

KaShui 1980

Ka Shui International Holdings Limited
嘉瑞國際控股有限公司

Incorporated in the Cayman Islands with Limited Liability
於開曼群島註冊成立的有限公司

Stock Code 股份代號：822

Technovation
Drives the
Smart Future
科技創新 智訊未來

2021 年報
ANNUAL REPORT

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DIRECTORS

Executive Directors

- Mr. Lee Yuen Fat (*Chairman*)
(stepped down as Chief Executive Officer with effect from 1 February 2021)
- Mr. Wong Wing Chuen (*Vice Chairman*)
- Mr. Chu Weiman (*Chief Executive Officer*)
(appointed as executive Director with effect from 1 September 2021)
- Ms. Chan So Wah

Independent Non-Executive Directors

- Professor Sun Kai Lit, Cliff BBS, JP
- Ir Dr. Lo Wai Kwok GBS, MH, JP
- Mr. Andrew Look
- Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)

Chief Executive Officer

- Mr. Lee Yuen Fat
(stepped down as Chief Executive Officer with effect from 1 February 2021)
- Mr. Chu Weiman
(appointed with effect from 1 February 2021)

AUTHORISED REPRESENTATIVES

- Mr. Chu Weiman
(appointed with effect from 1 September 2021)
- Ms. Yam Suk Yee, Celia

COMPANY SECRETARY

- Ms. Yam Suk Yee, Celia

AUDIT COMMITTEE

- Mr. Kong Kai Chuen, Frankie (*Chairman*)
(formerly known as Kong To Yeung, Frankie)
- Professor Sun Kai Lit, Cliff BBS, JP
- Ir Dr. Lo Wai Kwok GBS, MH, JP
- Mr. Andrew Look

NOMINATION COMMITTEE

- Professor Sun Kai Lit, Cliff BBS, JP (*Chairman*)
- Ir Dr. Lo Wai Kwok GBS, MH, JP
- Mr. Andrew Look
- Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)
- Mr. Chu Weiman
(appointed with effect from 1 September 2021)

董事

執行董事

- 李遠發先生 (*主席*)
(退任行政總裁於二零二一年二月一日起生效)
- 黃永銓先生 (*副主席*)
- 初維民先生 (*行政總裁*)
(於二零二一年九月一日獲委任為執行董事)
- 陳素華女士

獨立非執行董事

- 孫啟烈教授 BBS, JP
- 盧偉國博士工程師 · GBS, MH, JP
- 陸東先生
- 江啟銓先生
(前稱江道揚)

行政總裁

- 李遠發先生
(退任行政總裁於二零二一年二月一日起生效)
- 初維民先生
(於二零二一年二月一日獲委任)

授權代表

- 初維民先生
(於二零二一年九月一日獲委任)
- 任淑儀小姐

公司秘書

- 任淑儀小姐

審核委員會

- 江啟銓先生 (*主席*)
(前稱江道揚)
- 孫啟烈教授 BBS, JP
- 盧偉國博士工程師 · GBS, MH, JP
- 陸東先生

提名委員會

- 孫啟烈教授 BBS, JP (*主席*)
- 盧偉國博士工程師 · GBS, MH, JP
- 陸東先生
- 江啟銓先生
(前稱江道揚)
- 初維民先生
(於二零二一年九月一日獲委任)

REMUNERATION COMMITTEE

Professor Sun Kai Lit, Cliff BBS, JP (*Chairman*)
Ir Dr. Lo Wai Kwok GBS, MH, JP
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)
Mr. Chu Weiman
(appointed with effect from 1 September 2021)

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

AUDITOR

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited

WEBSITE

www.kashui.com

薪酬委員會

孫啟烈教授 BBS, JP (主席)
盧偉國 博士 工程師 · GBS, MH, JP
陸東先生
江啟銓先生
(前稱江道揚)
初維民先生
(於二零二一年九月一日獲委任)

註冊辦事處

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

香港主要營業地點

香港九龍
九龍灣宏光道一號
億京中心B座29樓A室

主要股份過戶登記處

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港皇后大道東183號
合和中心17M樓

核數師

羅申美會計師事務所
執業會計師
註冊公眾利益實體核數師

主要往來銀行

香港上海滙豐銀行有限公司
渣打銀行(香港)有限公司
中國銀行(香港)有限公司

網址

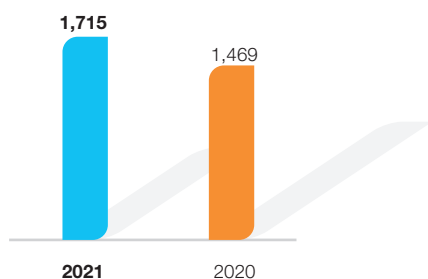
www.kashui.com

FINANCIAL HIGHLIGHTS

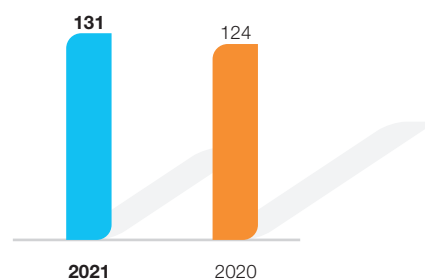
財務概要

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| RESULTS | | | |
| Revenue | 業績 | | |
| Profit attributable to owners of the Company | 收入 | 1,714,549 | 1,469,237 |
| EBITDA | 本公司權益持有人應佔溢利 | 131,139 | 123,991 |
| | 未計利息、稅項、折舊及攤銷前盈利 | 248,716 | 252,302 |
| PER SHARE DATA | | | |
| Basic earnings per share (HK cent(s)) | 每股資料 | | |
| Total dividends per share (HK cent(s)) | 每股基本盈利(港仙) | 14.67 | 13.87 |
| — Interim dividend paid per share (HK cent(s)) | 每股總股息(港仙) | 4.0 | 4.0 |
| — Proposed final dividend per share (HK cent(s)) | — 已付每股中期股息(港仙) | 1.0 | 1.0 |
| | — 建議每股末期股息(港仙) | 3.0 | 3.0 |
| Dividend payout ratio | 派息比率 | 27.3% | 28.8% |

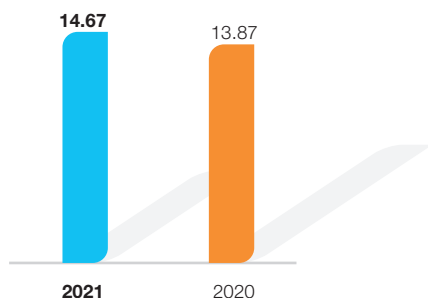
Revenue (HK\$ million)
收入(百萬港元)



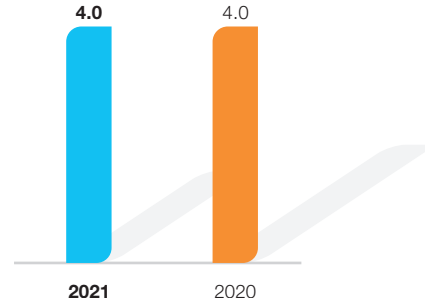
Profit attributable to owners of the Company (HK\$ million)
本公司權益持有人應佔溢利(百萬港元)



Basic earnings per share (HK cent(s))
每股基本盈利(港仙)



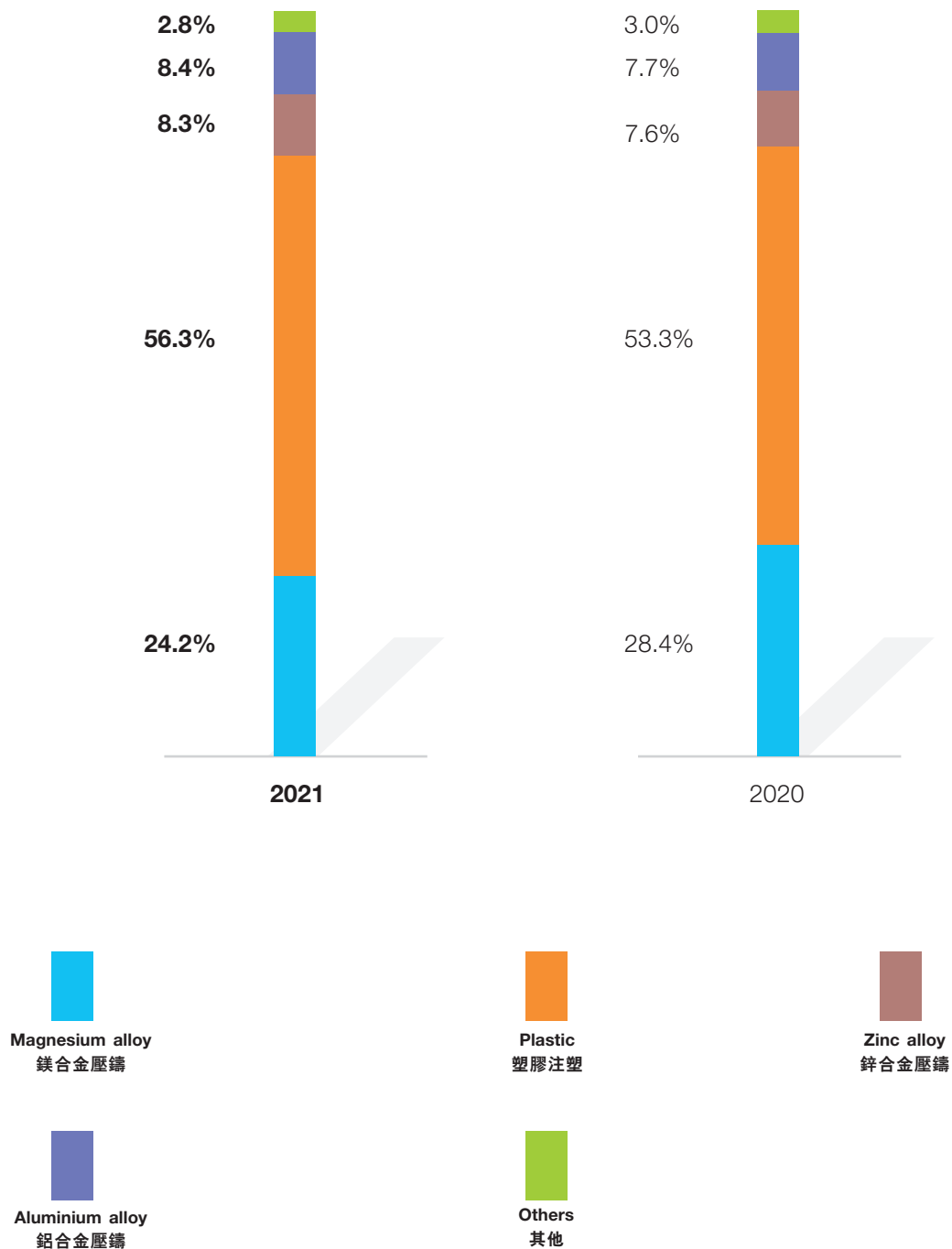
Total dividends per share (HK cent(s))
每股總股息(港仙)



FINANCIAL HIGHLIGHTS (CONTINUED)

財務概要(續)

Revenue percentage by business segments
按業務分部的收入百分率



KEY INFORMATION FOR SHAREHOLDERS

股東主要資料

FINANCIAL CALENDAR

Announcement of 2021 Unaudited Annual Results
31 March 2022

Announcement of 2021 Audited Annual Results
19 April 2022

Annual General Meeting
31 May 2022

Ex-dividend Date for 2021 Final Dividend
6 June 2022

2021 Final Dividend Payment Date
20 June 2022

STOCK CODE

822

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

Ms. Yam Suk Yee, Celia
Company Secretary
Ka Shui International Holdings Limited
Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong
Tel: (852) 3759 8900
Fax: (852) 2412 1743
Email: celia.yam@kashui.com

財務日誌

二零二一年未經審核全年業績公佈
二零二二年三月三十一日

二零二一年經審核全年業績公佈
二零二二年四月十九日

股東週年大會
二零二二年五月三十一日

二零二一年末期股息除淨日期
二零二二年六月六日

二零二一年末期股息派發日期
二零二二年六月二十日

股份代號

822

每手股數

2,000股

投資者關係

任淑儀小姐
公司秘書
嘉瑞國際控股有限公司
香港九龍
九龍灣宏光道一號
億京中心B座29樓A室
電話：(852) 3759 8900
傳真：(852) 2412 1743
電郵：celia.yam@kashui.com

CHAIRMAN'S STATEMENT

主席報告



Chairman **Lee Yuen Fat**
主席 **李遠發**

Dear Shareholders,

On behalf of the Board of Directors of Ka Shui International Holdings Limited (the “Company” or “Ka Shui”), I am pleased to present you the audited annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2021 (the “Year”).

In 2021, global economy started to regain growth momentum, thanks to the increase of vaccination rate and the gradual easing in travel restrictions. China, one of the largest economies, showed strong resilience and growth momentum as reflected in its strong GDP growth of 8.1% for 2021. Benefitted from China’s effective pandemic control, Ka Shui’s business of material and technological solutions for diversified industries remained stable and our revenue maintained growth during the Year. Ka Shui will continue to enhance its innovation in new material and production technologies, and diversify its business and clientele, in order to drive a sustainable development.

致各位股東：

本人謹代表嘉瑞國際控股有限公司（「本公司」或「嘉瑞」）董事會，欣然向閣下提呈本公司及其附屬公司（統稱為「本集團」）截至二零二一年十二月三十一日止年度（「本年度」）之經審核全年業績。

二零二一年，由於疫苗接種率的提高和旅遊限制的逐步放寬，全球經濟開始恢復增長勢頭。中國是最大的經濟體系之一，二零二一年GDP增長為8.1%，表現出強勁的韌性和增長力。受惠於中國有效的疫情控制，嘉瑞向多元化行業提供的材料及技術解決方案業務保持穩定，收入於年內保持增長。嘉瑞將繼續提升其新材料及生產技術的創新，並實行業務和客戶多元化，以推動可持續發展。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

During the Year, Ka Shui recorded a 16.7% year-on-year increase in revenue to HK\$1,714,549,000 (2020: HK\$1,469,237,000). Profit attributable to owners of the Company also grew by 5.8% year-on-year to HK\$131,139,000 (2020: HK\$123,991,000).

The Board of Directors recommended the payment of a final dividend of HK3.0 cents (2020: HK3.0 cents) per share for the Year after due consideration of the Group's future business development as well as our financials. Taking into account the interim dividend of HK1.0 cent (2020: HK1.0 cent) per share, the dividend payout ratio for the Year would be approximately 27.3% (2020: 28.8%).

For over forty years, Ka Shui has been well recognized by the industry for its expertise in providing diversified material solutions including metal alloy die casting and plastic injection moulding. Ka Shui's capability has continued to broaden its business and product range from communication devices and accessories, personal care, automotive parts to smart home products and new energy vehicle power systems. In particular, our expertise in light alloy and the application of innovative technologies have helped Ka Shui to secure businesses with major brand names in the personal computer and automobile industries. Its high precision plastic injection solutions have also strengthened Ka Shui's collaborations with customers in mobile devices accessories and personal care sectors. Along with the fast development of new energy vehicles, Ka Shui is ready to provide light weight solutions with magnesium alloy and aluminium alloy parts for various well-known vehicle brands in China. With the technical support of its alloy lightweight research and development team and its 4000T and 5000T large-scale die casting machines, Ka Shui is actively tapping into new energy commercial vehicle market and capturing the business opportunities in China driven by the replacement of traditional heavy trucks with new energy heavy trucks, contributing to the nation's goals of the carbon dioxide emission peak by 2030 and carbon neutrality by 2060.

年內，嘉瑞的收入錄得按年增加16.7%至1,714,549,000港元(二零二零年：1,469,237,000港元)。本公司權益持有人應佔溢利按年也上升5.8%至港元131,139,000(二零二零年：123,991,000港元)。

經適當考慮本集團未來業務發展及財務狀況後，董事會建議派發本年度末期股息每股港幣3.0仙(二零二零年：港幣3.0仙)。連同中期股息每股港幣1.0仙(二零二零年：港幣1.0仙)，本年度的派息率約為27.3%(二零二零年：28.8%)。

四十多年來，嘉瑞於提供包括合金壓鑄和塑膠注塑成型在內的多元化材料方案方面的專業知識得到業界的廣泛認可。嘉瑞憑藉其能力不斷擴大業務及產品範圍，從通訊設備及配件、個人護理、汽車零部件到智能家居產品及新能源汽車動力系統。尤其是我們在輕合金方面的專長和創新技術的應用，致使嘉瑞在個人電腦和汽車行業獲得了主要品牌的業務；其高精密注塑解決方案也加強嘉瑞與移動設備配件和個人護理領域客戶的合作。隨著新能源汽車的快速發展，嘉瑞已準備為國內各大知名汽車品牌提供鎂合金及鋁合金零部件輕量化方案。嘉瑞擁有合金輕量化研發團隊和4000T及5000T大型壓鑄機的技術，正積極探索新能源商用車市場，以捕捉中國傳統重卡車對新能源重卡車的替代需求，為國家在二零三零年前達到二氧化碳排放峰值和二零六零年前實現碳中和的目標做出貢獻。

During the Year, the Group was accredited with “The Best Quality Improvement Award 2020” by Laird Technologies (Shenzhen) Ltd. (“Laird”), one of our auto parts customers. Along with our competitive strength on providing responsive service and support, we have been providing Laird with high-quality automotive radar shielding covers, which are being used by renowned international automobile brands such as General Motors, Volkswagen and Hyundai. This honor was attributed to our prompt responses towards customer's needs and commitment to provide excellent service and high-quality products to our customers. Meanwhile, Ka Shui's effort in promoting smart manufacturing and production was also recognized by our customers as the Group was awarded the “The Smart Manufacturing System Award” by Lenovo. The real-time end-to-end production management system implemented in Ka Shui's production sites allows traceability of the production of every single product or any batch of products and highly enhances production data authentication, reduces manual error, and improves the overall quality and production efficiency. With the implementation of Industry 4.0 through the Industrial Internet of Things (“IIoT”) and real-time data on our manufacturing execution system (“MES”) in different departments, the Group will continue to work on smart production to meet the higher and higher expectations of product quality from customers.

