of both schemes are held separately from those of the Group in funds under the control of trustees. The retirement benefits cost charged to the profit or loss represents the contributions payable to the funds by the Group at rates specified in the rules of the schemes.

Employees of the Group in other jurisdictions currently participate in state-sponsored pension scheme or defined contribution schemes operated by the Government of such jurisdictions. The Group is required to contribute a certain percentage of their payroll to the schemes to fund the benefits. The only obligation of the Group with respect to the schemes is to make the required contributions.

40. 資本承擔

		At 31 December 於12月31日 2021 <i>HK\$'000 千港元</i>	At 31 December 於12月31日 2020 <i>HK\$'000 千港元</i>
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	與購買物業、機器及設備相關之已簽約但於綜合財務報表未有作出撥備之資本開支	116,978	105,938

41. 營運租賃**作為出租人**

於是年內，本集團就投資物業所賺得的租金收入總值約為14,834,000港元（2020年：12,299,000港元）。有關支出為1,260,000港元（2020年：527,000港元）。

於報告期終，本集團與租戶就租賃物業已訂約的未來最低租賃收入如下。

		At 31 December 於12月31日 2021 <i>HK\$'000 千港元</i>	At 31 December 於12月31日 2020 <i>HK\$'000 千港元</i>
Within one year	1年內	20,046	10,566
In the second to fifth year inclusive	第2年至第5年內 (首尾兩年包括在內)	17,375	8,749
Over five years	5年以上	9,676	792
		47,097	20,107

42. 退休福利計劃

本集團根據職業退休計劃條例註冊成立一項定額供款計劃（「職業退休計劃」）及根據強制性公積金計劃條例設立一項強制性公積金計劃（「強積金計劃」）予所有合資格的本集團香港僱員。這兩個計劃的資產乃獨立於本集團資產並由信託人管理。在損益賬內扣除的退休福利成本乃本集團根據計劃既定比率計算的應付基金供款。

本集團其他司法地區的僱員現正參與該司法地區政府營運的國家退休福利計劃或定額供款計劃。本集團須將僱員薪酬的若干百分比供款予該等計劃作為福利基金。本集團對該等計劃的唯一責任是按規定作出供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

42. RETIREMENT BENEFIT SCHEMES (continued)

During both years, there was no significant forfeited contribution, which arose upon employees leaving the retirement benefits schemes, available to reduce the contribution payable in the future years.

The retirement benefits scheme contributions, amounting to HK\$73,709,900 (2020: HK\$54,292,700) have been charged to profit or loss for the year and included in employee costs as set out in note 9.

43. RELATED AND CONNECTED PARTIES DISCLOSURES

(a) Related party balances

Details of the Group's outstanding balances with related parties are set out in the consolidated statement of financial position and in note 28.

(b) Related party transactions

During the year, the Group entered into the following transactions with related parties:

Name of related party 關聯人士名稱	Related party relationship 與關聯人士的關係	Nature of transaction 交易性質	2021 HK\$'000 千港元	2020 HK\$'000 千港元
東莞欣潤水務有限公司	Associate 聯營公司	Sewage expenses 污水處理費用	21,477	20,112

None of the related party transactions disclosed above constituted connected transaction or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(c) Connected party transactions

Name of connected party 關連人士名稱	Nature of transactions 交易性質	2021 HK\$'000 千港元	2020 HK\$'000 千港元
The FM Group (note i) FM集團 (附註i)	Sale of fabrics, yarns, fibers and garment parts 售賣布料、胚紗、纖維及成衣配件	366,026	232,578
The AH Group (note ii) AH集團 (附註ii)	Sale of fabrics, yarns, fibers and garment parts 售賣布料、胚紗、纖維及成衣配件	225,313	152,182
Chinatex Group (note iii) 中紡集團 (附註iii)	Purchase of yarns, cotton and other materials for the manufacture of fabric, garments and cooking oil and foodstuffs 採購胚紗、棉花及其他生產布料的原材料、成衣以及糧油食品	1,224	6,507
Huafu Group (note iv) 華孚集團 (附註iv)	Purchase of cotton yarn, cotton blended yarn, top dyed melange yarn and other yarn products 採購棉紗、棉混紡紗、色紡紗及其他紗產品	35,697	88,861