年內，本集團榮獲其中一個汽車零部件客戶萊爾德科技(深圳)有限公司(「萊爾德」)頒發「二零二零年度最佳質量改進獎」。憑著提供及時的服務和支援的競爭優勢，我們一直為萊爾德提供高品質的汽車雷達屏蔽罩，為通用、大眾、現代等國際知名汽車品牌所採用。此榮譽歸功於我們對客戶需求的及時回應以及為客戶提供優質服務和高品質產品的承諾。與此同時，嘉瑞榮獲聯想頒發「智能製造系統獎」，證明我們在推動智能製造和生產方面的努力得到客戶的認同。嘉瑞的生產基地實施實時端到端生產管理系統，使每一個產品或任何一批產品的生產都可以追溯，同時也大大增強生產數據的驗證，減少人為錯誤，及提高整體質量和生產效率。隨著通過工業物聯網(「IIoT」)實施工業4.0和在不同部門實行製造執行系統(「MES」)實時數據，本集團將繼續致力於智能生產，以滿足客戶對產品質量不斷提升的期望。



CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

The increasing uptake of energy conservation and green manufacturing is leading to new waves in the industrial sector. Ka Shui believes that lighter weight, higher strength and higher heat dissipation characteristics will continue to be the key focuses of material innovation for energy saving in our daily lives. More resources will be invested in our research and development in new material technology to keep abreast of customer needs and stay ahead of our competition. We will also continue to expand our production applications and diversify our business models to cater for the specific needs of different industries. At the same time, green and sustainable manufacturing has become more important for Ka Shui to minimise its environmental impact, conserve in its use of energy and natural resources, and enhancing safety for our employees community and products. Ka Shui will continue to establish renewable production processes and environmentally friendly practices in our business, in order to achieve more sustainable business growth and a better world.

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere gratitude to all shareholders, business partners, and customers for their continuous support to Ka Shui. My sincere thanks also go to my fellow directors and all staffs for their selfless contributions and relentless efforts during these challenging times. Ka Shui will continue to deliver our promises and our innovation will never stop. Ka Shui will leverage on our industry edges to capture the opportunities brought about by the market recovery and create sustainable values for shareholders.

Lee Yuen Fat
Chairman of the Group

Hong Kong, 19 April 2022

節能和綠色製造的日益普及正在引發工業領域的新浪潮。嘉瑞認為輕量化、高強度、高散熱特點、繼續是我們日常生活中節能材料創新的重點。我們將在新材料技術的研發上投入更多資源，以緊貼客戶需求及在競爭中保持領先地位。我們也將持續擴大生產應用及多元化業務模式，以迎合不同行業的特定需求。與此同時，綠色和可持續製造對嘉瑞來說變得更加重要，把對環境的負面影響減至最低，同時能夠節約能源和天然資源，並增強了員工、社區和產品的安全性。嘉瑞將繼續在我們的業務中建立可再生生產流程和實踐環保，以達致可持續的業務增長和更美好的世界。

我謹代表董事會藉此機會向一直以來支持嘉瑞的所有股東、業務夥伴及客戶表示衷心的感謝。我也衷心感謝各位董事和全體員工在這充滿挑戰的時刻所做出的無私貢獻和不懈努力。嘉瑞將繼續兌現我們的承諾，而我們的創新永無止境。嘉瑞將發揮行業優勢，把握市場復甦帶來的機遇，為股東創造可持續價值。

李遠發
集團主席

香港，二零二二年四月十九日

(A) FINANCIAL REVIEW

Despite the challenges and uncertainties brought by the continuing COVID-19 pandemic in 2021, the Group's overall revenue for the year ended 31 December 2021 (the "Year") recorded a year-on-year increase of approximately 16.7% to HK\$1,714,549,000 (2020: HK\$1,469,237,000) mainly due to the satisfactory growth in the sales performance of plastic, zinc alloy and aluminium alloy business. As a result, the consolidated profit attributable to owners of the Company increased to approximately HK\$131,139,000 (2020: HK\$123,991,000), representing a 5.8% growth when compared with that of last year. The Group's gross profit for the Year also increased by approximately 9.3% to HK\$489,064,000 (2020: HK\$447,303,000) and gross profit margin was approximately 28.5% (2020: 30.4%).

The Group's EBITDA, computed as profit before tax, depreciation, amortisation and finance costs, amounted to approximately HK\$248,716,000 (2020: HK\$252,302,000).

(A) 財務回顧

儘管二零二一年新型冠狀病毒疫情的持續帶來挑戰和不確定性，本集團截至二零二一年十二月三十一日止年度（「本年度」）的整體收入較去年錄得約16.7%之增長至1,714,549,000港元（二零二零年：1,469,237,000港元），主要是由於塑膠、鋅合金及鋁合金業務的銷售業績有令人滿意的增長所致。因此，本公司權益持有人應佔綜合溢利上升至約131,139,000港元（二零二零年：123,991,000港元），較去年增長5.8%。本集團年內毛利也增加約9.3%至489,064,000港元（二零二零年：447,303,000港元），毛利率約為28.5%（二零二零年：30.4%）。

本集團的未計利息、稅項、折舊及攤銷前盈利（以稅項、折舊、攤銷和融資成本前盈利計算）約為248,716,000港元（二零二零年：252,302,000港元）。

(B) BUSINESS REVIEW

Plastic business

As a result of continuing COVID-19 pandemic in the Year, the market demand for mobile devices and its accessories increased, which was driven by increasing popularity of remote working and learning in various countries. In this relation, the revenue of plastic business segment had grown by approximately 23.1% to HK\$964,538,000 (2020: HK\$783,500,000), which accounted for approximately 56.3% (2020: 53.3%) of the Group's overall revenue. In order to maintain the growth in this business segment, the Group will continue to broaden the product offerings and solutions as well as optimize different applications of plastic material.

Magnesium alloy business

During the year under review, the revenue of the magnesium alloy business remained relatively steady at HK\$415,207,000 (2020: HK\$417,495,000), accounting for approximately 24.2% of the Group's overall revenue (2020: 28.4%). The Group is actively exploring the application of magnesium alloy in new energy vehicles with a view to realizing the growth potential for this segment in the forthcoming future.

Aluminium alloy business

The revenue of the aluminium alloy business for the Year increased by approximately 28.0% to HK\$144,417,000 (2020: HK\$112,859,000) when compared with that of the previous year. The increase is primarily attributable to the significant increase of sale of home improvement products made of aluminium alloy in the Year, with demand driven by longer hours spent by people at home during COVID-19 pandemic. The segment's contribution to the Group's overall revenue had also grown from approximately 7.7% in 2020 to approximately 8.4% in 2021.

(B) 業務回顧

塑膠業務

由於本年度新型冠狀病毒疫情持續，遠程工作和學習在各個國家已經十分流行，導致市場對移動設備及其配件的需求增加。因此，塑膠業務分部的收入增長約23.1%至964,538,000港元(2020年：783,500,000港元)，佔本集團整體收入約56.3%(二零二零年：53.3%)。為了在此業務分部中保持增長，本集團繼續擴展產品種類及解決方案和優化塑膠材料不同的應用。

鎂合金業務

於回顧年度內，鎂合金業務大致保持平穩，收入為415,207,000港元(二零二零年：417,495,000港元)，佔集團整體收入約24.2%(二零二零年：28.4%)。本集團正積極探索鎂合金在新能源汽車中的應用，以實現此業務未來的增長潛力。

鋁合金業務

本年度鋁合金業務的收入較去年增加約28.0%至144,417,000港元(二零二零年：112,859,000港元)，主要是由於本年度新型冠狀病毒疫情，民眾逗留在家的時間較長，導致鋁合金改善家居產品的銷售錄得顯著增長所致。該分部對本集團整體收入的貢獻也從二零二零年的約7.7%上升至二零二一年的約8.4%。

Zinc alloy business

Due to increase in the sales of household products, the revenue of the zinc alloy business for the year ended 31 December 2021 was approximately HK\$142,537,000 (2020: HK\$111,498,000), representing an increase of approximately 27.8% when compared with that of 2020. This business segment accounted for approximately 8.3% of the Group's overall revenue (2020: 7.6%). It is expected that this segment will continue to act as a relatively stable revenue contributor for the Group in the coming year.

Others

The revenue of other businesses (trading of lighting products, production of smart home products, provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicle power systems) increased by approximately 9.0% to HK\$47,850,000 (2020: HK\$43,885,000) when compared with that of the previous year.

(C) PROSPECTS

Heading into 2022, the evolving situation of COVID-19 variants continues in different parts of the world and the outbreak of Russia-Ukraine war have both put pressure on the recovery of the global economy. In face of a business environment that is full of challenges and rapid changes, Ka Shui will stay vigilant in the market and stay financially healthy, while at the same time will leverage on its expertise, innovations in new material and technology solutions and its extensive business network to expand its presence throughout the value chain and explore opportunities to diversify its product applications.

鋅合金業務

由於家居產品的銷售上升，截至二零二一年十二月三十一日止年度的鋅合金業務收入約為142,537,000港元(二零二零年：111,498,000港元)，與二零二零年相比增加約27.8%。該業務分部約佔本集團整體收入的8.3%(二零二零年：7.6%)。預計來年鋅合金業務將繼續為本集團帶來相對穩定的收入來源。

其他

與去年相比，其他業務(照明產品貿易、智能家居產品製造、提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統)收入增加約9.0%至47,850,000港元(二零二零年：43,885,000港元)。

(C) 展望

踏入二零二二年，新型冠狀變種病毒在世界不同地區繼續肆虐，俄羅斯和烏克蘭爆發戰爭，兩者都對全球經濟的復甦造成了壓力。面對充滿挑戰和瞬息萬變的營商環境，嘉瑞將維持對市場的警惕及保持財務健全，同時利用其在新材料及技術解決方案方面的專業知識和創新，以廣泛的業務網絡擴展其價值鏈，並探索使其產品應用多樣化的機會。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The National People's Congress and the Chinese People's Political Consultative Conference held in early March 2022 have reaffirmed PRC's commitment to reaching a peak in carbon dioxide emissions by 2030 and achieving carbon neutralization by 2060. In general, transport is responsible for around a quarter of carbon emissions from fuel combustion, with road vehicles being the largest emitters. Therefore, lightweight technology has become particularly important in the development of both traditional and new energy vehicles for them to be more energy-efficient and environmentally friendly. The application of the Group's magnesium alloy materials to traditional vehicles would reduce carbon emissions whilst such application to new energy vehicles would help achieve lighter weights and longer travel distances. According to the China Association of Automobile Manufacturers, China's new energy vehicle sales reached 3.52 million units in 2021, representing a year-on-year increase by 1.6 times, and domestic new energy vehicle sales are expected to reach 5 million units in 2022. Considering the rapid growth of new energy vehicles and the increasing importance of lightweight parts for vehicles, the Group will continue to develop a wider range of modified alloy material solutions such as lightweight magnesium alloys and aluminium alloys, including high-strength, high-toughness and high-flow magnesium alloys and aluminium alloys for automotive dashboards, body structural parts, chassis parts and components of the three electrical systems (battery, electric machine and electrically control) to cater for market trends and the needs from vehicle manufacturers. With its large-scale die casting machines with different tonnage levels, the Group will continue to work with automobile brands to conduct product development for large scale magnesium and aluminium alloy components. Besides, the Group has also offered integrated moulding solutions for auto parts to customers to enhance one-stop services and to save cost and production time of customers. In addition, the Group has also begun to actively explore the application of lightweight magnesium and aluminium alloy in the construction industry to achieve weight reduction of cement formwork.

二零二二年三月上旬召開的全國人民代表大會和中國人民政治協商會議上重申，中國承諾到二零三零年二氧化碳排放量達到頂峰，到二零六零年實現碳中和。總體而言，交通運輸佔總碳排放量約四分之一，源頭是燃料燃燒產生的排放物，其中道路車輛是最大的排放者。因此，輕量化技術在傳統和新能源汽車更加節能環保的發展中顯得尤為重要。本集團的鎂合金材料應用於傳統汽車將可減少碳排放，而應用於新能源汽車將有助於實現輕量化和更長的行駛路程。據中國汽車工業協會的數據，二零二一年中國新能源汽車銷量達到352萬輛，同比增長1.6倍，預計二零二二年國內新能源汽車銷量將達到500萬輛。鑑於新能源汽車的快速增長以及輕量化零部件對汽車的重要性日益提高，本集團將繼續開發更廣泛的改性合金材料解決方案如鎂合金及鋁合金之輕量化，包括用於汽車儀表板、車身結構件、底盤零部件及三電系統(電池、電機、電控)的高強度、高韌性和高流動性鎂合金及鋁合金，以迎合市場趨勢和汽車生產商需求。憑藉不同噸位的大型壓鑄機，本集團將繼續與汽車品牌客戶一起進行大型鎂及鋁合金零部件的產品開發。另外，本集團也為客戶提供汽車零部件一體化成型解決方案，為客戶提昇一站式服務，以節省成本和生產時間。除此之外，本集團也開始積極探討輕量化鎂及鋁合金在建築行業的應用，以實現水泥模板輕量化。

Ka Shui has always been committed to offering high-quality products for customers in different industries by extending its new material applications. Our self-developed high thermal conductivity magnesium alloy, which was developed through modification of the existing material and was initially designed for more efficient heat dissipation of notebook computer casings, has extended to its application to 5G base stations, auto parts in contemporary electric cars and smart vehicles, different smart devices and now large outdoor LED screens because of its high heat dissipation characteristic. With the rapid increase of application of 5G networks in commercial and industrial sectors, the Group, with its production capability of large-scale components for 5G base stations, will grasp this emerging business opportunity to capture a larger market share. In addition, the Group's biocide-free germ repellent plastic, which is developed based on an advanced material technology without using biocides, has been applied to personal hygiene, baby products and kitchenware, the products of which have been well received by the market since the outbreak of COVID-19 pandemic in early 2020. In view of the customers' demand and the changing consumption pattern to online shopping under the pandemic, the Group has set up an online sales platform specifically for our germ repellent plastic products in both Hong Kong and PRC, to promote our own product brand and increase the relevant sales revenue and quantity. The Group will further develop the different applications of germ repellent plastic such as food packaging, medical and healthcare fields with a view to broadening its product offerings.

嘉瑞一直致力於透過擴展新材料應用，為不同行業的客戶提供高品質的產品。我們自主研發的高導熱鎂合金是通過對現有材料改進而開發及最初為筆記本電腦外殼的更有效散熱而設計，由於其高效散熱的特性，此材料的應用已擴展到5G基站、當代電動汽車和智能汽車零部件、不同的智能設備以及現在的大型戶外LED屏幕。隨著5G網絡在商業和工業方面的應用急速增加，本集團憑藉其能夠為5G基站生產大型組件的能力，將把握此新興商機以搶佔更大的市場份額。此外，本集團不含生物殺滅劑的斥菌塑膠材料是一種基於不使用殺菌劑開發的先進材料技術，已應用於個人衛生、嬰兒用品和廚具上。此等產品自二零二零年初新型冠狀病毒疫情爆發以來深受市場歡迎。鑑於消費者需求及疫情下消費模式轉變為網購，本集團已在香港及中國為我們的斥菌塑膠產品設立網上銷售平台，以推廣自家產品品牌，並增加相關銷售收入及數量。本集團將進一步開發斥菌塑料的不同應用如食品包裝、醫療及健康護理等領域，以擴展產品種類。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Apart from innovation in new materials, the Group has also devoted efforts on technology innovation. The Group's patented Micro Arc Oxidation ("MAO") technology has also achieved its success in pilot production of magnesium alloy components for auto parts and notebook casings. This eco-friendly surface treatment technology has proven to be exceptionally corrosion resistant and has gained wide recognition from the market. Further applications of MAO to other materials will be tested and launched in the near future. Besides, in view of the significant time and cost savings that can be achieved on product development using 3D printing technology, the Group has already applied this technology to the development of auto and aviation components. The Group will continue to further explore other applications of this technology in various fields.

In terms of internal optimization, Ka Shui will further invest in its Industry 4.0 smart manufacturing systems, to enhance its efficiency in streamlining production process, minimizing waste and achieving data management, as well as facilitating real-time management decisions, which would further add value to the Group, its customer and shareholders.

Despite the challenging business environment, the Group will continue to pursue a prudent approach to explore various investment opportunities and new business lines that are in-line with our business model, bringing in synergy to the Group's operation and sustaining long-term business growth.

除新材料創新外，本集團亦著力於技術創新。本集團的專利微弧氧化（「MAO」）技術在汽車零部件和筆記本電腦外殼鎂合金部件的試產中取得了成功。此環保的表面處理技術已證實具有超強的耐腐蝕性，並獲得市場的廣泛認可。MAO在其他材料上的進一步應用將在不久的將來進行測試和推出。此外，由於在產品開發過程中使用3D打印技術能顯著減少所需的時間和成本，本集團已應用此技術於汽車和航空零部件的開發。本集團將繼續進一步探索此技術在不同領域的其他應用。

內部優化方面，嘉瑞將持續投資工業4.0智能製造系統，目標是精簡生產流程、減少浪費及達致數據管理以提升效率，及促進實時管理決策，進一步為本集團、其客戶和股東增值。

儘管營商環境充滿挑戰，本集團繼續以審慎的態度探索各種投資機會及符合我們業務模式的新業務線，為本集團的營運帶來協同效應，維持業務的長期增長。

The Group will closely monitor the impact of and implement necessary measures to mitigate the effects of global political situation and COVID-19 pandemic to its business. Material and technological innovation and advancement will remain a vital focus of the Group's future development, as we strive to uphold our leading position as a solutions provider with expertise in metal alloy die casting, plastic injection and other related areas. On top of that, strong customer relationships, years of experiences in manufacturing along with sound business philosophy will all serve as pillars for a sustainable progression for the Group and create long term values for shareholders.

(D) LIQUIDITY AND FINANCIAL RESOURCES

The Group has adopted a prudent policy in financial resources management, maintaining an appropriate level of cash and cash equivalents as well as adequate facilities to meet the requirements of day-to-day operations and business development, at the same time controlling borrowings at a healthy level.

The principal sources of working capital of the Group during the Year was from cash flows generated from operating activities and bank borrowings. As at 31 December 2021, the Group had restricted bank balances as well as bank and cash balances of approximately HK\$282,712,000 (2020: HK\$258,661,000), most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

本集團將密切監察全球政治局勢和新型冠狀病毒疫情對業務的影響，並採取必要措施以減輕其影響。材料和技術的創新與進步仍是本集團未來發展的重中之重，我們將努力保持在合金壓鑄、注塑和其他相關領域擁有專業知識的解決方案提供者的領先地位。除此之外，強大的客戶關係、多年的生產經驗以及良好的經營理念，都是本集團可持續發展的支柱，並為股東創造長期價值。

(D) 流動資金及財務資源

本集團在財務資源管理方面採取了審慎的政策，維持適當水平的現金和現金等價物以及足夠的信貸額度以滿足日常營運和業務發展的需求，同時將借款控制在健康水平。

本集團於年內主要營運資金來源為經營業務所得現金流及銀行借款。於二零二一年十二月三十一日，本集團擁有有限制銀行存款和銀行及現金結餘約282,712,000港元（二零二零年：258,661,000港元），當中大多數以美元、人民幣或港元計值。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The interest-bearing borrowings of the Group as at 31 December 2021 were bank loans and loan from non-controlling interests with an aggregate amount of approximately HK\$144,161,000 (2020: HK\$153,458,000). All of these borrowings were denominated in Hong Kong dollars and Euros (2020: Hong Kong dollars and Euros) and which were primarily subject to floating interest rates. The borrowings with maturities falling due within one year, in the second to fifth year with repayment on demand clause and in the second to the fifth year without repayment on demand clause amounted to HK\$36,000,000, HK\$96,858,000 and HK\$11,303,000, respectively (2020: HK\$40,997,000, HK\$65,961,000 and HK\$46,500,000, respectively).

As at 31 December 2021, the net gearing ratio (a ratio of the sum of the total bank borrowings and loan from non-controlling interests less the pledged bank deposits, restricted bank balances (if any) and bank and cash balances divided by the total equity) of the Group was not applicable since the Group had net cash (pledged bank deposits, restricted bank balances (if any) and bank and cash balances less total bank borrowings) of HK\$138,551,000 (2020: net cash of HK\$105,203,000).

As at 31 December 2021, the net current assets of the Group were approximately HK\$520,446,000 (2020: HK\$467,632,000), which consisted of current assets of approximately HK\$1,010,572,000 (2020: HK\$901,021,000) and current liabilities of approximately HK\$490,126,000 (2020: HK\$433,389,000), representing a current ratio of approximately 2.1 (2020: 2.1).

本集團於二零二一年十二月三十一日的計息借款為銀行貸款及非控股權益貸款，總額約為144,161,000港元(二零二零年：153,458,000港元)。該等借款全部以港元及歐元(二零二零年：港元及歐元)計值，所採用的利率主要為浮動利率。將於一年內到期、於第二至第五年到期(包括按要求償還條款)及於第二至第五年到期(不含按要求償還條款)之銀行貸款金額分別為36,000,000港元、96,858,000港元及11,303,000港元(二零二零年：分別為40,997,000港元、65,961,000港元及46,500,000港元)。

於二零二一年十二月三十一日，由於本集團之現金淨額(已抵押銀行存款、有限制銀行存款(如有)以及銀行及現金結餘減去銀行總借貸)為138,551,000港元(二零二零年：現金淨額為105,203,000港元)，因此，淨借貸比率(以銀行借款及非控股權益貸款總和減已抵押銀行存款、有限制銀行存款(如有)和銀行及現金結餘除以權益總額之比率)不適用於本集團。

於二零二一年十二月三十一日，本集團流動資產淨值約為520,446,000港元(二零二零年：467,632,000港元)，包括流動資產約1,010,572,000港元(二零二零年：901,021,000港元)及流動負債約490,126,000港元(二零二零年：433,389,000港元)，流動比率約為2.1(二零二零年：2.1)。

(E) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Renminbi and Hong Kong dollars. Currently, the Group has not entered into any financial instrument for hedging purposes. However, the Group will closely monitor its overall foreign exchange exposure and take appropriate measures to mitigate the risks that the Group faces from exchange rate fluctuations.

(F) CONTINGENT LIABILITIES

As at 31 December 2021, the Group had no material contingent liabilities.

(G) CHARGE ON ASSETS

As at 31 December 2021, none of the assets of the Group were pledged.

(H) SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSAL

For the year ended 31 December 2021, the Group did not have any significant investments, acquisitions or disposals.

(E) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。因此，本集團已注意到美元、人民幣及港元匯率的波動可能引起的潛在外匯風險承擔。目前，本集團尚未訂立任何金融工具作對沖用途。但是，本集團將密切監察其整體外匯風險承擔及採取合適措施以減低本集團面對匯率波動所帶來之風險。

(F) 或然負債

於二零二一年十二月三十一日，本集團並無任何重大或然負債。

(G) 資產抵押

於二零二一年十二月三十一日，本集團並無資產作為抵押。

(H) 重大投資、收購和出售

截至二零二一年十二月三十一日止年度，本集團並無任何重大投資、收購或出售。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

(I) HUMAN RESOURCES

As at 31 December 2021, the Group had approximately 4,200 full-time employees (31 December 2020: 4,400). The Group attributes its success to the hard work and dedication of all staff, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides a competitive salary package, including retirement schemes, medical benefits and bonuses. The Group's remuneration policy and structure are determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and a share award scheme as incentives and rewards for those qualifying staff who have made contributions to the Group.

The Group provides regular training courses for different levels of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organises different kinds of recreational activities, including New Year gathering, various sports competitions and interest groups. The aim is to promote interaction among staff, establish a harmonious team spirit and promote a healthy lifestyle.

(I) 人力資源

於二零二一年十二月三十一日，本集團約有4,200名全職僱員(二零二零年十二月三十一日：4,400名)。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬待遇，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。

本集團定期舉辦多項針對不同階層員工的培訓課程，並與多間國內專上學院及外間培訓機構合辦各種培訓計劃。除學術和技術培訓外，本集團亦舉辦了不同種類的文娛康樂活動，其中包括新春聯誼活動、各種體育比賽和興趣班等，目的為促進各部門員工之間的關係、建立和諧團隊精神及提倡健康生活。

EXECUTIVE DIRECTORS

Mr. Lee Yuen Fat, aged 66, founded the Group in 1980 and is the Chairman of the Group. Mr. Lee was appointed as an Executive Director of the Company since 2 June 2007 and is a director of certain subsidiaries of the Company. He is also a director of Precisefull Limited, which is the controlling shareholder of the Company. Mr. Lee is responsible for the formulation of the overall business strategies of the Group. He has over 40 years of experience in the die casting industry. Mr. Lee holds a Master of Science Degree in Materials Engineering from the Yanshan University in the PRC. He was conferred an award of Honorary Fellowship and Fellowship of Management and Business Administration by the Professional Validation Council of Hong Kong Industries and is the Vice Chairman of the Professional Validation Council of Hong Kong Industries. Mr. Lee has been appointed by the Foundry Industry Association, Guangdong Province as an Expert of the Casting Industry and is selected for its Expert Database. He has been appointed by the Shenzhen Longgang District Municipal People's Government as an excellent expert of Longgang District, Shenzhen and is the Professorate Senior Engineer conferred by the Human Resources and Social Security Department of Guangdong Province of China.

執行董事

李遠發先生，66歲，於一九八零年創辦本集團及為本集團之主席。李先生於二零零七年六月二日獲委任為本公司執行董事，彼為本公司若干附屬公司之董事。彼亦為Precisefull Limited（本公司控股股東）之董事。李先生負責制定本集團整體業務策略。彼擁有逾40年壓鑄業經驗，持有中國燕山大學材料工程碩士學位。此外，李先生獲香港工業專業評審局頒授榮譽院士及工商院士，並擔任香港工業專業評審局副主席一職。李先生被廣東省鑄造行業協會聘為鑄造行業專家，併入選其專家庫，及被深圳市龍崗區人民政府聘為深圳市龍崗區優秀專家及獲中國廣東省人力資源和社會保障廳授予正高級工程師職稱。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Lee was one of the founding members and was the Chairman of the Hong Kong Diecasting Association (now become the Hong Kong Foundry Association (the "HKFA")) in 1989. He was elected as the first Chairman of the HKFA and Hong Kong Federation of Innovative Technologies and Manufacturing Industries (formerly known as Federation of Hong Kong Machinery and Metal Industries) in 2008 and 2011 respectively. Mr. Lee is currently the Chairman of Hong Kong Federation of Innovation Technologies and Manufacturing Industries, Vice Chairman of the PRD Council of Federation of Hong Kong Industries, Shenzhen Division, a member of the Fifth Industry Training Advisory Committee of Manufacturing Technology (Tooling, Metals & Plastics) of Hong Kong Qualifications Framework and a member of Vocational Training Council Manufacturing Technology Training Board. Mr. Lee is currently the Rotating Chairman of Die Casting Branch of the China Foundry Association, Executive Director of the China Foundry Association, the Managing Vice Chairman of the Fourth General Committee of the Guangdong Foundry Industry Association and the Vice Director General of Foundry Branch of the Guangdong Mechanical Engineering Association. Mr. Lee is currently Deputy Director of the Domestic Technical Correspondence Working Group Expert of the International Organization for Standardization Foundry Machinery Technical Committee ISO/TC306, and a member of the Light Alloy Industry Technology Innovative Alliance Expert Committee of Guangdong Province. Mr. Lee is the brother-in-law of Ms. Chan So Wah, the executive director of the Company.

Mr. Wong Wing Chuen, aged 60, joined the Group in 1988 and was appointed as an Executive Director and Vice Chairman of the Company on 2 June 2007 and 1 January 2017 respectively. He is a director of certain subsidiaries of the Company. Mr. Wong is also currently the director of manufacturing of the Group and is responsible for the Group's manufacturing activities. Mr. Wong has over 37 years of experience in die design and manufacturing and the die casting industry. He is an Associate of the Professional Validation Council of Hong Kong Industries.

李先生為香港壓鑄學會(現時為香港鑄造業總會)創辦人之一,及後於一九八九年出任該會會長。彼分別於二零零八年及二零一一年被選為香港鑄造業總會和香港創新科技及製造業聯合總會(前稱香港機械金屬業聯合總會)首任會長。李先生現任香港創新科技及製造業聯合總會主席、香港工業總會珠三角工業協會深圳分部副主席、香港資歷架構製造科技業(模具、金屬及塑膠)第五屆行業培訓諮詢委員會委員及職業訓練局製造科技業訓練委員會委員。李先生現為中國鑄造協會壓鑄分會輪值理事長、中國鑄造協會常務理事、廣東省鑄造行業協會第四屆常務副會長及廣東省機械工程學會鑄造分會理事長。李先生現擔任國際標準組織鑄造機械技術委員會ISO/TC306國內技術對口工作組專家副主任委員及廣東省輕合金產業技術創新聯盟專家委員會委員。李先生為本公司執行董事陳素華女士之大伯。

黃永銓先生, 60歲, 於一九八八年加入本集團, 並分別於二零零七年六月二日及二零一七年一月一日獲委任為本公司執行董事及副主席。彼為本公司若干附屬公司之董事。黃先生現時亦是本集團制作總監及負責本集團之製造業務。黃先生擁有逾37年模具設計與製造及壓鑄業經驗, 為香港工業專業評審局的副院士。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Chu Weiman, aged 64, joined the Group in February 2021 and is currently the Chief Executive Officer of the Group. He was appointed as an Executive Director, a member of the remuneration committee and nomination committee of the Company on 1 September 2021. He is primarily responsible for the overall management and supervision of the execution of the overall business strategies of the Group. Mr. Chu holds a Master of Business Administration degree from the University of Southern California, USA, a master's degree of science in engineering from the University of California, Los Angeles, USA and a bachelor's degree in power mechanical engineering from National Tsing Hua University, Taiwan. He is a licensed professional engineer of California, USA. Prior to joining the Group, Mr. Chu was an executive director and the chief executive officer of trading division of Leeport (Holdings) Limited (Stock code: 387), a company listed on the Hong Kong Stock Exchange, from February 2015 to December 2020 and from September 2016 to December 2020 respectively. Mr. Chu has held various senior positions in multi-national companies with operations in Hong Kong and mainland China and worked as the branch director for Innovation Process and Automation Branch and branch director for Manufacturing Productivity Branch of Hong Kong Productivity Council during the years between 2000 and 2007. He is currently a general committee member of the Chinese Manufacturers' Association of Hong Kong.

Ms. Chan So Wah, aged 63, joined the Group in 1999 and was appointed as an Executive Director of the Company on 1 April 2019. She is a director of certain subsidiaries of the Company. Ms. Chan is currently the director of operations and director of finance of the Group and is primarily responsible for overseeing the Group's human resources and administration management as well as finance and investment activities. She has over 35 years of experience in sales, marketing and management. She holds a master's degree in business administration obtained through distance learning education from the Centenary College in New Jersey, USA and she is a Fellow of the Professional Validation Council of Hong Kong Industries (Die Casting and Foundry Industry). Ms. Chan was awarded Asian Outstanding Leadership Award for Women in September 2019 by Asian College of Knowledge Management. She is the sister-in-law of Mr. Lee Yuen Fat, the Chairman and the Executive Director of the Company.

初維民先生，64歲，於二零二一年二月加入本集團，現為本集團行政總裁。彼於二零二一年九月一日獲委任為本公司執行董事、薪酬委員會及提名委員會成員。彼主要負責本集團的整體管理及監督整體業務策略的執行。初先生持有美國南加州大學工商管理碩士學位、美國加利福尼亞大學洛杉磯分校工程碩士學位及台灣國立清華大學動力機械系學士學位。彼為美國加利福尼亞州的註冊專業工程師。在加入本集團之前，初先生分別於二零一五年二月至二零二零年十二月及二零一六年九月至二零二零年十二月擔任香港聯交所上市的公司力豐(集團)有限公司(股票代號：387)的執行董事及貿易部行政總裁。初先生曾在多間於香港和中國內地經營業務的跨國公司擔任不同高級職位，並於二零零零年至二零零七年間擔任香港生產力促進局創新暨自動化部副總裁及生產技術部副總裁。他現時為香港中華廠商聯合會會董。

陳素華女士，63歲，於一九九九年加入本集團，並於二零一九年四月一日獲委任為本公司執行董事。陳女士為本公司若干附屬公司之董事。陳女士現為本集團營運總監及財務及資本運作總監，主要負責監督本集團的人力資源及行政以及財務及投資事宜。陳女士擁有逾35年銷售、市場推廣及管理經驗。彼持有美國新澤西世紀學院工商管理碩士學位(遙距課程)及為香港工業專業評審局之院士(壓鑄及鑄造業)。陳女士於二零一九年九月獲亞洲知識管理學院授予「亞洲傑出女領袖獎」。彼為本公司主席及執行董事李遠發先生的弟婦。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Sun Kai Lit Cliff BBS, JP, aged 68, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the chairman of the remuneration committee as well as the nomination committee of the Company and a member of the audit committee of the Company. Professor Sun has over 40 years of experience in the household products manufacturing industry. Professor Sun was appointed by the Hong Kong Special Administrative Region Government (the “HKSAR Government”) as Justice of the Peace in July 2003 and was awarded the Bronze Bauhinia Star by the HKSAR Government in July 2006. He had been a member of the Chinese People’s Political Consultative Conference of Shenzhen, Ningbo and Zhejiang Committee for over 20 years. He is currently the Honorary President of the Federation of Hong Kong Industries, Honorary Chairman of The Hong Kong Exporters’ Association, Honorary Chairman of the Hong Kong Q Mark Council, the Honorary President of the Hong Kong Plastics Manufacturers Association, the Supervising President of Guangdong Overseas Chinese Enterprises Association and an Adjunct Professor of the City University of Hong Kong. Professor Sun is currently an independent non-executive director of Wisdom Education International Holdings Company Limited (change of Chinese company name took effect from 16 August 2021) (Stock code: 6068), which is listed on the Hong Kong Stock Exchange. He was a non-executive director of China South City Holdings Limited (Stock code: 1668) from September 2009 to July 2017; and an independent non-executive director of Ming Fai International Holdings Limited (Stock code: 3828) from July 2007 to March 2016.

獨立非執行董事

孫啟烈教授 BBS, JP, 68歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司薪酬委員會及提名委員會主席及審核委員會成員。孫教授於家居用品製造業擁有逾40年經驗。孫教授於二零零三年七月獲香港特別行政區政府（「香港特區政府」）頒發太平紳士榮譽，並於二零零六年七月獲香港特區政府頒發銅紫荊星章。彼曾任中國人民政治協商會議深圳市、寧波市及浙江省委員逾20年。彼現時為香港工業總會名譽會長、香港出口商會名譽主席、香港優質產品標誌局名譽主席、香港塑膠業廠商會名譽會長、廣東省僑商投資企業協會監事長及香港城市大學客席教授。孫教授現為香港聯交所上市之光正教育國際控股有限公司（前稱睿見教育國際控股有限公司，公司中文名稱變更自二零二一年八月十六日起生效）（股份代號：6068）的獨立非執行董事。彼於二零零九年九月至二零一七年七月期間出任華南城控股有限公司（股份代號：1668）的非執行董事及二零零七年七月至二零一六年三月期間出任明輝國際控股有限公司（股份代號：3828）的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員(續)

Ir Dr. Lo Wai Kwok GBS, MH, JP, aged 69, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the member of the audit committee, nomination committee and remuneration committee of the Company. Ir Dr. Lo holds a doctoral degree in engineering, master's degrees in engineering and in business administration respectively and a bachelor's degree in engineering. He is a Chartered Engineer and Fellow of the Hong Kong Institute of Engineers. Ir Dr. Lo was awarded the "Young Industrial Awards of Hong Kong" and the "Ten Outstanding Young Persons Selection" in 1992, the Medal of Honour of the HKSAR Government in July 2001, and was appointed as Justice of the Peace by the HKSAR Government in July 2004. Ir Dr. Lo was also awarded the Bronze Bauhinia Star, the Silver Bauhinia Star and the Gold Bauhinia Star in July 2009, July 2015 and July 2021 by the HKSAR Government respectively. Ir Dr. Lo is currently a member of the Legislative Council of Hong Kong, representing the Engineering functional constituency. He has over 40 years of experience in the electronic and power supply industry and is an Adjunct Professor of the City University of Hong Kong. Ir Dr. Lo was an independent non-executive director of Glory Mark Hi-Tech (Holdings) Limited (Stock code: 8159) from November 2016 to June 2020.