42. 退休福利計劃(續)

於兩個年度，因僱員退出退休福利計劃而沒收的供款並不重大，此款項並可用作扣減未來年度的應付供款。

已於是年度在損益賬內扣除的退休福利計劃供款金額為73,709,900港元(2020年：54,292,700港元)，並已計入附註9所載之僱員成本內。

43. 關聯及關連人士的披露

(a) 關聯人士的結餘

本集團與關聯人士的未償還結餘詳情載列於綜合財務狀況表及附註28內。

(b) 關聯人士交易

是年度本集團與關聯人士進行下列交易：

上述披露之關聯人士交易並不構成上市規則第14A章所界定之關連交易或持續關連交易。

(c) 關連人士交易

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

43. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)**(c) Connected party transactions (continued)**

Notes:

- (i) The Company and Mr. Feroz Omar ("Mr. Omar") entered into a FM Master Sales Agreement (the "2021 FM Master Sales Agreement") and a renewed FM Master Sales Agreement (the "2024 FM Master Sales Agreement") regarding the sales of fabrics, yarns, fibers and garment parts by the Group to the FM Group on 22 November 2018 and 16 December 2021 respectively. Mr. Omar is a director and substantial shareholder of a non-wholly owned subsidiary of the Company and hence a connected person of the Company under the Listing Rules. The FM Group comprises companies which Mr. Omar and his associates and relatives individually or together exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors. Accordingly, members of the FM Group are associates of Mr. Omar and hence connected persons of the Company under the Listing Rules. The transactions contemplated under the 2021 FM Master Sales Agreement and the 2024 FM Master Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The 2021 FM Master Sales Agreement is for a term commencing from 1 January 2019 to 31 December 2021 (both days inclusive) and the 2024 FM Master Sales Agreement is for a term commencing from 1 January 2022 to 31 December 2024 (both days inclusive).

The annual cap amount for the three financial years ending 31 December 2021 for the 2021 FM Master Sales Agreement are HK\$350,000,000, HK\$400,000,000 and HK\$400,000,000 respectively as set out in the announcement of the Company dated 22 November 2018.

The extent of these connected transactions did not exceed the annual cap of HK\$400,000,000 for the year ended 31 December 2021 as set out in the announcement of the Company dated 22 November 2018.

The annual cap amount for the three financial years ending 31 December 2024 for the 2024 FM Master Sales Agreement are HK\$450,000,000, HK\$450,000,000 and HK\$450,000,000 respectively as set out in the announcement of the Company dated 16 December 2021.

43. 關聯及關連人士的披露 (續)**(c) 關連人士交易 (續)**

附註：

- (i) 本公司與Feroz Omar先生(「Omar先生」)於2018年11月22日及2021年12月16日分別就本集團向FM集團出售布料、胚紗、纖維及成衣配件訂立FM總銷售協議(「2021年FM總銷售協議」)及續FM總銷售協議(「2024年FM總銷售協議」)。Omar先生為本公司一間非全資附屬公司之董事兼主要股東，根據上市規則，彼為本公司之關連人士。FM集團之成員公司包括由Omar先生及其聯繫人士及親屬可在該等公司的股東大會上個別地或共同地行使或控制行使過半數以上的表決權或控制該等公司董事會大部分成員的公司，因此，FM集團之成員公司為Omar先生之聯繫人士，故而根據上市規則，FM集團為本公司之關連人士。根據上市規則第14A章，2021年FM總銷售協議及2024年FM總銷售協議項下擬進行之交易構成本公司之持續關連交易。

2021年FM總銷售協議之年期由2019年1月1日至2021年12月31日止(包括首尾兩天)，而2024年FM總銷售協議之年期由2022年1月1日至2024年12月31日止(包括首尾兩天)。

誠如本公司日期為2018年11月22日之公告所載，2021年FM總銷售協議於截至2021年12月31日止三個財政年度的年度上限金額分別為350,000,000港元、400,000,000港元及400,000,000港元。

該等關連交易並無超過本公司日期為2018年11月22日之公告所載截至2021年12月31日止年度之年度上限400,000,000港元。

誠如本公司日期為2021年12月16日之公告所載，2024年FM總銷售協議於截至2024年12月31日止三個財政年度的年度上限金額分別為450,000,000港元、450,000,000港元及450,000,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

43. RELATED AND CONNECTED PARTIES DISCLOSURES
(continued)

(c) Connected party transactions (continued)

Notes: (continued)

- (ii) The Company and Mr. Anil Kumar Lalchand Hirdaramani (“Mr. Hirdaramani”) entered into a AH Master Sales Agreement (the “2021 AH Master Sales Agreement”) and a renewed AH Master Sales Agreement (the “2024 AH Master Sales Agreement”) regarding the sales of fabrics, yarns, fibers and garment parts by the Group to the AH Group on 22 November 2018 and 16 December 2021 respectively. Mr. Hirdaramani is a director and substantial shareholder of a non-wholly owned subsidiary of the Company and hence a connected person of the Company under the Listing Rules. The AH Group comprises companies which Mr. Hirdaramani and his associates and relatives individually or together exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors. Accordingly, members of the AH Group are associates of Mr. Hirdaramani and hence connected persons of the Company under the Listing Rules. The transactions contemplated under the 2021 AH Master Sales Agreement and the 2024 AH Master Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The 2021 AH Master Sales Agreement is for a term commencing from 1 January 2019 to 31 December 2021 (both days inclusive) and the 2024 AH Master Sales Agreement is for a term commencing from 1 January 2022 to 31 December 2024 (both days inclusive).

The annual cap amount for the three financial years ending 31 December 2021 for the 2021 AH Master Sales Agreement are HK\$350,000,000, HK\$400,000,000 and HK\$400,000,000 respectively as set out in the announcement of the Company dated 22 November 2018.

43. 關聯及關連人士的披露 (續)

(c) 關連人士交易 (續)

附註：(續)

- (ii) 本公司與Anil Kumar Lalchand Hirdaramani先生(「Hirdaramani先生」)於2018年11月22日及2021年12月16日分別就本集團向AH集團出售布料、胚紗、纖維及成衣配件訂立AH總銷售協議(「2021年AH總銷售協議」)及續AH總銷售協議(「2024年AH總銷售協議」)。Hirdaramani先生為本公司一間非全資附屬公司之董事兼主要股東，根據上市規則，彼為本公司之關連人士。AH集團之成員公司包括由Hirdaramani先生及其聯繫人士及親屬可在該等公司股東大會上個別地或共同地行使或控制行使過半數以上的表決權，或控制該等公司董事會大部分成員的公司，因此，AH集團之成員公司為Hirdaramani先生之聯繫人士，故而根據上市規則，AH集團為本公司之關連人士。根據上市規則第14A章，2021年AH總銷售協議及2024年AH總銷售協議項下擬進行之交易構成本公司之持續關連交易。

2021年AH總銷售協議之年期由2019年1月1日至2021年12月31日止(包括首尾兩天)，而2024年AH總銷售協議之年期由2022年1月1日至2024年12月31日止(包括首尾兩天)。

誠如本公司日期為2018年11月22日之公告所載，2021年AH總銷售協議於截至2021年12月31日止三個財政年度的年度上限金額分別為350,000,000港元、400,000,000港元及400,000,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

43. RELATED AND CONNECTED PARTIES DISCLOSURES (continued)**(c) Connected party transactions (continued)**

Notes: (continued)

(ii) (continued)

The extent of these connected transactions did not exceed the annual cap of HK\$400,000,000 for the year ended 31 December 2021 as set out in the announcement of the Company dated 22 November 2018.