盧偉國博士工程師，GBS, MH, JP，69歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司審核委員會、提名委員會及薪酬委員會成員。盧博士持有工程學博士學位、工程及工商管理碩士學位與工程學學士學位，並為特許工程師及香港工程師學會資深會員。盧博士為一九九二年「香港青年工業家獎」及「十大傑出青年選舉」與二零零一年七月香港特區政府榮譽勳章的得獎者，更於二零零四年七月獲香港特區政府委任為太平紳士。盧博士亦分別於二零零九年七月、二零一五年七月及二零二一年七月獲香港特區政府頒發銅紫荊星章、銀紫荊星章及金紫荊星章。盧博士現為香港立法會議員，代表工程功能界別。彼於電子及電源供應業積累超過40年經驗及於香港城市大學出任客席教授。盧博士於二零一六年十一月至二零二零年六月期間出任輝煌科技(控股)有限公司(股份代號：8159)的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Andrew Look, aged 57, was appointed as an Independent Non-executive Director of the Company on 16 December 2009. He is the member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Look holds a bachelor's degree in commerce from the University of Toronto, Canada and has over 30 years of experience in the equity investment analysis of Hong Kong and China stock markets. From 2000 to 2008, Mr. Look served in Union Bank of Switzerland ("UBS") as the head of Hong Kong research, strategy and product. He was rated as the best Hong Kong strategist and best analyst by the Asiamoney magazine, a leading monthly financial and capital markets publication for corporate and finance readers and investors, in 2001, 2002, 2003, 2005, 2006 and 2007. Mr. Look is currently an independent non-executive director of Hung Fook Tong Group Holdings Limited (Stock code: 1446), CITIC Resources Holdings Limited (Stock code: 1205), EC Healthcare (formerly known as Union Medical Healthcare Limited and its change of company name took effect from 26 March 2021) (Stock code: 2138) and L.K. Technology Holdings Limited (Stock Code: 558), all of which are listed on the Hong Kong Stock Exchange. He was an independent non-executive director of TCL Communication Technology Holdings Limited (a company delisted on the Hong Kong Stock Exchange on 30 September 2016) from September 2010 to September 2016. He was also an independent non-executive director of Man Sang Jewellery Holdings Limited (now known as Affluent Partners Holdings Limited) (Stock code: 1466) and Cowell e Holdings Inc. (Stock code: 1415) from September 2014 to December 2016 and from April 2017 to December 2018 respectively.

陸東先生，57歲，於二零零九年十二月十六日獲委任為本公司獨立非執行董事。彼為本公司審核委員會、提名委員會及薪酬委員會成員。陸先生持有加拿大多倫多大學商科學士學位，於香港及中國股票市場資產投資分析累積逾30年經驗。由二零零零年至二零零八年，陸先生於瑞士銀行（「瑞士銀行」）出任香港研究、策略及產品部主管。陸先生曾於二零零一、二零零二、二零零三、二零零五、二零零六及二零零七年獲得《亞洲貨幣》雜誌（一本以企業及財經讀者及投資者為對象之著名財經及資本市場月刊）頒發「香港最佳策略員」及「最佳分析師」殊榮。陸先生現為香港聯交所上市公司鴻福堂集團有限公司（股份代號：1446）、中信資源控股有限公司（股份代號：1205）、EC Healthcare（前稱香港醫思醫療集團有限公司，公司名稱變更自二零二一年三月二十六日起生效）（股份代號：2138）及力勁科技集團有限公司（股份代號：558）的獨立非執行董事。彼於二零一零年九月至二零一六年九月期間出任TCL通訊科技控股有限公司（已於二零一六年九月三十日於香港聯交所除牌）的獨立非執行董事。彼亦分別於二零一四年九月至二零一六年十二月期間及二零一七年四月至二零一八年十二月期間出任民生珠寶控股有限公司（現稱錢唐控股有限公司）（股份代號：1466）及高偉電子控股有限公司（股份代號：1415）的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), aged 58, was appointed as an Independent Non-executive Director of the Company on 11 May 2015. He is the chairman of the audit committee of the Company and the member of the nomination committee and remuneration committee of the Company. Mr. Kong is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants (the United Kingdom). He has accumulated approximately 30 years' experience in accounting, auditing, corporate finance and project administration mostly from Hong Kong listed companies and multinational business conglomerates. Mr. Kong is currently a consultant of a company providing company secretarial, risk management and financial advisory services and is an independent non-executive director of Auto Italia Holdings Limited (Stock code: 720), a company listed on the Hong Kong Stock Exchange.

SENIOR MANAGEMENT

Mr. Chan Sin Wing, aged 49, joined the Group in 2004 and is the director of enterprise development of the Group. He is primarily responsible for overseeing the research and development as well as new business development of the Group. Mr. Chan holds a master's degree in industrial engineering and industrial management and a bachelor degree in engineering from the University of Hong Kong. He is currently a Fellow and the Chairman of the Manufacturing, Industrial and Systems Discipline Advisory Panel of the Hong Kong Institution of Engineers. He is also the Professorate Senior Engineer conferred by the Human Resources and Social Security Department of Guangdong Province of China. Prior to joining the Group, he worked as a senior consultant of the Hong Kong Productivity Council for over nine years.

Mr. Chan Man Fu, aged 50, joined the Group in 2016 and is currently the financial controller of the Company. Prior to joining the Company, Mr. Chan has held senior financial positions in different listed companies in Hong Kong and has over 25 years of experience in the areas of audit, finance and treasury management. He holds a master's degree in business administration from the Hong Kong Baptist University and is a member of the Hong Kong Institute of Certified Public Accountants.

江啟銓先生(前稱江道揚)，58歲，於二零一五年五月十一日獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席、本公司提名委員會及薪酬委員會成員。江先生是香港會計師公會會員及英國特許公認會計師公會資深會員。彼於香港上市公司及國際商業綜合企業累積了約30年的會計、審計、企業融資及項目管理的經驗。江先生現時為一間提供公司秘書、風險管理與財務顧問服務之公司的顧問及香港聯交所上市公司意達利控股有限公司(股份代號：720)的獨立非執行董事。

高級管理人員

陳善榮先生工程師，49歲，於二零零四年加入本集團，為本集團企業拓展總監，主要負責監督本集團的研發工作及新業務發展。陳先生持有香港大學工業工程及工業管理碩士學位和工程學學士學位。彼現時為香港工程師學會資深會員及製造、工業及系統界別顧問小組主席。彼亦獲中國廣東省人力資源和社會保障廳授予正高級工程師職稱。加入本集團前，陳先生曾任香港生產力促進局高級顧問逾九年。

陳文賦先生，50歲，於二零一六年加入本集團，現為本集團之財務總監。於加入本公司前，陳先生曾於多間香港上市公司擔任高級財務職位及於審計、財務與財資管理範疇擁有超過25年經驗。彼持有香港浸會大學工商管理碩士學位及為香港會計師公會會員。

The board of directors of the Company (the “Board”) have the pleasure in submitting its report together with the audited consolidated financial statements of Ka Shui International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components, which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products, automotive parts and precision components. The principal activities of the subsidiaries are set out in note 24 to the financial statements.

BUSINESS REVIEW

A fair review of the business of the Group, together with a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Group that had occurred since the end of the financial year 2021, as well as indication of likely future developments in the business of the Group are set out in the sections “Business Review” on pages 12 to 13, “Principal Risks and Uncertainties facing the Company” on page 63 and “Prospects” on pages 13 to 17 of this report respectively. An analysis using financial key performance indicators is set out in the sections “Segment Information” on pages 205 to 209 and “Five-Year Financial Summary” on page 272 in this report.

As an innovative high-tech enterprise, the Group is committed to offering one-stop solutions and professional services to meet the various needs of our customers, while building an environmentally-friendly corporation that pays close attention to conserving natural resources. The management will review the Group’s environmental practices from time to time and will consider implementing further ecology friendly measures and practices in the operation to enhance environmental protection and sustainability.

本公司董事會(「董事會」)欣然提呈嘉瑞國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零二一年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

主要業務

本集團以生產及銷售鋅、鎂及鋁合金、塑膠產品及零部件，主要售予從事家居用品、3C(通訊、電腦及消費者電子)產品、汽車零部件及精密部件的客戶為主。附屬公司之主要業務載於財務報表附註24。

業務回顧

本集團中肯業務回顧，連同本公司所面對主要風險及不明朗因素之描述、自二零二一年財政年度終結後發生並對本集團有影響之重大事項以及本集團業務日後可能出現之發展，分別載於本年報第12至13頁之「業務回顧」、第63頁之「本公司所面對主要風險及不明朗因素」及第13至17頁之「展望」內。使用關鍵財務績效指標作出之分析載於本年報第205至209頁之「分部資料」及第272頁之「五年財務概要」內。

作為創新及高科技企業，本集團致力提供一站式解決方案及專業服務以迎合我們客戶之不同需求，同時關注保護自然資源以創建環保型的工作環境。管理層將不時檢討本集團的環保常規，並將考慮在營運中進一步實施對環境有益的措施及常規，以促進環境保護及可持續發展。

During the year, as far as the Board is aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

The Board recognises that our employees are invaluable assets contributing to the Group's future success. The Group provides competitive remuneration package to attract, motivate and retain our employees. The Board also regularly reviews the remuneration package of our employees and makes necessary adjustments to conform to the prevailing market practices. The Board also recognises that maintaining good relationships with our customers and suppliers is vital to achieve the Group's long-term goals.

It is the Group's environment policy to (i) observe all applicable national and local laws and regulations strictly; (ii) establish, implement and strengthen our environmental management system, as well as setting of goals for environment achievements; (iii) introduce cleaner production in steps, and striving to conserve resource uses and reduce waste or effluent; (iv) provide training and education to promote the idea of sustainable development across the supply chain; and (v) provide channels for relevant interested parties and the public to get access to our environmental performance tracking.

The Board considers that the Group has conducted its operations in accordance with the environmental policy in all material respects during the year ended 31 December 2021, and the Group's business has complied with the relevant laws and regulations that have a significant impact on the Group as a whole.

Detailed discussions on the environmental policies and performance, compliance with the relevant local laws and regulations that have a significant impact on the Group and the account of the key relationships of the Group with employees, customers and suppliers are set out in the section headed "Environmental, Social and Governance Report" on pages 69 to 109 of this annual report.

年內，就董事會所知，本集團並無重大違反適用法律及法規，而對本集團業務及營運造成重大影響。

董事會認同僱員為貢獻本集團日後成功的無價資產。本集團提供具競爭力的薪酬待遇，以吸引、激勵及留聘僱員。董事會亦定期審閱僱員的薪酬待遇，並按現時市場慣例進行必要調整。本集團亦重視與客戶及供應商維持良好關係，認為此對達成本集團之長遠目標而言至關重要。

本集團的環境政策為：(i)嚴格遵守所有適用的國家及地方的法律及法規；(ii)建立、實施及加強環境管理體系，並制定環境成果目標；(iii)逐步推行清潔生產、努力節約資源的使用及減少廢物或廢水；(iv)提供培訓及教育，以在整個供應鏈宣揚可持續發展的理念；以及(v)為相關利益方和公眾提供獲取我們的環境績效跟蹤的渠道。

董事會認為，於截至二零二一年十二月三十一日止年度，本集團的運作在所有重大方面均按照本集團的環境政策進行，且本集團的業務已遵守對本集團整體有重大影響的相關法律法規。

有關環境政策及表現之詳細討論、對本集團構成重大影響之地方相關法律法規之遵守情況及本集團與僱員、客戶及供應商之主要關係之詳細論述載於本年報第69至109頁之「環境、社會及管治報告」一節。

EMOLUMENT POLICY AND RETIREMENT BENEFITS SCHEME

The Group's emolument policy, including salaries and bonuses, is in line with the local practices where the Company and its subsidiaries operate. The Group has also adopted a share option scheme and share award scheme as incentive and reward for those qualifying staff who have made contribution to the Group. The Remuneration Committee of the Company makes recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to directors and senior management of the Group, having regard to the Group's financial performance, individual performance and comparable market statistics.

The Group has joined a mandatory provident fund scheme ("MPF Scheme") for all employees (including the executive directors of the Company) in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules of the MPF Scheme. The employees of the Company's subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme. No forfeited contribution is available to reduce the contribution payable under the above schemes.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 118.

薪酬政策及退休福利計劃

本集團之薪酬政策(包括薪金及花紅)合符本公司及其附屬公司經營當地之一般慣例。本集團亦已採納購股權計劃及股份獎勵計劃,旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。本公司之薪酬委員會就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見,並經考慮本集團之財務表現、個人表現及可供比較之市場數據資料,以審閱及釐定本集團董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。

本集團為所有香港僱員(包括本公司之執行董事)參與強制性公積金計劃(「強積金計劃」)。強積金計劃是根據強制性公積金計劃條例向強制性公積金計劃管理局登記。根據強積金計劃,僱主及僱員在強積金計劃下都須作相應數額之供款,供款率為強積金計劃之規則而規定。本公司於中國成立之附屬公司為由中國政府營運之國營退休計劃之成員。該等附屬公司需按薪酬成本之一定比率貢獻至該退休計劃。並無已沒收的供款可用以削減須根據上述計劃支付的供款。

業績及分派

本集團於年內之業績載於第118頁之綜合損益表內。

INTERIM AND FINAL DIVIDEND

An interim dividend of HK1.0 cent was declared and paid during the year. The Board had recommended the payment of a final dividend of HK3.0 cents per share for the year ended 31 December 2021 to the shareholders whose names appear on the register of members of the Company on Monday, 13 June 2022. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on Tuesday, 31 May 2022, the final dividend will be paid on or about Monday, 20 June 2022.

The register of members of the Company will be closed from Thursday, 26 May 2022 to Tuesday, 31 May 2022, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 25 May 2022.

The register of members will be closed from Wednesday, 8 June 2022 to Monday, 13 June 2022, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 7 June 2022.

RESERVES

Movements in reserves during the year are set out in the consolidated statement of changes in equity on page 122.

As at 31 December 2021, the Company's reserve available for distribution amounted to approximately HK\$209,117,000 (2020: HK\$208,099,000).

中期及末期股息

於年內，本公司宣派了中期股息每股1.0港仙。董事會已建議向於二零二二年六月十三日(星期一)名列本公司股東名冊之股東派付截至二零二一年十二月三十一日止年度之末期股息每股3.0港仙。待本公司股東在二零二二年五月三十一日(星期二)舉行之應屆股東週年大會批准後，末期股息將於二零二二年六月二十日(星期一)或前後派付。

本公司將於二零二二年五月二十六日(星期四)至二零二二年五月三十一日(星期二)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格出席應屆股東週年大會並於會上投票，所有股份過戶文件連同有關股票及過戶表格須於二零二二年五月二十五日(星期三)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17M樓。

本公司將於二零二二年六月八日(星期三)至二零二二年六月十三日(星期一)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格獲派末期股息，所有股份過戶文件連同有關股票及過戶表格須於二零二二年六月七日(星期二)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17M樓。

儲備

本年度內，儲備之變動情況載於第122頁之綜合權益變動表。

於二零二一年十二月三十一日，本公司之可供分派儲備約為209,117,000港元(二零二零年：208,099,000港元)。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the percentage of the Group's major customers and suppliers attributable to the Group's total sales and total purchases was as follows:

Sales

| | |
|-----------------------------------|-------|
| — the largest customer | 42.8% |
| — five largest customers combined | 69.3% |

Purchase

| | |
|-----------------------------------|-------|
| — the largest supplier | 8.3% |
| — five largest suppliers combined | 32.9% |

None of the directors, their close associates or any shareholders (which to the knowledge of the directors owns more than 5% of the number of issued shares of the Company) had an interest in the Group's five largest customers and suppliers.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2021 and assets and liabilities of the Group as at 31 December 2017, 2018, 2019, 2020 and 2021 are set out on page 272.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are shown in note 36 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme and share award scheme described below, the Group has not entered into any equity-linked agreements during the year.

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$322,000(2020: HK\$49,000).

物業、機器及設備

本集團物業、機器及設備於本年度內之變動詳情載於綜合財務報表附註19。

主要客戶及供應商

於本年度內，本集團之主要客戶及供應商應佔總營業額及總採購額之百分比如下：

銷售

| | |
|----------|-------|
| — 最大客戶 | 42.8% |
| — 五大客戶合計 | 69.3% |

採購

| | |
|-----------|-------|
| — 最大供應商 | 8.3% |
| — 五大供應商合計 | 32.9% |

概無任何本公司董事、其緊密聯繫人士或任何股東(據董事所知擁有5%以上的本公司已發行股份數目者)於本集團首五大客戶及供應商擁有權益。

財務概要

本集團於截至二零二一年十二月三十一日止過往五個財政年度之業績以及本集團於二零一七年、二零一八年、二零一九、二零二零及二零二一年十二月三十一日之資產及負債的概要載於第272頁。

股本

本公司之股本於本年度內之變動詳載於財務報表附註36。

股票掛鈎協議

除下文所述之購股權計劃及股份獎勵計劃外，本集團於年內並無訂立任何股票掛鈎協議。

捐款

於本年度，本集團作出之慈善及其他捐款合共約為322,000港元(二零二零年：49,000港元)。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and the Companies Act of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities of the Company.

THE BOARD

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Lee Yuen Fat ("Mr. Lee") (*Chairman*)
(stepped down as Chief Executive Officer with effect from 1 February 2021)

Mr. Wong Wing Chuen (*Vice Chairman*)

Mr. Chu Weiman (*Chief Executive Officer*)
(appointed as Executive Director with effect from 1 September 2021)

Ms. Chan So Wah

Independent non-executive directors

Professor Sun Kai Lit, Cliff BBS, JP

Ir Dr. Lo Wai Kwok GBS, MH, JP

Mr. Andrew Look

Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)

The biographical details of the directors are set out on pages 21 to 27 of this annual report.

During the year under review, no director resigned from his office or refused to stand for re-election to his office due to reasons relating to the affairs of the Company.

股份優先購買權

本公司之組織章程細則及開曼群島之公司法中並無股份優先購買權之條文，規定本公司必須按比例發售新股予現有股東。

稅項減免

就本公司所知，概無本公司股東因持有本公司證券而獲得任何稅務減免。

購買、出售或贖回本公司之上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事會

於本年度內及截至本報告日期止，本公司之董事為：

執行董事

李遠發先生(「李先生」)(主席)
(退任行政總裁於二零二一年二月一日起生效)

黃永銓先生(副主席)

初維民先生(行政總裁)
(於二零二一年九月一日獲委任執行董事)

陳素華女士

獨立非執行董事

孫啟烈教授BBS, JP

盧偉國博士工程師·GBS, MH, JP

陸東先生

江啟銓先生
(前稱江道揚)

董事之履歷詳情載列於本年報之第21至第27頁。

於回顧年度內，概無董事因本公司事務相關的理由辭職或拒絕參選連任。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

In accordance with the Company's Articles of Association, Mr. Wong Wing Chuen, Mr. Chu Weiman, Ms. Chan So Wah and Mr. Kong Kai Chuen, Frankie will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors is currently in force and was in force throughout the financial year.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the directors of the Group.

DIRECTORS' SERVICE CONTRACTS

The directors being proposed for re-election at the forthcoming annual general meeting do not have any service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

There were no transactions, arrangements or contracts of significance (inclusive of provision of services to the Company or any of its subsidiaries), to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a director and the controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

根據本公司組織章程細則，黃永銓先生、初維民先生、陳素華女士及江啟銓先生於即將舉行之股東週年大會上退任，惟彼等均符合資格並願意膺選連任。

獲准許之彌償條文

為董事訂立之獲准許彌償條文於整個財政年度一直生效且現時正在生效。

本公司於年內辦理董事責任保險及續保有關保險，為本集團董事提供適當保障。

董事之服務合約

擬於即將召開之股東週年大會上膺選連任之董事，概無與本公司訂立本集團不可於一年內毋須賠償(法定補償除外)而終止之服務合約。

董事及控股股東於重大交易、安排或合約之權益

本公司、其控股公司、其任何附屬公司或同系附屬公司概無參與訂立本公司董事及控股股東直接或間接擁有重大權益，而於年內或年終仍屬有效之重大交易、安排或合約(包括向本公司或其任何附屬公司提供服務)。

管理合約

本年度內，本公司並無訂立或進行任何與本公司全部或重要業務有關之管理及行政合約。

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Board reported the following details of loan facilities which exist at any time during the year ended 31 December 2021 and up to the date of this report and include covenants requiring specific performance obligations of the controlling shareholder of the Company.

- (i) On 21 December 2018, Ka Shui Manufactory Co., Limited (the "Borrower"), the indirect wholly owned subsidiary of the Company, entered into a facility agreement with a bank, under which a term loan facility for an aggregate amount of up to HK\$100 million was extended to the Borrower (the "Dec 2018 Facility Agreement"). Any draw-down of the loan under the said facility would be repayable by eight quarterly instalments commencing the 15th month after its own draw-down date. The Borrower may drawdown the Dec 2018 Facility Agreement for a period of 18 months from the date of the Dec 2018 Facility Agreement. The Dec 2018 Facility Agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall at all times beneficially own (whether directly or indirectly) not less than 50% of the shareholding and equity interest in the Borrower and the Company and maintain management control over both the Borrower and the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the Dec 2018 Facility Agreement. If an event of default under the Dec 2018 Facility Agreement occurs and is not remedied in accordance with the terms of the Dec 2018 Facility Agreement, the bank may (among other things) cancel its further commitments under Dec 2018 Facility Agreement, and/or declare that all or part of the loans together with accrued interests under the Dec 2018 Facility Agreement would become immediately due and payable.

根據上市規則第13.21條之披露

根據上市規則第13.21條之規定，董事會匯報下列於截至二零二一年十二月三十一日止年度及截至本報告日期止任何時間存在並附帶對本公司控股股東施加特定履約責任契諾之貸款融資詳情。

- (i) 於二零一八年十二月二十一日，本公司之間接全資附屬公司嘉瑞製品有限公司（「借方」）與一間銀行訂立一份融資協議（「2018年12月融資協議」）。根據此融資協議，借方取得定期貸款融資金額達100,000,000港元。按此融資之任何提取貸款將由各自提取日期起計第15個月開始分八期按季償還。借方可以訂立2018年12月融資協議的18個月期限內提取2018年12月融資協議貸款。2018年12月融資協議載有對本公司控股股東（定義見上市規則）及執行董事李先生須履行之特定責任，李先生須於任何時候於借方及本公司實益擁有（無論直接或間接）不低於50%之股權和權益及維持於借方和本公司之管理控制權。違反上述須履行之特定責任將構成2018年12月融資協議項下之違約事件。若2018年12月融資協議項下之違約事件出現及未有根據2018年12月融資協議的條款予以補救，銀行可根據2018年12月融資協議（其中包括）取消其作出的進一步承諾，及／或宣布2018年12月融資協議項下的全部或部分貸款連同應計利息將隨即到期支付。

(ii) On 30 November 2018, the Borrower entered into a facility agreement (the "Nov 2018 Facility Agreement") with a bank. Under the Nov 2018 Facility Agreement:

(a) Trade related facility and revolving loan facility up to an aggregate maximum amount of HK\$80 million, with a sub-limit of (i) HK\$20 million for the revolving loan facility; (ii) HK\$40 million for the aggregate outstanding amount for the utilisation of import invoice financing by PRC value added tax invoices; and (iii) a treasury credit limit up to HK\$5 million for the purpose of hedging the Borrower's foreign exchange rate, shall be made available. The life of these facilities are not specified, but is subject to the bank's overriding right of repayment on demand;

(b) Term loan facility of HK\$40 million. The purpose of the loan facility is to finance the Group's working capital expenditures with a loan period of 36 months from the date of the term facility being made available.

The Nov 2018 Facility Agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall remain as the single largest shareholder of the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the Nov 2018 Facility Agreement. If an event of default under the Nov 2018 Facility Agreement occurs, liabilities payable under the Nov 2018 Facility Agreement and the relevant security documents shall become immediately due and payable. This term loan facility had been repaid by the Borrower in full in February 2021.

(ii) 於二零一八年十一月三十日，借方與一間銀行訂立一份融資協議（「2018年11月融資協議」）。根據2018年11月融資協議：

(a) 貿易相關融資及循環貸款融資總額最高為80,000,000港元，另有下列次限額：(i)20,000,000港元為循環貸款融資；(ii)使用以中國增值稅發票作為進口發票融資之未償還總額40,000,000港元；及(iii)為對沖借方的外匯匯率而提供的最高達5,000,000港元的資金交易信貸限額。該等融資並無特定期限，惟銀行有權要求隨時償還；

(b) 定期貸款融資為40,000,000港元。定期貸款融資之目的是為本集團營運資本支出提供資金，貸款期限由取得定期貸款融資日期起計為期36個月。

2018年11月融資協議載有須履行之特定責任，規定本公司控股股東（定義見上市規則）及執行董事李先生須繼續為本公司之單一最大股東。違反上述特定責任將構成2018年11月融資協議項下之違約事件。如2018年11月融資協議違約事件出現，2018年11月融資協議及相關擔保文件項下之應付貸款隨即到期支付。借方已於二零二一年二月全數償還此定期貸款融資。

(iii) On 20 June 2017, the Borrower entered into the facility agreement with a bank to finance its working capital for a term loan facility up to HK\$130 million repayable by 36 months after the first utilisation date. The facility agreement contains a specific performance obligation that Mr. Lee (including shares under his family trust) must maintain as the major shareholder (with at least 50% shareholding) of the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the facility agreement. If an event of default under the facility agreement occurs, the bank may terminate the facility agreement and liabilities payable under the facility agreement and the relevant security documents shall become immediately due and payable. This term loan facility had been repaid by the Borrower in full in January 2021.

Save as disclosed above, the directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 31 December 2021 and as at the date of this report.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the directors and the top five highest paid individuals of the Group are set out in notes 15 and 16 to the consolidated financial statements.

(iii) 於二零一七年六月二十日，借方與一間銀行訂立融資協議，取得定期貸款融資金額達至130,000,000港元，就其營運資金提供資金。有關融資須於首次提取日期起計36個月內償還。融資協議載有須履行之特定責任，規定李先生(包括其家族信託下之股份)須維持成為本公司之主要股東(即持股量為50%或以上)。違反上述特定責任將構成融資協議項下之違約事件。如融資協議違約事件出現，銀行可終止融資協議，而融資協議及相關擔保文件項下之應付貸款隨即到期支付。借方已於二零二一年一月全數償還此定期貸款融資。

除上文披露者外，於二零二一年十二月三十一日及於本報告日期，董事並不知悉有任何其他事項須根據上市規則第13.18條之規定作出披露。

董事及五名最高薪酬人士之薪酬

本集團董事及五名最高薪酬人士之薪酬詳情載於綜合財務報表附註15及16。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2021, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing on Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零二一年十二月三十一日，本公司董事及主要行政人員，於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7至第9分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及短倉(包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及短倉)；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及短倉；或根據聯交所證券上市規則(「上市規則」)上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及短倉如下：

Long Positions in the Shares

股份之長倉

| Name 名稱 | Capacity 身份 | Number of Shares (Long position) 股份數目 (長倉) | Approximate percentage of interest in the Company 佔本公司權益 概約百分比 |
|------------|----------------|---|--|
|------------|----------------|---|--|

Executive Directors 執行董事

| | | | |
|------------------------------|--|-------------|--------|
| Mr. Lee 李先生 | Interest in controlled company ⁽¹⁾ 受控制公司權益 ⁽¹⁾ | 440,000,000 | 49.23% |
| | Founder of a discretionary trust ⁽²⁾ 全權信託之創立人 ⁽²⁾ | 127,980,000 | 14.32% |
| Mr. Wong Wing Chuen 黃永銓先生 | Beneficial owner 實益擁有人 | 11,050,000 | 1.24% |

Independent Non-Executive Directors 獨立非執行董事

| | | | |
|--|---------------------------|-----------|-------|
| Mr. Andrew Look 陸東先生 | Beneficial owner 實益擁有人 | 8,800,000 | 0.98% |
| Ir Dr. Lo Wai Kwok GBS, MH, JP 盧偉國博士工程師·GBS, MH, JP | Beneficial owner 實益擁有人 | 1,000,000 | 0.11% |

Notes:

- Mr. Lee holds the entire issued share capital of Precisefull Limited ("Precisefull"). As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
- The 127,980,000 shares, in which 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal Development Limited ("Beautiful Crystal") and Beautiful Colour Assets Limited ("Beautiful Colour") respectively (both companies are wholly-owned by YF Lee Family Trust). YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC (Jersey) Limited ("UBS TC") as trustee on 20 February 2014. The discretionary objects are family members of Mr. Lee. Mr. Lee is the settlor of YF Lee Family Trust and is deemed to be interested in the 127,980,000 shares held by Beautiful Crystal and Beautiful Colour under the SFO.

附註：

- 李先生持有Precisefull Limited(「Precisefull」)全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此而被視為擁有Precisefull於本公司所持有之權益。
- 該127,980,000股股份分別由 Beautiful Crystal Development Limited(「Beautiful Crystal」)及Beautiful Colour Assets Limited(「Beautiful Colour」)持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC (Jersey) Limited(「UBS TC」)作為受託人於二零一四年二月二十日成立之全權信託，其受益對象為李先生之家族成員。李先生作為YF Lee Family Trust之信託委託人，根據證券及期貨條例，彼被視為於Beautiful Crystal及Beautiful Colour所持有之127,980,000股股份中擁有權益。

Save as disclosed above, as at 31 December 2021, none of the directors and chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code in the Listing Rules. In addition, save as disclosed above, at no time during the year ended 31 December 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2021, the following persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

除上文所披露者外，於二零二一年十二月三十一日，概無本公司董事及主要行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7至第9分部須知會本公司及聯交所之權益或短倉（包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及短倉）；或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及短倉；或根據標準守則須知會本公司及聯交所之權益及短倉。此外，除上述披露外，本公司或其任何附屬公司於截至二零二一年十二月三十一日止整年內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

主要股東於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零二一年十二月三十一日，下列人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2至第5分部須向本公司披露之權益或短倉，或直接或間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上之權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉：

Long Positions in the Shares

股份之長倉

| Name 名稱 | Capacity 身份 | Number of Shares (Long Position) 股份數目 (長倉) | Approximate percentage of interest in the Company 佔本公司權益 概約百分比 |
|-------------------|---|--|---|
| Precisefull | Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾ | 440,000,000 | 49.23% |
| Beautiful Crystal | Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾ | 77,980,000 | 8.73% |
| Beautiful Colour | Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾ | 50,000,000 | 5.59% |
| UBS TC | Trustee ⁽²⁾ 受託人 ⁽²⁾ | 127,980,000 | 14.32% |

Notes:

- Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
- 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal and Beautiful Colour respectively (both companies are wholly owned by YF Lee Family Trust). The YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC as trustee on 20 February 2014.

Save as disclosed above, at no time during the year, the directors and the chief executive of the Company were aware of any other persons (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

附註：

- 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。
- Beautiful Crystal及Beautiful Colour分別持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC作為受託人於二零一四年二月二十日成立之全權信託。

除上文所披露者外，於本年度內，本公司董事及主要行政人員並不知悉任何其他人士（本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2至第5分部披露之權益或短倉，或直接及間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上權益，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉。

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted by ordinary resolution of shareholders of the Company at the annual general meeting of the Company held on 19 May 2017.

The purpose of the Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group. The Share Option Scheme will remain valid until 18 May 2027 and each option will be granted at a consideration for HK\$10.

The participants of the Share Option Scheme may include directors, employees, consultants, professionals, customers, suppliers, agents, partners, advisors and contractors of the Group or a company in which the Group holds an interest or a subsidiary of such company.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and under any other share option scheme(s) adopted by the Company must not in aggregate exceed 10% of the shares in issue as at the date of approval of the Share Option Scheme. In addition, the maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes involving the issue or grant of share options by the Company must not, in aggregate, exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options already granted or to be granted to each participant under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised and outstanding share options) in any 12-month period up to and including the date of such grant should not exceed 1% aggregate of the shares in issue as at the date of such grant. Any grant of further options above this 1% limit shall be subject to approval of the shareholders of the Company at general meetings, with such participant and his associates abstaining from voting.

購股權計劃

於二零一七年五月十九日舉行的本公司股東週年大會上，本公司股東以普通決議案方式採納購股權計劃（「購股權計劃」）。

購股權計劃旨在向選定人士提供作為彼等對本集團所作出貢獻之獎勵或獎賞。購股權計劃將一直有效至二零二七年五月十八日及每一購股權將以代價10港元授出。

購股權計劃之參與者包括本集團或本集團持有權益公司或該公司的附屬公司之董事、僱員、顧問、專業人士、客戶、供應商、代理商、合作伙伴、諮詢人及承辦商。

根據購股權計劃及本公司所採納之其他購股權計劃將予授出之購股權獲悉數行使時可能發行之股份數目，最高不得超過批准購股權計劃當日已發行股份之10%。此外，根據購股權計劃及任何涉及發行或授出本公司購股權的購股權計劃已授出但尚未行使或將予行使之購股權獲行使時可能發行之股份數目，合共不得超過本公司不時已發行股本之30%。

根據購股權計劃及本公司所採納之其他購股權計劃向每名參與者已授出或將予授出之購股權（包括已行使及尚未行使之購股權）獲行使而於任何12個月期間（包括授予當日）已發行及將予發行之股份總數，不得超過授出日期已發行股份總數之1%。任何進一步授予超過1%上限之購股權必須於股東大會上獲股東批准，而有關參與者及其聯繫人士須放棄投票。

The total number of shares in respect of which options may be granted under the Share Option Scheme shall be 89,376,140 shares, representing 10.0% of the issued share capital of the Company as at the date of this annual report.

The period within which the options must be exercised will be specified by the Board at the time of the offer of grant, and must expire no later than 10 years from the date of grant. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Share Option Scheme.

The subscription price for any share under the Share Option Scheme will be a price determined by the Board and will be not less than the highest of:

- (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a share on the date of the grant.

There were no options granted under the Share Option Scheme since its adoption on 19 May 2017.

根據購股權計劃可能授出的購股權所涉及的股份總數為89,376,140股，相當於本年報日期本公司已發行股本10.0%。

董事會將於授出購股權要約時指明購股權須予行使的期限，必須不遲於購股權授出起計十年。購股權計劃之條款下並無有關必須持有購股權之最短期限或可行使購股權而必須達到之表現目標之一般規定。

購股權計劃項下股份的認購價將由董事會決定，惟該價格不得低於以下最高者：

- (i) 授出有關購股權日期(須為營業日)聯交所每日報價表所列股份收市價；
- (ii) 緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價；及
- (iii) 授出日期股份之面值。

自購股權計劃於二零一七年五月十九日獲採納以來，並無授出購股權。

SHARE AWARD SCHEME

On 10 January 2013 (the "Adoption Date"), the Board adopted a share award scheme (the "Share Award Scheme") under which the shares of the Company (the "Awarded Shares") may be awarded to selected persons to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Share Award Scheme will be valid and effective for a term of ten years commencing on the Adoption Date until 9 January 2023.

The participants of the Share Award Scheme may include executives, officers, employees, directors of the Company or any of its subsidiary, any business or joint venture partner, investor, consultant, adviser or agent of any member of the Group.

The Share Award Scheme shall be subject to the administration of the Administration Committee in accordance with the rules of the Share Award Scheme and the terms of the Trust Deed.

Pursuant to the Share Award Scheme, the Board shall select the eligible persons for participation in the Share Award Scheme and determine the number of shares to be awarded. Shares will be acquired by an independent trustee at the cost of the Company or shares will be allotted to the independent trustee under the general mandate granted or to be granted by the shareholders of the Company at general meetings from time to time and be held in trust for the awarded persons until the end of each vesting period. Vested shares will be transferred at no cost to the awarded persons.

Where any Awarded Shares are proposed to be offered to a connected person of the Company (as defined under Chapter 14A of the Listing Rules), such offer of Awarded Shares has to be first approved by the independent non-executive directors of the Company and the Company will comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of such offer (including but not limited to the obtaining of independent Shareholders' approval if necessary).

股份獎勵計劃

於二零一三年一月十日(「採納日期」)，董事會採納股份獎勵計劃(「股份獎勵計劃」)。據此，本公司股份(「獎勵股份」)可授予經甄選人士以表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。股份獎勵計劃將由採納日期起生效，有效期為十年至二零二三年一月九日。

股份獎勵計劃之參與者包括本公司或其任何附屬公司之行政人員、高級職員、僱員、董事、本集團之任何業務或合營夥伴、投資者、顧問、諮詢人或代理。

股份獎勵計劃會依據股份獎勵計劃之規則及信託契據之條款，由行政管理委員會管理。

根據股份獎勵計劃，董事會將甄選合資格人士參與股份獎勵計劃，並釐定予以獎勵股份之數目。股份將由獨立受託人購入，成本由本公司支付，或股份將根據於股東大會上不時由本公司股東授予或將授予的一般授權分配予獨立受託人，並以信託方式為獲獎勵人士持有，直至各歸屬期完結止。歸屬股份將無償轉讓予獲獎勵人士。

倘擬向本公司之關連人士(定義見上市規則第14A章)授予任何獎勵股份，該授予獎勵股份之建議須事先經本公司獨立非執行董事批准，且本公司將就有關建議遵守上市規則第14A章之適用規定(包括但不限於在需要時取得獨立股東批准)。

Based on the 890,435,400 Shares in issue as at the adoption date, the maximum number of Awarded Shares under the Share Award Scheme would be 44,521,770 shares, representing approximately 4.98% of the issued share capital of the Company as at the date of this annual report, and the maximum number of shares which may be awarded to an awarded person under the Share Award Scheme would be 8,904,354 shares.