The annual cap amount for the three financial years ending 31 December 2024 for the 2024 AH Master Sales Agreement are HK\$450,000,000, HK\$450,000,000 and HK\$450,000,000 respectively as set out in the announcement of the Company dated 16 December 2021.

- (iii) The Company and Chinatex Corporation Limited (“Chinatex”) entered into a Material Purchase Framework Agreement (the “2021 Material Purchase Framework Agreement”) and a renewed Material Purchase Framework Agreement (the “2024 Material Purchase Framework Agreement”) in relation to the purchase of yarn, cotton, other materials for the manufacture of fabric, garments, whereas cooking oil and foodstuffs for the provision of meals to the employees by the Group from the Chinatex Group (i.e. Chinatex and its subsidiaries) on 22 November 2018 and 16 December 2021 respectively. Chinatex is a controlling shareholder of the Company and hence a connected person of the Company under the Listing Rules. Accordingly, members of the Chinatex Group are associates of Chinatex and hence connected persons of the Company under the Listing Rules. The transactions contemplated under the 2021 Material Purchase Framework Agreement and the 2024 Material Purchase Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The 2021 Material Purchase Framework Agreement is for a term commencing from 1 January 2019 to 31 December 2021 (both days inclusive) and the 2024 Material Purchase Framework Agreement is for a term commencing from 1 January 2022 to 31 December 2024 (both days inclusive).

The annual cap amount for the three financial years ending 31 December 2021 for the 2021 Material Purchase Framework Agreement are HK\$63,000,000, HK\$63,000,000 and HK\$63,000,000 respectively as set out in the announcement of the Company dated 22 November 2018.

The extent of these connected transactions did not exceed the annual cap of HK\$63,000,000 for the year ended 31 December 2021 as set out in the announcement of the Company dated 22 November 2018.

The annual cap amount for the three financial years ending 31 December 2024 for the 2024 Material Purchase Framework Agreement are HK\$63,000,000, HK\$63,000,000 and HK\$63,000,000 respectively as set out in the announcement of the Company dated 16 December 2021.

43. 關聯及關連人士的披露 (續)**(c) 關連人士交易 (續)**

附註：(續)

(ii) (續)

該等關連交易並無超過本公司日期為2018年11月22日之公告所載截至2021年12月31日止年度之年度上限400,000,000港元。

誠如本公司日期為2021年12月16日之公告所載，2024年AH總銷售協議於截至2024年12月31日止三個財政年度的年度上限金額分別為450,000,000港元、450,000,000港元及450,000,000港元。

- (iii) 本公司與中國中紡集團有限公司(「中紡」)於2018年11月22日及2021年12月16日分別就本集團向中紡集團(即中紡及其附屬公司)採購胚紗、棉花、其他生產布料相關的原材料、成衣以及用於向本集團僱員提供膳食之糧油食品訂立物資採購框架協議(「2021年物資採購框架協議」)及續物資採購框架協議(「2024年物資採購框架協議」)。中紡為本公司之控股股東，因此，根據上市規則，中紡為本公司之關連人士。相應地，根據上市規則，中紡集團之成員公司為中紡之聯繫人士，因而為本公司之關連人士。根據上市規則第14A章，2021年物資採購框架協議及2024年物資採購框架協議項下擬進行之交易構成本公司之持續關連交易。

2021年物資採購框架協議之年期由2019年1月1日至2021年12月31日止(包括首尾兩天)，而2024年物資採購框架協議之年期由2022年1月1日至2024年12月31日止(包括首尾兩天)。

誠如本公司日期為2018年11月22日之公告所載，2021年物資採購框架協議於截至2021年12月31日止三個財政年度的年度上限金額分別為63,000,000港元、63,000,000港元及63,000,000港元。

該等關連交易並無超過本公司日期為2018年11月22日之公告所載截至2021年12月31日止年度之年度上限63,000,000港元。

誠如本公司日期為2021年12月16日之公告所載，2024年物資採購框架協議於截至2024年12月31日止三個財政年度的年度上限金額分別為63,000,000港元、63,000,000港元及63,000,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
綜合財務報表附註(續)

31 DECEMBER 2021 2021年12月31日

43. RELATED AND CONNECTED PARTIES DISCLOSURES
(continued)

(c) Connected party transactions (continued)

Notes: (continued)

- (iv) The Company and Huafu Holding Co., Ltd. (“Huafu Holding”) and its subsidiaries (“Huafu Group”) entered into a purchase framework agreement (the “2022 Purchase Framework Agreement”) on 29 November 2019. Pursuant to the 2022 Purchase Framework Agreement, Huafu Holding agreed to, or procure its subsidiaries to, supply cotton yarn, cotton blended yarn, top dyed melange yarn and other yarn products that may be needed for the Group. The cotton yarn, cotton blended yarn, top dyed melange yarn and other yarn products that may be needed to be purchased by the Group will be used for the manufacture of textile products of the Group.

As Hong Kong Tin Shing Trading Limited (“Tin Shing”), a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of Huafu Holding, completed the acquisition of 16.33% of the total number of issued Shares of the Company on 1 November 2019, Tin Shing has become a substantial Shareholder and a connected person of the Company under the Listing Rules. Huafu Holding, as the holding company of Tin Shing, is an associate of Tin Shing and, therefore, is a connected person of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the 2022 Purchase Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The 2022 Purchase Framework Agreement is for a term commencing from 1 January 2020 to 31 December 2022 (both days inclusive).

The annual cap amount for the three financial years ending 31 December 2022 for the 2022 Purchase Framework Agreement are HK\$600,000,000, HK\$600,000,000 and HK\$600,000,000 respectively as set out in the announcement of the Company dated 29 November 2019.

The extent of these connected transactions did not exceed the annual cap of HK\$600,000,000 for the year ended 31 December 2021 as set out in the announcement of the Company dated 29 November 2019.

43. 關聯及關連人士的披露 (續)

(c) 關連人士交易 (續)

附註：(續)

- (iv) 本公司於2019年11月29日與華孚控股有限公司(「華孚控股」)及其附屬公司(「華孚集團」)訂立採購框架協議(「2022年採購框架協議」)。根據2022年採購框架協議，華孚控股同意(或促使其附屬公司)供應棉紗、棉混紡紗、色紡紗及本集團可能需要的其他紗線產品。本集團可能需要採購之棉紗、棉混紡紗、色紡紗及其他紗線產品將用於製造本集團之紡織品。

由於香港天成貿易有限公司(「天成」，一間於香港註冊成立之有限公司，並為華孚控股之全資附屬公司)於2019年11月1日完成收購本公司已發行股份總數之16.33%，根據上市規則，天成已成為本公司之主要股東及關連人士。華孚控股(作為天成之控股公司)為天成之聯繫人士，因此，根據上市規則第14A章，華孚控股為本公司之關連人士。

2022年採購框架協議項下擬進行之交易構成本公司於上市規則第14A章項下之持續關連交易。

2022年採購框架協議之年期由2020年1月1日至2022年12月31日止(包括首尾兩天)。

誠如本公司日期為2019年11月29日之公告所載，2022年採購框架協議於截至2022年12月31日止三個財政年度之年度上限金額分別為600,000,000港元、600,000,000港元及600,000,000港元。

該等關連交易並無超過本公司日期為2019年11月29日之公告所載截至2021年12月31日止年度之年度上限600,000,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**綜合財務報表附註 (續)**

31 DECEMBER 2021 2021年12月31日

43. RELATED AND CONNECTED PARTIES DISCLOSURES
(continued)**(d) Compensation of key management personnel**

The remuneration of directors and other members of key management during the year was as follows:

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Fees	袍金	951	850
Short-term benefits	短期福利	6,322	5,688
Post-employment benefits	離職後福利	186	183
Discretionary bonuses	酌情獎金	2,833	1,525
		10,292	8,246

The remunerations of directors and key management are decided by the Board and reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

(e) Transactions with other state-owned entities in the PRC

The Group operates in an economic environment currently predominated by enterprises directly or indirectly owned, jointly controlled or significantly influenced by the PRC government (collectively the "state-owned entities"). The Company's directors consider that state-owned entities are independent third parties so far as the Group's business transactions with them are concerned.