For the year ended 31 December 2021, no Awarded Share was granted, vested or cancelled pursuant to the Share Award Scheme.

COMPETING BUSINESS

None of the directors of the Company had any interest in any competing business with the Company or any of its subsidiaries during the year under review. Each of Mr. Lee and Precisefull (the controlling shareholders (within the meaning of the Listing Rules) of the Company) has provided a written confirmation, which has been reviewed and confirmed by the independent non-executive directors of the Company, confirming that they have complied with the terms of a Deed of Non-competition entered into between them and the Company for the year ended 31 December 2021.

PUBLIC FLOAT

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

RELATED PARTY TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 December 2021 are set out in note 43 to the consolidated financial statements. The related party transactions set out therein do not fall within the definition of connected transactions under Chapter 14A of the Listing Rules.

根據於採納日期已發行890,435,400股股份計算，股份獎勵計劃可授出之獎勵股份數目上限為44,521,770股股份(佔本公司於本年報日期已發行股份4.98%)及股份獎勵計劃可獎勵予每名獲獎勵人士之股份數目上限為8,904,354股股份。

於截至二零二一年十二月三十一日止年度，概無按股份獎勵計劃授出獎勵股份，亦無獎勵股份歸屬或取消。

競爭業務

於回顧年度，本公司董事概無於與本公司或其任何附屬公司競爭的任何業務中擁有任何權益。本公司控股股東(定義見上市規則)李先生及Precisefull各自已提供書面確認，並由本公司獨立非執行董事審閱及確認，彼等於截至二零二一年十二月三十一日止年度內已遵守本公司與彼等所訂立之不可競爭契據之條款。

公眾持股量

於本報告日，根據本公司可以得悉之公開資料及本公司董事亦知悉之情況下，本公司已按上市規則之要求，維持足夠公眾持股量。

關聯人士交易

截至二零二一年十二月三十一日止年度本集團關聯人士交易詳情載於綜合財務報表附註43。載於該附註的關聯人士交易不屬於上市規則第14A章項下的關連交易。

EVENTS AFTER THE REPORTING PERIOD

On 19 April 2022, the Board has recommended the payment of a final dividend of HK3.0 cents per share (2020: HK3.0 cents per share) for the year ended 31 December 2021 to the shareholders whose names appear on the register of members of the Company on Monday, 13 June 2022. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on Tuesday, 31 May 2022, the final dividend will be paid on or about Monday, 20 June 2022.

AUDITOR

At the last annual general meeting of the Company, RSM Hong Kong was re-appointed as the auditor of the Company.

The consolidated financial statement has been audited by RSM Hong Kong who will retire and, being eligible, offer themselves for re-appointment.

The Company will propose a resolution in relation to the re-appointment of RSM Hong Kong at the forthcoming annual general meeting.

OTHER CHANGES IN DIRECTORS' INFORMATION

Other changes in directors' information for the year ended 31 December 2021 are set out below:

1. Mr. Lee Yuen Fat, an executive director of the Company, stepped down from the position of Deputy Director of Technology of Plasticity Branch of Chinese Mechanical Engineering Society in June 2021.
2. Ms. Chan So Wah, an executive director of the Company, has been appointed as the director of finance of the Group in May 2021, in addition to her other existing positions of the Group.
3. Ir Dr. Lo Wai Kwok GBS, MH, JP, an independent non-executive director of the Company, was awarded the Gold Bauhinia Star by the HKSAR Government in July 2021.

報告期間完結後事項

於二零二二年四月十九日，董事會建議向於二零二二年六月十三日(星期一)名列本公司股東名冊之股東派付截至二零二一年十二月三十一日止年度之末期股息每股3.0港仙(二零二零年：每股3.0港仙)。待本公司股東在二零二二年五月三十一日(星期二)舉行之應屆股東週年大會批准後，末期股息將於二零二二年六月二十日(星期一)或前後派付。

核數師

於本公司上屆股東週年大會上，羅申美會計師事務所獲續聘為本公司核數師。

綜合財務報表已由將退任且合資格並願意膺選連任之羅申美會計師事務所審核。

本公司將於應屆週年股東大會提呈續聘羅申美會計師事務所之決議案。

董事資料的其他變更

截止二零二一年十二月三十一日止年度的董事資料其他變更載列如下：

1. 本公司執行董事李遠發先生於二零二一年六月退任中國機械工程學會塑性工程分會副主任委員。
2. 本公司執行董事陳素華女士於二零二一年五月獲委任為集團財務及資本運作總監，並同時擔任本集團其他現有職務。
3. 本公司獨立非執行董事盧偉國博士工程師，GBS, MH, JP於二零二一年七月獲香港特別行政區政府頒授金紫荊星章。

4. Mr. Andrew Look, an independent non-executive director of the Company, was appointed as an independent non-executive director of L.K. Technology Holdings Limited (stock code: 558) with effect from 1 April 2022.
5. Mr. Sun Kai Lit Cliff BBS, JP, an independent non-executive director of the Company, is currently an independent non-executive director of Wisdom Education International Holdings Company Limited (stock code: 6068) (change of Chinese company name took effect from 16 August 2021).

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

By order of the Board
Lee Yuen Fat
Chairman

Hong Kong, 19 April 2022

4. 本公司之獨立非執行董事陸東先生於二零二二年四月一日起獲力勁科技集團有限公司(股票代號：558)委任為獨立非執行董事。
5. 本公司之獨立非執行董事孫啟烈教授BBS, JP現任光正教育國際控股有限公司(股票代號：6068)(前稱睿見教育國際控股有限公司，公司中文名稱變更自二零二一年八月十六日起生效)的獨立非執行董事。

除上文所披露資料外，概無任何董事變更資料須根據上市規則第13.51B(1)條之規定予披露。

承董事會命
李遠發
主席

香港，二零二二年四月十九日

The board of directors of the Company (the “Board”) believes that good corporate governance practices are essential for promoting investors’ confidence and maximising shareholders’ returns. The Board is committed to maintaining a high standard of corporate governance and reviews its corporate governance practices on a regular basis.

With the above in mind, the Company has applied the principles and adopted corporate governance practices as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in its corporate governance. In accordance with the requirements of the Listing Rules and also to enhance its corporate governance practices, the Company has also adopted a number of corporate governance policies, including but not limited the board diversity policy, director nomination policy, shareholders’ communication policy, dividend policy, risk management policy, inside information policy, anti-corruption policy and whistleblowing policy.

Save for the matters discussed in the paragraph headed “Chairman and Chief Executive Officer” in this section, for the year ended 31 December 2021 and up to the date of this report, the Board is of the view that Company is in compliance with all the applicable code provisions of the CG Code, which is explained in the relevant paragraphs below.

本公司董事會（「董事會」）相信良好之企業管治守則對於提高投資者的信心和增加股東的回報至為重要。董事會一向致力維持高水平的企業管治及定期檢討本公司之企業管治守則。

基於上述情況，本公司已應用此等原則並採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治守則》（「企業管治守則」）所載之企業管治守則於其企業管治。為符合上市規則的要求並增強公司企業管治水準，本公司還採用了許多企業管治政策，包括但不限於董事會成員多元化政策、董事提名政策、股東溝通政策、股息政策、風險管理政策、內幕消息政策、反貪腐政策以及舉報政策。

除本節「主席及行政總裁」段落中討論的事項外，於截至二零二一年十二月三十一日止年度及截至本報告日期止，董事會認為本公司已遵守企業管治守則中所載適用的所有守則條文，詳情載於下文有關段落。

THE BOARD

The Board is collectively responsible for formulating the Group's overall business strategies, monitoring and evaluating its operating and financial performance and reviewing the corporate governance standard of the Company. The day-to-day management, administration and operation of the Company are all led by the chief executive officer of the Company. The Board has delegated a series of responsibilities to the senior management of the Company, which include the implementation of decisions of the Board, the coordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the production and operating plans and budgets, and supervising and monitoring the control systems. The Board has the full support of the senior management to discharge its responsibilities.

As at 31 December 2021, the Board comprised eight members as follows:

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)

(stepped down as Chief Executive Officer with effect from 1 February 2021)

Mr. Wong Wing Chuen (*Vice Chairman*)

Mr. Chu Weiman (*Chief Executive Officer*)

(appointed with effect from 1 September 2021)

Ms. Chan So Wah

Independent Non-executive Directors

Professor Sun Kai Lit Cliff, BBS, JP

Ir Dr. Lo Wai Kwok, GBS, MH, JP

Mr. Andrew Look

Mr. Kong Kai Chuen, Frankie

(formerly known as Kong To Yeung, Frankie)

Biographical details of the directors of the Company ("Directors") as at the date of this report are set out on pages 21 to 27 of this annual report.

董事會

董事會共同負責制訂本集團之整體業務策略，及監管和評估本集團其營運與財務上之表現，並檢討本公司之企業管治水平。本公司的日常管理、行政及營運均由本公司行政總裁領導。董事會已將一系列職責轉授予本公司高級管理層，包括執行董事會的決策、依照董事會批准的管理策略及計劃對本公司日常運作及管理作出協調及指揮、制定及監察生產和營運計劃及預算，以及監督及監察監控制度。董事會亦獲高級管理層全力支持履行其職責。

於二零二一年十二月三十一日，董事會包括下列八名成員：

執行董事

李遠發先生(主席)

(退任行政總裁於二零二一年二月一日起生效)

黃永銓先生(副主席)

初維民先生(行政總裁)

(於二零二一年九月一日獲委任)

陳素華女士

獨立非執行董事

孫啟烈教授BBS, JP

盧偉國博士工程師·GBS, MH, JP

陸東先生

江啟銓先生

(前稱江道揚)

於本報告日，本公司董事(「董事」)之個人資料詳情載於本年報第21至第27頁。

Save as disclosed in the section headed “Directors and Senior Management” in this annual report, the Board members have no financial, business, family or other material/relevant relationships with each other as at 31 December 2021.

In accordance with the Company’s articles of association, a person may be appointed as a Director either by the shareholders in general meeting or by the Board. Any Directors appointed by the Board as additional Directors or to fill casual vacancies shall hold office until the next general meeting, and are eligible for re-election by the shareholders. In addition, all directors (including independent non-executive Directors) are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association of the Company and should be subject to retirement by rotation at least once every three years.

The Board conducts four regular scheduled meetings a year on a quarterly basis generally and ad hoc meetings are convened when circumstances require. Notice of at least 14 days is given to all Directors for all regular Board meetings and all Directors are given opportunity to include matters for discussion in the agenda. Draft minutes of Board meetings are circulated to all Directors for comments. Minutes of Board meetings with details of matters considered by the Board and decisions reached are kept by the Company Secretary and open for inspection by the Directors.

During the year, four Board meetings and one annual general meeting were held and details of attendance of Directors are set out in the table on page 59 of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code Provision C.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual. Currently, the roles of chairman and CEO of the Company are separate and are not performed by the same individual.

除本年報中「董事和高級管理人員」一節中披露的內容外，於二零二一年十二月三十一日，各董事會成員之間並沒有財務、業務、親屬或其他重大或相關之關係。

根據本公司的組織章程細則，任何人士均可由股東於股東大會上或由董事會委任為董事。任何獲董事會委任為額外董事或委任以填補臨時空缺的董事的任期僅直至下屆股東大會為止，惟彼等符合資格由股東重選。此外，所有董事（包括獨立非執行董事）須按照本公司組織章程細則的條文在本公司之股東週年大會上輪值告退及膺選連任，並應至少每三年進行一次輪值告退。

董事會於年內一般舉行四次定期會議，約每季度一次，並於情況需要時召開特別會議。董事會的所有定期會議通知最少在會議前十四天發給所有董事，所有董事均可提出討論事項列入會議議程。董事會會議紀錄初稿會發送予全體董事以發表意見。董事會會議紀錄詳細紀錄董事局考慮之事項及達致的決定，由公司秘書備存，董事可隨時查閱。

於本年度內，本公司已舉行四次董事會會議及一次股東週年大會，個別董事之出席資料詳載於本年報第59頁。

主席及行政總裁

根據企業管治守則之守則條文第C.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。現時，本公司之主席及行政總裁之角色已分開及不是由同一人出任。

Mr. Lee Yuen Fat (“Mr. Lee”), the Chairman and an executive director of the Company, has temporarily taken up the duties of CEO after Mr. Leung King Kwok, Godfrey SBS has resigned from his position as CEO of the Company on 31 December 2020 until a suitable candidate was appointed. After the appointment of Mr. Chu Weiman (“Mr. Chu”) as the CEO of the Company with effect from 1 February 2021, Mr. Lee stepped down from his role as the CEO of the Company on the same date but remained as an executive director and the chairman of the Board. Through Mr. Chu’s appointment, the Company has recomplied with Code Provision C.2.1 of the CG Code. Mr. Lee, being the chairman of the Company, is responsible for the leadership and effective running of the Board while Mr. Chu, being the CEO of the Company, is responsible for the overall management and supervision of the execution of the overall business strategies of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors were appointed for a term of two years. To further strengthen the standard of corporate governance, the Company follows the CG Code and requires any re-appointment of an independent non-executive Director who has served on the Board for over nine years to be subject to a separate resolution to be approved by shareholders. In such cases, the Board will set out in the annual report or circular the reasons why it considers such Director to continue to be independent and should be re-elected.

Each of the independent non-executive Directors has confirmed in writing his independence from the Company in accordance with Rule 3.13 of the Listing Rules. On this basis, the Company considers all such Directors to be independent.

With their different experiences and expertises, the independent non-executive Directors supervise and provide independent judgement to the Board on strategic and significant matters. The Board seeks to develop an effective working environment for the executive and independent non-executive Directors so as to improve the quality of the decisions made by the Board without constraining the independent views of the independent non-executive Directors. Regular Board meetings were held during the year with open discussions between the executive Directors and the independent non-executive Directors to enhance communication and effective working relationship.

李遠發先生(「李先生」)為本公司之主席及執行董事，自梁敬國先生SBS於二零二零年十二月三十一日辭任本公司行政總裁之職位後，暫時擔任行政總裁之職務，直至能夠委任合適人選為止。於二零二一年二月一日，初維民先生(「初先生」)獲委任為本公司行政總裁後，李先生於當日退任彼於本公司所擔任之行政總裁職位，惟李先生將繼續擔任執行董事和董事會主席。透過初先生的委任，本公司已重新遵守企業管治守則之守則條文第C.2.1條。李先生為本公司之主席，負責領導及有效地管理董事會；而初先生為本公司之行政總裁，負責本集團的整體管理及監督整體業務策略的執行。

獨立非執行董事

所有獨立非執行董事之任期為兩年。為進一步提高企業管治水平，本公司依照企業管治守則，已要求凡服務董事會超過九年之獨立非執行董事，須獲得股東以獨立決議案方式批准，方可連任。如有此情況，董事會將在年報或通告函中向股東列明其認為該董事仍屬獨立人士以及應獲重選之原因。

各獨立非執行董事已根據上市規則第3.13條就其獨立性以書面作出確認；因此，本公司認為該等董事確屬獨立人士。

獨立非執行董事憑藉其不同的經驗和專業知識，監督並就戰略性和重大事項向董事會提供獨立判斷。董事會力求為執行董事及獨立非執行董事營造有效的工作環境，以在不限制獨立非執行董事發表獨立意見的情況下提高董事會決策的質素。年內定期召開董事會會議，執行董事與獨立非執行董事進行公開討論，以加強溝通及提升有效率的工作關係。

LIABILITY INSURANCE FOR THE DIRECTORS

The Company has in force appropriate insurance coverage on Directors' and officers' liabilities arising from the Group's business. The Company reviews the extent of insurance coverage on an annual basis.

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors are regularly briefed on the amendments to or updates on the Listing Rules, corporate governance practices, applicable regulatory regimes and the business development of the Group. To keep abreast of the responsibilities of the Directors and infuse them with new knowledge, an in-house seminar was conducted during the year and all Directors attended the seminar and complied with code provision C.1.4 of the CG code. Apart from what the Company had arranged, some of the Directors also attended other external training seminars.

BOARD COMMITTEES

The Board is supported by a number of committees, including the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the websites of the Company and the Stock Exchange. All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

Audit Committee

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review the Company's financial reports, make recommendations on the appointment, removal and remuneration of independent auditor, approve audit and audit-related services, supervise the Company's internal financial reporting procedures and management policies, review the Company's risk management and internal control systems as well as the internal audit function, and other duties under the CG code. The Audit Committee comprises four independent non-executive directors, namely Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), Professor Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok GBS, MH, JP and Mr. Andrew Look and is chaired by Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), a qualified accountant with extensive experience in financial reporting and controls.

董事責任保險

本公司已就董事及行政人員因本集團業務而引起之責任購買適當保險，本公司每年檢討保險所保障之範圍。

持續專業發展

董事亦定期獲簡介有關上市規則、企業管治常規、相關法例之修訂及本集團的業務發展。為使董事瞭解其職責及灌輸新的知識，於本年度內已舉行了一次內部研討會，所有董事均有參加及已遵守企業管治守則之守則條文第C.1.4條。除由本公司作出之安排外，若干董事亦有參加其他外部培訓研討會。

董事會委員會

董事會獲得多個委員會包括審核委員會、提名委員會、薪酬委員會及風險管理委員會的支援。各董事會委員會均設經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於本公司及聯交所網站可供查閱。所有董事會委員會均獲提供足夠資源以履行其職務，包括於需要時取得管理層或專業意見。

審核委員會

本公司於二零零七年六月成立審核委員會。審核委員會之主要職責為審閱本公司之財務報告、就委任及罷免獨立核數師以及其薪酬提供推薦建議、批准審計及審計相關服務、監察本公司之內部財務匯報程序及管理政策，檢討本公司之風險管理及內部監控系統以及內部審核職能，以及其他在企業管治常規下的職責。審核委員會由四名獨立非執行董事組成，分別為江啟銓先生(前稱江道揚)、孫啟烈教授BBS, JP、盧偉國博士工程師、SBS, MH, JP及陸東先生，而江啟銓先生(前稱江道揚)為審核委員會之主席，彼為合資格會計師，於財務報告及控制擁有豐富經驗。

During 2021, the Audit Committee held two meetings. Major work completed by the Audit Committee during the year includes: (i) reviewed the interim and annual results of the Group; (ii) reviewed significant accounting and audit issues of the Company; (iii) reviewed the internal audit report and advised on the material risks facing the Group; (iv) reviewed the risk management and internal control systems of the Group; (v) assisted the Board to evaluate the effectiveness of the Company's internal audit function; and (vi) made recommendation to the Board on the re-appointment of the auditors of the Company.

Nomination Committee

The Nomination Committee was set up in June 2007 and is mainly responsible for reviewing the structure, size and the composition of the Board and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; assessing the independence of independent non-executive Directors; making recommendations to the Board on the appointment of Directors and succession planning for Directors. The Nomination Committee consists of (i) four independent non-executive Directors, namely Professor Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok GBS, MH, JP, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), and (ii) one executive Director, Mr. Chu Weiman (appointed with effect from 1 September 2021). Professor Sun Kai Lit, Cliff BBS, JP is the Chairman of the Nomination Committee.

During 2021, the Nomination Committee held three meetings. Major work completed by the Nomination Committee during the year includes: (i) evaluated and assessed whether the candidate is qualified for directorship; (ii) recommended the directors to be re-elected at annual general meeting; (iii) assessed the independence of independent non-executive directors of the Company; and (iv) reviewed the structure, size and the composition of the Board.

於二零二一年，審核委員會舉行了兩次會議。審核委員會於年內完成的主要工作包括：(i)審閱本集團之中期及全年業績；(ii)審閱本公司主要會計及核數事項；(iii)審閱內部審核報告及就本集團面對之重大風險提供意見；(iv)審閱本集團之風險管理與內部監控系統；(v)協助董事會評估本公司內部審核功能之有效性；及(vi)就本公司核數師之重新委任向董事會提供推薦建議。

提名委員會

提名委員會於二零零七年六月成立，主要負責檢討董事會的架構、規模及組成與就任何為配合本公司企業策略而擬對董事會作出的變動提供推薦建議、評核獨立非執行董事的獨立性、就委任董事及董事繼任計劃向董事會提供意見。提名委員會由(i)四名獨立非執行董事孫啟烈教授BBS, JP、盧偉國博士工程師·GBS, MH, JP、陸東先生、江啟銓先生(前稱江道揚)和(ii)一名執行董事初維民先生(於二零二一年九月一日獲委任)組成，而孫啟烈教授BBS, JP為提名委員會之主席。

於二零二一年，提名委員會舉行了三次會議。提名委員會於年內完成的主要工作包括：(i)評價及評估候選人是否合資格擔任董事；(ii)建議在股東週年大會上重選董事；(iii)評核本公司獨立非執行董事的獨立性；及(iii)檢討董事會的架構、規模和組成。

Remuneration Committee

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to individual Directors and senior management with reference to the Board's corporate goals and objectives. The Remuneration Committee consists of (i) four independent non-executive Directors, namely Professor Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok GBS, MH, JP, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie); and (ii) one executive Director, Mr. Chu Weiman (appointed with effect from 1 September 2021). The Chairman of the Remuneration Committee is Professor Sun Kai Lit, Cliff BBS, JP, an independent non-executive director.

During 2021, the Remuneration Committee held three meetings. Major work completed by the Remuneration Committee during the year included: (i) approved the remuneration of chief executive officer of the Company; (ii) determined and approved the remuneration and bonus payable to executive directors of the Company; (iii) recommended the remuneration of independent non-executive directors of the Company for approval of the Board; and (iv) approved the service contract and remuneration of the newly appointed executive director.

The remuneration of the members of senior management (except directors) who were employed by the Group during the year ended 31 December 2021, shown by band, is set out below:

| | | Number of individuals 人數 |
|-------------------------------|----------------------------|-----------------------------|
| HK\$500,001 — HK\$1,000,000 | 500,001 港元至 1,000,000 港元 | 1* |
| HK\$1,000,001 — HK\$1,500,000 | 1,000,001 港元至 1,500,000 港元 | 1 |
| HK\$1,500,001 — HK\$2,000,000 | 1,500,001 港元至 2,000,000 港元 | 2 |

* This refers to a member of senior management who resigned on 17 June 2021.

薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責為就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並因應董事會之企業方針及目標而檢討及釐定個別董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。薪酬委員會由(i)四名獨立非執行董事孫啟烈教授BBS, JP、盧偉國博士工程師, GBS, MH, JP、陸東先生、江啟銓先生(前稱江道揚)和(ii)一名執行董事初維民先生(於二零二一年九月一日獲委任)組成。薪酬委員會之主席為獨立非執行董事孫啟烈教授BBS, JP。

於二零二一年，薪酬委員會舉行了三次會議。薪酬委員會於年內完成的主要工作包括：(i)批准本公司行政總裁的薪酬；(ii)決定及批准本公司執行董事的薪酬和花紅；(iii)向董事會建議批准本公司獨立非執行董事的薪酬；及(iv)批准新獲委任的執行董事的服務合約及薪酬。

於截至二零二一年十二月三十一日之年度，由本集團聘請的高級管理人員(董事除外)的薪酬，按薪酬組別劃分，載列如下：

* 其中一名高級管理人員於二零二一年六月十七日離職。

Risk Management Committee

The Company has set up the Risk Management Committee with terms of reference in October 2020. The main responsibilities of the Risk Management Committee include monitor and review the process of the risk management and internal control, and advise the Board on the appropriateness, effectiveness of and the proposed improvements to be made to the existing risk management and internal control systems; provide recommendations to the management on risk management and internal control, and set up procedures to unveil, assess and manage material risk factors and ensure that management discharges its responsibility to implement effective risk management and internal control systems; and review with the Group's management, external auditor and the internal audit function, the adequacy of the Group's policies and procedures regarding risk management and internal control systems and any relevant statement by the directors to be included in the annual accounts prior to their endorsement by the Board. The Risk Management Committee currently comprises the Chief Executive Officer of the Company (namely Mr. Chu Weiman) as its chairman, and Director of Manufacturing (namely Mr. Wong Wing Chuen), Director of Operations (namely Ms. Chan So Wah), all of whom are executive Directors, and Director of Sales and Marketing.

During 2021, the Risk Management Committee held three meetings. Major work completed by the Risk Management Committee during the year includes: (i) discussed and reviewed the potential risks exposed to the Group in its operations; (ii) reviewed the Group's internal control procedures; and (iii) assessed the adequacy of the Group's policies and procedures regarding risk management and internal control systems.

風險管理委員會

本公司已於二零二零年十月成立風險管理委員會，並制定其職權範圍。風險管理委員會主要職責包括監察及檢討風險管理及內部監控的過程，及對現時風險管理及內部監控系統的合適性、有效性及建議需改進的地方向董事會提出意見；向管理層就風險管理及內部監控提供建議，及制定辨認、評估及管理重大風險因素的程序，並確保管理層履行職責實施有效的風險管理及內部監控系統；及與本集團管理層、外聘核數師及內部審核功能檢討本集團有關風險管理及內部監控系統的政策及程序是否足夠以及在提交董事會批署前審閱任何董事擬載於年度賬目內的相關聲明。風險管理委員會現時由本公司行政總裁初維民先生（作為主席）及制作總監黃永銓先生、營運總監陳素華女士（彼等全部為執行董事）及營銷總監所組成。

於二零二一年，風險管理委員會召開了三次會議。風險管理委員會於年內完成的主要工作包括：(i) 討論及審視集團在營運中面對的潛在風險；(ii) 審閱本集團的內部控制程序；及(iii) 評估本集團有關風險管理及內部監控系統的政策及程序是否足夠。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions with the following duties:

- to develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

DIRECTOR NOMINATION POLICY

The Board has adopted a director nomination policy (the "Director Nomination Policy") as required by the CG Code which sets out selection criteria in evaluating and selecting candidates for directorships. The Nomination Committee shall consider various factors, including but not limited to objectives of nomination committee, the character and integrity, qualifications, ability and independency requirements of the selecting candidates, the board diversity policy and the needs of the Company.

企業管治職能

董事會負責企業管治職能，並有下列職責：

- 制訂及檢討本公司的企業管治政策及常規，並就變動及更新提出建議；
- 檢討及監察董事與高級管理層的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制訂、檢討及監察適用於僱員及董事的操守守則及合規手冊(如有)；及
- 檢討本公司遵守企業管治守則的情況及於企業管治報告中作出的披露。

董事提名政策

根據企業管治守則要求，董事會已採納董事提名政策(「董事提名政策」)，該政策載列在評估及挑選候選人擔任董事的甄選準則。提名委員會將考慮若干因素，包括但不限於提名委員會之目的、候選人之品格與誠信、資格、能力及獨立性要求、董事會成員多元化政策及本公司之需要。

The Nomination Committee shall evaluate and assess whether such candidate is qualified for directorship based on the selection criteria upon receipt of the proposal on appointment of new director. It may engage external service provider(s) as it considers appropriate in making the determination and recommend to the Board to appoint the appropriate candidate for directorship. The Nomination Committee shall also evaluate candidates based on the selection criteria to determine whether such candidate that is nominated by a shareholder is qualified and appropriate for election as a director at the general meeting of the Company.

The Nomination Committee shall review the overall contribution and service to the Company of the retiring director and determine whether the retiring director continues to meet the selection criteria. The Board, with the recommendation from Nomination Committee, shall then make recommendation to shareholders in respect of the proposed re-election of the retiring director at the general meeting. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

The Nomination Committee will continue to review the Director Nomination Policy from time to time and may adopt changes as appropriate at the relevant time.

提名委員會在收到委任新董事建議時將根據甄選準則評價和評估該候選人是否合資格擔任董事。提名委員會會因應需要委聘外部服務供應商以提供協助及向董事會就委任適當候選人為董事提出建議。提名委員會亦根據甄選準則評價候選人是否合資格及適當就股東提名於本公司股東大會上選舉為董事。

提名委員會將檢討退任董事對本公司的整體貢獻及服務及確定退任董事是否繼續符合甄選準則。董事會就提名委員會之建議於股東大會上就擬重選董事向股東提出建議。董事會將對於其推薦候選人在任何股東大會上參選的所有事宜擁有最後決定權。

提名委員會將持續不時檢討董事提名政策，並可能於相關時間採納適當變動。

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the “Board Diversity Policy”) as required by the Listing Rules which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company’s strategic objectives and sustainable development. The Company seeks to achieve Board diversity when selecting candidates from a number of perspectives through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board will review the implementation and effectiveness of the Board Diversity Policy annually.

The Board recognizes the importance and benefits of gender diversity at the Board level and the Board does not consider diversity to be achieved for a single gender board. As at the date of this report, the Board has one female member and the Board will continue to take initiatives to identify appropriate female candidate(s) to enhance the gender diversity among its members. The Board has reviewed the appropriateness of an express diversity quota or measurable objective in achieving board diversity, and noted that currently the Board has members of both genders. In light of the above, the Board has concluded that selection of Board members should continue to be based on the above said diversity perspectives instead of setting an express quota or objective.

In view of the business nature of the Group (i.e. the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components), an industry which is more dominant by male traditionally, as at 31 December 2021, 87.5% of Directors, all of our senior management members and 58.4% of our total workforce were male. However, we will continue with our endeavor to increase female representation to a higher ratio in our workforce in the future.

董事會成員多元化政策

根據上市規則要求，董事會已採納董事會成員多元化政策（「董事會成員多元化政策」），該政策載列達致董事會成員多元化之途徑。本公司認為董事會層面日益多元化將為達成本公司策略目標和可持續發展提供支持。在遴選董事候選人時，本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及任職年期，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時，亦會考慮其本身之業務模式及具體需要。最終決定乃基於選定候選人的能力及將會董事會帶來的貢獻。

董事會會每年檢討董事會成員多元化政策的執行及有效性。

董事會意識到董事會層面性別多元化的重要性及益處，並不認為單一性別的董事會可以實現多元化。於本報告日期，董事會有一名女性成員，董事會將繼續採取措施物色合適的女性候選人，以提高其成員的性別多元化。董事會已檢討明確的多元化配額或實現董事會多元化的可衡量目標的適當性，並指出目前董事會有兩個性別的成員。鑑於上述情況，董事會得出結論，董事會成員的選擇應繼續基於上述多元化觀點，而不是設定明確的配額或目標。

鑑於本集團的業務性質（即生產鋅、鎂及鋁合金及塑膠產品及零部件）傳統上由較多男性主導，於二零二一年十二月三十一日，87.5%董事、所有高級管理人員及58.4%的員工為男性。但是，我們將繼續致力於員工增加女性代表，務求在將來達致更高比例。

ATTENDANCE OF MEETINGS

A summary of attendance of Board meetings, committee meetings and general meetings in 2021 are detailed in the following table:

出席會議

下表載列於二零二一年董事會會議、委員會會議及股東大會之出席率摘要：

| | Number of attendance/Number of meetings | | | | | |
|--|---|-------------------------|------------------------------|--------------------------------|-----------------------------------|------------------------|
| | 出席次數/會議次數 | | | | | |
| | Board meeting | Audit Committee meeting | Nomination Committee meeting | Remuneration Committee meeting | Risk Management Committee meeting | Annual General Meeting |
| | 董事會會議 | 審核委員會會議 | 提名委員會會議 | 薪酬委員會會議 | 風險管理委員會會議 | 股東週年大會 |

Executive Directors

執行董事

| | | | | | | |
|------------------------------|-----|---|---|---|-----|-----|
| Mr. Lee Yuen Fat 李遠發先生 | 4/4 | — | — | — | — | 1/1 |
| Mr. Wong Wing Chuen 黃永銓先生 | 4/4 | — | — | — | 3/3 | 1/1 |
| Mr. Chu Weiman* 初維民先生* | — | — | — | — | 3/3 | — |
| Ms. Chan So Wah 陳素華女士 | 4/4 | — | — | — | 3/3 | 1/1 |

Independent Non-Executive Directors

獨立非執行董事

| | | | | | | |
|---|-----|-----|-----|-----|---|-----|
| Professor Sun Kai Lit, Cliff BBS, JP 孫啟烈教授BBS, JP | 4/4 | 2/2 | 3/3 | 3/3 | — | 1/1 |
| Ir Dr. Lo Wai Kwok GBS, MH, JP 盧偉國博士工程師·GBS, MH, JP | 4/4 | 2/2 | 3/3 | 3/3 | — | 1/1 |
| Mr. Andrew Look 陸東先生 | 4/4 | 2/2 | 3/3 | 3/3 | — | 1/1 |
| Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) 江啟銓先生(前稱江道揚) | 4/4 | 2/2 | 3/3 | 3/3 | — | 1/1 |

* Appointed with effect from 1 September 2021

* 於二零二一年九月一日獲委任

Note: There was no meeting held for the Board and all committees after 1 September 2021.

註：於二零二一年九月一日之後，概無舉行董事會會議及所有委員會會議。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code throughout the year under review.

DIRECTORS’ RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company for the year ended 31 December 2021. The statement of the external auditor of the Company in relation to their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor’s Report on pages 110 and 117.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining and reviewing the effectiveness of the risk management and internal control systems of the Group on an ongoing basis in order to safeguard the Group’s assets and shareholders’ investments. The systems of risk management and internal control of the Group are designed to manage rather than eliminate the risk of failure to achieve corporate objectives and only provide reasonable but not absolute assurance against material misstatement or loss.

The Audit Committee assists the Board in fulfilling its role in reviewing the Group’s financial, operational and compliance controls and its annual review to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group’s accounting, internal audit and financial reporting functions, and those relating to the Group’s environmental, social and governance performance and reporting.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之董事進行證券交易的標準守則(「標準守則」)。經向全體董事作出具體查詢後確認，彼等於回顧年度內一直全面遵守標準守則所載規定準則。

董事就財務報表所承擔之責任

董事確認彼等對編製本公司截至二零二一年十二月三十一日止年度財務報表之責任。本公司之外聘核數師就其對本集團財務報表之申報責任而發出之聲明，載於第110至第117頁之獨立核數師報告內。

風險管理及內部監控

董事會全權負責持續維持及檢討本集團風險管理及內部監控系統之成效，以保障本集團資產及股東之投資。本集團之風險管理及內部監控系統旨在管理而非消除未能達成業務目標之風險，並只提供合理而非絕對保證無重大錯誤陳述或損失。

審核委員會協助董事會履行其於本集團財務、營運及合規監控方面之監察職責，並每年檢討以確保本集團會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗、培訓課程及預算之充足性，以及與本集團的環境、社會及企業管治表現和報告有關的內容。

The Board has also set up the Risk Management Committee comprising the CEO, Director of Manufacturing, Director of Operations and Director of Sales of Marketing with a specific term of reference. The Risk Management Committee will report to the Audit Committee regularly and assist the Board and the Audit Committee to review the Company's risk management and internal control systems.

The management assists the Board regularly in the implementation of the Group's policies, procedures and limits within the Board's approved risk appetite by identifying and assessing the risks faced and monitoring the design and operation of the relevant internal control measures to mitigate and control these risks.

The Company has adopted an anti-corruption policy and whistleblowing policy and the relevant systems, in particular, a system for employees and other relevant parties who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company, in order to strengthen its internal control.

The Group has engaged an independent professional consultant to identify, evaluate, manage and prioritise the significant risks exposed to the Group, through reviewing the implemented system and procedures, including areas covering financial, operational and legal compliance controls and risk management functions and the Board is satisfied with the results of the review. In addition, the Group has adopted a risk management policy which contains a structured approach to risk management and a risk-based three-year internal audit plan was introduced through restructuring of internal control system in order to address the significant risks identified and assessed by the Group.

董事會也成立了風險管理委員會，由行政總裁、製作總監、營運總監和營銷總監組成，並設有特定的職責範圍。風險管理委員會將定期向審核委員會匯報，並協助董事會和審核委員會檢討公司的風險管理和內部控制系統。

管理層通過識別及評估所面對之風險，定期協助董事會執行本集團之政策、程序以及董事會批准之風險消納範圍內之限制，並監察相關內部監控措施之設計及運作，以減少及控制此等風險。

公司採納了反貪污政策和舉報政策及相關制度，特別是員工及與公司有交易的關聯方可就任何與本公司相關的不當行為以保密及匿名的方式向審計委員會提出疑問，以加強內部監控。

本集團已經聘用獨立專業顧問透過檢討已實行的制度及程序，範圍涵蓋財務、營運及法律合規監控及風險管理功能方面，以識別、評估、管理及排序本集團面對之重大風險，董事會滿意檢討的結果。再者，本集團已採納載有具結構化風險管理方法的風險管理政策，並透過重組內部監控系統引入以風險為導向的內部審核三年規劃，以應對本集團已被識別和評估之重大風險。

In addition, the Group has engaged an external independent professional firm during the year to carry out the internal audit for the Group and review its internal control system covering all relevant financial, operational and compliance control functions within an established framework every six months with audit period covering the entire financial year. Full reports covering the material findings with suggested measures prepared by this firm are submitted to the Audit Committee of the Company twice a year for review to ensure that an effective and adequate internal control system is in place and to resolve material internal control defects (if any).