During the year, the Group had transactions with other state-owned entities including, but not limited to, the sales of finished goods, purchases of raw materials/utilities and transactions with state-owned banks.

The sales of finished goods and purchase of raw materials/utilities to these state-owned entities are individually not significant. In addition, the Group's bank balances (including short-term bank deposits and restricted bank deposits) and bank borrowings of HK\$456,021,000 and HK\$83,770,000 (31 December 2020: HK\$591,894,000 and HK\$128,379,000) respectively are placed/arranged with state-owned banks as at 31 December 2021.

43. 關聯及關連人士的披露 (續)**(d) 主要管理人員的薪酬**

本年度董事及其他主要管理人員的薪酬如下：

		2021 HK\$'000 千港元	2020 HK\$'000 千港元
Fees	袍金	951	850
Short-term benefits	短期福利	6,322	5,688
Post-employment benefits	離職後福利	186	183
Discretionary bonuses	酌情獎金	2,833	1,525
		10,292	8,246

董事及主要管理人員之酬金由董事會參照本公司之營運業績、個別表現及可比較市場統計數字而釐定，並由薪酬委員會審閱。

(e) 與其他中國國有實體進行的交易

本集團經營所在的經濟環境現時主要由中國政府直接或間接擁有、共同控制或可對其行使重大影響力的實體（統稱「國有實體」）主導。本公司董事認為，至今曾與本集團進行商業交易的國有實體均為獨立第三方。

於年內，本集團曾與其他國有實體進行交易，包括但不限於銷售製成品、購買原料／水電，以及與國有銀行間的交易。

向該等國有實體銷售製成品及購買原料／水電的個別交易並非重大。此外，於2021年12月31日，本集團的銀行結餘（包括短期銀行存款及受限制銀行存款）及銀行借貸中分別有456,021,000港元及83,770,000港元（2020年12月31日：591,894,000港元及128,379,000港元）為存放於國有銀行／由國有銀行安排。

SHAREHOLDER INFORMATION

股東資料

Listing : Listed on the Main Board of
The Stock Exchange of Hong Kong Limited
since 20 April 1988

Stock Code : 420

Board Lot : 2,000 shares

Shares Issued : 1,225,026,960
(as at 31 December 2021)

上市 : 自1988年4月20日起
於香港聯合交易所有限公司
主板上市

股份代號 : 420

買賣單位 : 2,000股

已發行股份 : 1,225,026,960
(截至2021年12月31日)

Financial Calendar

Financial year end	31 December 2021
2021 interim results announced	26 August 2021
2021 annual results announced	18 March 2022
Register of members closed for determining the right to attend and vote at Annual General Meeting	3 – 6 May 2022
Annual General Meeting	6 May 2022
Register of members closed for determining the entitlement to the proposed final dividend	17 – 19 May 2022
Distribution of final dividend	31 May 2022
2022 interim results to be announced	Late August 2022

財務日誌

財政年度結算	2021年12月31日
2021中期業績公佈	2021年8月26日
2021年度業績公佈	2022年3月18日
股份暫停登記以釐定 出席股東週年大會及 於會上投票資格	2022年5月3日至6日
股東週年大會	2022年5月6日
股份暫停登記以釐定 享有擬派末期股息 資格	2022年5月17日至19日
末期股息派發	2022年5月31日
2022中期業績公佈	2022年8月下旬

Shareholder Services

For enquiries about share transfer and registration,
change of correspondence address, etc.,
please contact the Company's share registrar:

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