For the year ended 31 December 2021, no significant control failings or weakness which had, or may have a material impact on the Company's financial performance or condition, have been identified. Further, the Board is of the view that the Company's processes for financial reporting and Listing Rules compliance in the year was effective.

During the year, the Board, with the assistance of the Audit Committee, Risk Management Committee and the management, have conducted review on the effectiveness of the risk management and internal control systems of the Group. Such review covers all material controls, including financial, operational and compliance controls.

For the year ended 31 December 2021, the Board considered that the Company's internal control and risk management systems are adequate and effective and the Company has complied with the code provisions on internal control and risk management of the CG Code.

此外，本集團於年內已聘用外間獨立專業機構，於涵蓋整個財政年度的審核期內每六個月對本集團進行內部審核及檢討其內部監控系統，包括已建立的架構內的所有相關財務、營運及合規監控效能。該機構每年兩次把所編製涵蓋重要發現及建議措施的全面報告提呈本公司之審核委員會審閱，以確保有效及足夠內部監控系統已存在，及解決重大內部控制缺陷(如有)。

截至二零二一年十二月三十一日止年度，概無已識別對本公司的財務業績或狀況產生或可能產生重大影響的重大控制失效或弱點。此外，董事會認為本公司於年內的財務申報及上市規則合規程序是有效的。

年內，董事會在審核委員會、風險管理委員會及管理層的協助下，對本集團的風險管理及內部監控系統之成效完成相關檢討。該檢討涵蓋所有重要監控包括財務、營運及合規監控。

截至二零二一年十二月三十一日止年度，董事會認為本公司的內部監控及風險管理制度乃充足及有效，而本公司亦已遵守企業管治守則有關內部監控及風險管理的守則條文。

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

Business Risk

The COVID-19 pandemic had continued to create uncertainty for the global economy throughout 2021. The unpredictability associated with the global pandemic and any further contingent prevention and control measure that may be implemented by governments may lead to new challenges to the Group's business and its operations. The Group will closely monitor the development of the aforesaid issues and evaluate its impact on the financial position and operating results of the Group, and to implement stringent cost control measures and to make necessary adjustments to its strategies and operations so as to mitigate their effects to the Group and our customers.

Foreign Exchange Risk

Most of the Group's transactions were conducted in US dollars, Renminbi or Hong Kong dollars. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Renminbi and Hong Kong dollars. The Group will closely monitor its overall foreign exchange exposure and take appropriate measures to mitigate the risks that the Group faces from exchange rate fluctuations.

Competition Risk

Competition risk arises from the emergence of a number of competitors in the industry. Price cut from competitors intensifies the risk. The Group believes that the provision of quality products and after sales service to customers are the only way to gain and maintain customer confidence and loyalty.

本公司所面對主要風險及不明朗因素

業務風險

新型冠狀病毒疫情為整個二零二一年度的全球經濟繼續帶來了不確定性。與全球疫情相關的不可預測性以及政府可能實施的任何進一步緊急預防和控制措施可能為本集團之業務及營運帶來新的挑戰。本集團將密切監察上述事件的發展，並評估其對本集團財務狀況及經營業績的影響，以及實施嚴緊之成本控制措施及在有需要時調整策略和營運以緩和有關因素對本集團及其客戶之影響。

外匯風險

本集團的大部分交易均以美元、人民幣或港元進行。因此，本集團已注意到美元、人民幣及港元匯率的波動可能引起的潛在外匯風險。本集團將密切監察其整體外匯風險承擔及採取適當措施以減低本集團面對匯率波動所帶來之風險。

競爭風險

競爭風險來自行業湧現大量競爭對手。競爭對手降價令風險加劇。本集團相信，向客戶提供優質產品及售後服務乃獲得及維持客戶信心及忠誠之唯一途徑。

PROCEDURES AND INTERNAL CONTROLS FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The handling and dissemination of inside information of the Group is strictly controlled to avoid unauthorised use of inside information. All staff are required to sign the employee confidentiality agreement and access to inside information is restricted to employees on a need-to-know basis. In addition, the Group has adopted an inside information policy to set out the procedures of inside information identification, reporting and disclosure. Key procedures for handling and dissemination of inside information include: (i) keeping the Board and Company Secretary informed of the latest legal requirement under the Listing Rules and conducting periodic financial and operational reporting to the Board and Company Secretary to enable them to assess inside information and make timely disclosures, if necessary; (ii) controlling the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and (iii) disclosing the inside information in a manner that provides the public with an equal, timely and effective access to the inside information in ways which are in compliance with the Listing Rules. The Group will review the effectiveness of the policy from time to time to ensure the compliance of the relevant regulatory requirements.

處理及發佈內幕消息的程序及監控措施

本集團嚴格控制處理及發佈本集團內幕消息，以避免未經授權使用內幕消息。所有員工均需要簽署僱員保密協議及限制員工按須知基準取得內幕消息。再者，本集團已採納內幕消息政策以制定內幕消息識別、報告及披露程序。處理及發佈內幕消息的主要步驟包括：(i)讓董事會及公司秘書知悉最新上市規則的法律要求及向董事會及公司秘書進行定期財務及營運申報，使彼等可評估內幕消息及(如有需要)作出適時披露；(ii)按須知基準控制僱員獲悉內幕消息的途徑，向公眾恰當披露前確保內幕消息絕對保密；及(iii)以遵從上市規則的方式，披露須使公眾平等、適時及有效地取得內幕消息。本集團將不時檢討目前程序的有效性，以確保遵守相關監管規定。

AUDITOR'S REMUNERATION

The total auditor's remuneration in relation to statutory audit work and non-audit services of the Group payable to the Company's external independent auditor, RSM Hong Kong, is set out as follows:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|-----------------------------------|----------------------|----------------------------------|----------------------------------|
| Statutory audit | 法定審核 | 2,080 | 1,917 |
| Non-audit services ⁽¹⁾ | 非審核服務 ⁽¹⁾ | 336 | 277 |
| Total | 總數 | 2,416 | 2,194 |

Note:

1. Non-audit services mainly included agreed-upon procedures on interim results and tax advisory services.

COMPANY SECRETARY

The Company Secretary of the Company, Ms. Yam Suk Yee, Celia is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. For the year ended 31 December 2021, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

INVESTOR RELATIONS

Dividend Policy

The Company has adopted a dividend policy (the "Dividend Policy"), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company, provided that the declaration and payment of dividend shall remain to be recommended by the Board and any final dividend for the financial year will be subject to shareholders' approval.

核數師之酬金

本集團應付予外聘獨立核數師羅申美會計師事務所所有關法定審核及非審核服務的核數師酬金如下：

附註：

1. 非審核服務主要包括中期業績之約定程序及稅務諮詢服務。

公司秘書

本公司之公司秘書任淑儀小姐為本公司之全職僱員，彼對本公司日常事務熟悉。截至二零二一年十二月三十一日止年度，公司秘書已遵守上市規則第3.29條的相關專業培訓規定。

投資者關係

股息政策

本公司已採納股息政策（「股息政策」），據此本公司可向本公司股東宣佈及派發股息，惟宣佈及派發股息應由董事會提出建議及每一財政年度的任何末期股息將取決於股東的批准。

In proposing any dividend payout, the Board shall take into account, among other things, the Company's current and future operations, corporate development plans, liquidity position, capital requirements and future expected capital needs, as well as dividends received from the Company's subsidiaries and associates. Any payment of the dividend by the Company is also subject to any requirements under the Cayman Islands law, the Listing Rules and the Company's Articles of Association.

The Board will continue to review the Dividend Policy from time to time and may adopt changes as appropriate at the relevant time as part of its commitment to maximizing shareholders' value, taking into consideration the financial performance of the Company and market conditions.

The Board is not aware of any shareholders who have waived or agreed to waive any dividends.

Shareholders' Communication Policy

The Company has adopted a shareholders' communication policy (the "Shareholders' Communication Policy") to enable shareholders to engage actively with the Company and exercise their rights as shareholders in an informed manner. The Board is responsible for maintaining an on-going dialogue with shareholders and in particular for communicating with them and encouraging their participation, through annual general meetings or other general meetings, financial reports and other publications and communications of the Company.

The Company will assign dedicated management personnel to be in charge of ensuring effective and timely dissemination of information to shareholders. Information shall be communicated to shareholders mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange, its corporate communications and other corporate publications on the Company's website. Effective and timely dissemination of information to shareholders shall be ensured at all times.

在提議派發任何股息時，董事會將考慮(其中包括)本公司當前及未來運作、企業發展計劃、流動資金狀況、資本要求及未來預期資本需求，以及從本公司之附屬公司及聯營公司收取的股息決定。股息的派發亦同時視乎開曼群島法律、上市規則以及本公司之組織章程細則的要求。

董事會將持續不時檢討股息政策，並可能於相關時間採納適當變動，作為其致力達到股東利益最大化的承諾，並同時考慮本公司之財務表現及市場情況。

董事會並不知悉任何股東已放棄或同意放棄任何股息。

股東溝通政策

本公司已採納股東通訊政策(「股東通訊政策」)，旨在讓股東可與本公司有效建立密切關係及在知情情況下行使作為股東的權利。董事會負責與股東持續保持對話，尤其是藉股東週年大會或其他股東大會、財務報告及本公司其他刊物及通訊與股東溝通及鼓勵他們的參與。

本公司將會指派管理人員專責確保有效及適時地向股東發放資訊。本公司向股東傳達資訊的主要渠道為本公司的財務報告(中期及年度報告)、股東週年大會及其他可能召開的股東大會、所有呈交予聯交所的披露資料及登載在本公司網站的公司通訊及其他公司刊物。本公司時刻確保有效及適時向股東傳達資訊。

The contact details of the Company Secretary and its Registrar are set out in the Company's website in order to enable the Shareholders to make any query that they may have with respect to the Company. Shareholders should direct their questions about their shareholdings to the Company's Registrar. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available and the Company shall make a reasonable effort in addressing those requests. In addition, shareholders are, at any time, welcome to raise questions to the Board and management by writing to the Company Secretary.

Upon reviewing the Group's communication strategies with shareholders and the various channels for shareholders to express their views to the Company, the Board is of the view that the Shareholders' Communication Policy is implemented properly and effectively.

Constitutional Documents

There has been no change in the Company's constitutional documents during the year ended 31 December 2021.

SHAREHOLDERS' RIGHTS

Procedures for convening extraordinary general meeting on requisition

Pursuant to Article 64 of the Company's Articles of Association, an extraordinary general meeting may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

公司秘書及其股份過戶登記處的聯繫方式已載列於本公司網站，股東可向本公司作出任何查詢。股東如對名下持股有任何問題，應向本公司的股份過戶登記處提出。股東可隨時要求索取本公司已公開的資料，本公司應合理地回應該等請求。此外，本公司歡迎股東隨時致函公司秘書，向本公司的董事會與管理層提問。

經檢討本集團與股東的溝通策略及讓股東向本公司表達意見的多方面溝通渠道，董事會認為股東溝通政策已妥善及有效地執行。

組織章程文件

於截至二零二一年十二月三十一日止年度，本公司之組織章程文件並無任何變動。

股東權利

請求召開股東特別大會之程序

根據本公司組織章程細則第64條，股東特別大會可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一併有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在遞交該請求書後兩個月內召開。如董事會在請求書遞交日期起計二十一日內未有進行安排召開有關會議，則請求人(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

Procedure for putting forward proposals at general meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's office in Hong Kong, specifying the shareholding information of the shareholder, contact details and the proposal he/she intends to put forward at the general meeting regarding any specified business and its supporting documents.

Shareholders' enquiries

The Shareholders' Communication Policy sets out, amongst other things, shareholders should direct their questions in relation to their shareholdings to the Company's share registrar. Shareholders may make a request by writing to the Company Secretary for the Company's information to the extent that such information is publicly available. Shareholders may also send written enquiries to the Board by writing to the Company Secretary at the Company's Hong Kong office at Room A, 29th Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

於股東大會上提呈建議之程序

股東須致函本公司香港辦事處向本公司之董事會或公司秘書提出書面要求，當中須列明該股東的股權資料、其詳細聯絡資料，以及擬就任何具體的事務而於股東大會上提呈的建議及其有關文件。

股東查詢

股東通訊政策當中說明(其中包括)股東應向本公司股份過戶登記處提出有關其股權之疑問。股東可向公司秘書提出書面要求索取有關本公司之公開資料。股東亦可致函公司秘書向董事會作出查詢，本公司香港辦事處之地址為香港九龍九龍灣宏光道一號億京中心B座29樓A室。

ABOUT THE REPORT

Ka Shui International Holdings Limited (hereinafter referred to as the “Company”) is a leading enterprise on product solutions, notably in the magnesium, aluminium and zinc alloy and plastic industry, with a number of production bases in Guangdong Province of the People’s Republic of China (“PRC” or “China”). Having a deep ambition to construct long-term trusted ties with our stakeholders in the industry and community, the Company together with our subsidiaries (collectively, the “Ka Shui Group” or the “Group”) is pleased to publish our 2021 environmental, social and governance (“ESG”) report (the “Report”) summarising our ESG performance and initiatives.

Scope of the Report

The Report examines the Group’s ESG management approaches, and corresponding performance of the Group’s major manufacturing facilities in Huizhou, China during the period from 1 January 2021 to 31 December 2021 (the “Reporting Period” or “2021”). It covers the principal operations of the Company — metal alloy and plastic. Unless otherwise specified, the data includes the following subsidiaries and the scope of the Report remains the same as last year. The subsidiaries covered are listed below:

- Ka Fung Industrial Technology (Huizhou) Co., Ltd. (“Ka Fung”)
- Ka Yi Technology (Huizhou) Co., Ltd. (“Ka Yi”)
- Ka Shui Technology (Huizhou) Co., Ltd. (“Ka Shui Technology”)

關於本報告

嘉瑞國際控股有限公司(以下簡稱「本公司»)是一家領先的產品解決方案企業，尤其是在鎂、鋁及鋅合金以及塑膠方面，在中華人民共和國(「中國»)廣東省擁有多個生產基地。本公司，連同我們的附屬公司(統稱「嘉瑞集團」或「本集團»)致力於與行業及社區的持分者建立長期的信任關係。本集團欣然刊發我們的二零二一年環境、社會與管治(「環境、社會與管治»)報告，並概述我們的環境、社會與管治表現及措施。

報告範圍

本報告審查於二零二一年一月一日至二零二一年十二月三十一日(「報告期」或「二零二一年»)期間，本集團的環境、社會與管治管理方式，以及本集團於中國惠州的主要生產設施的相應表現。本報告涵蓋本公司的主要業務 — 合金及塑膠。除另有規定者外，數據涉及以下附屬公司，報告範圍與去年相同。所涉及的附屬公司載列如下：

- 嘉豐工業科技(惠州)有限公司(「嘉豐」)
- 嘉宜科技(惠州)有限公司(「嘉宜」)
- 嘉瑞科技(惠州)有限公司(「嘉瑞科技」)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Reporting Standard

The Report has been prepared in accordance with the ESG Reporting Guide (“ESG Reporting Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited (“HKEx”). Throughout the Report, we adopt the reporting principles of materiality, quantitative, balance and consistency, as described below:

報告準則

本報告乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄二十七所載的環境、社會與管治報告指引(「環境、社會與管治報告指引」)的要求編製。在整份報告中，我們採納下文所述的重要性、定量、均衡及一致性等報告原則。

Reporting Principles 報告原則

Description 描述

| | |
|--------------------|---|
| Materiality 重要性 | We have identified the material topics by means of internal discussion and engagement with the key stakeholders. The results are summarised in the section — Materiality Assessment. 我們透過內部討論及與主要持份者的溝通來確定重要主題。有關結果概要載於本節 — 重要性評估。 |
| Quantitative 定量 | In accordance with the ESG Reporting Guide, we revealed our ESG performance with the aid of environmental and social KPIs using robust methodologies, so that the effectiveness of our ESG policies and management systems can be evaluated and validated. 根據環境、社會與管治報告指引，我們藉環境及社會關鍵績效指標，採用穩健的方法披露我們的環境、社會與管治表現，從而使我們的環境、社會與管治政策及管理系統的有效性得以評估與驗證。 |
| Balance 均衡 | We have calculated and presented the environmental and social KPIs with reference to the ESG Reporting Guide. Robust methodologies were adopted as illustrated in the respective sections of the Report. We have included data comparisons over years to provide an unbiased comparison of our ESG performance from time to time. 我們參照環境、社會與管治報告指引，計算並呈列環境及社會關鍵績效指標。如本報告各章節所示，我們已採納穩健的方法。我們已將多年來的比較數據納入本報告，以便不時地對我們的環境、社會與管治表現進行公正的比較。 |
| Consistency 一致性 | The same methodologies, standard and reporting scope have been adopted for the Report, as compared to the previous year. 相較於去年，本報告已採納相同的方法、標準及報告範圍。 |

The board of directors of the Company (the “Board”) acknowledges its overall responsibility for the Company’s ESG strategy and reporting. The Report has been reviewed and approved by the Board.

本公司董事會(「董事會」)確認彼等對本公司之環境、社會及管治策略及匯報的整體責任。本報告已經本公司董事會檢討及批准。

Contact and Feedback

The Group strives to build a longstanding relationship with the key stakeholders and the community. We formulate our ESG strategies for the best interests of our stakeholders; therefore, we value your feedback on this ESG Report and our sustainability performance. If you have any comments or suggestions, please feel free to send your written enquiries or feedback to the Group through email via enquiry@kashui.com.

VALUES AND MISSIONS

Over the past decades, we have been operating in line with our corporate social responsibility (“CSR”) principles, and are dedicated to fostering the well-being of our stakeholders, including our customers, employees and the community, through leveraging our technology, innovation and expertise.



By developing a more strategic framework in corporate governance and CSR, the Group aims at conducting business activities in the highest standard of business ethics, and incorporating management practices which are socially responsible throughout the organisation, which enables us to bring positive impacts to the community, environment and stakeholders. The CSR approach and principles of the Group are summarised as follows. Throughout the Report, we will elaborate in details what we have done during the Reporting Period in fulfilment of our CSR commitments.

聯絡及反饋

本集團致力於與主要持份者及社區建立長期的關係。我們以符合我們的持份者的最佳利益的方式制定環境、社會與管治策略；因此，我們重視閣下就本環境、社會與管治報告及我們的可持續發展表現提供的反饋意見。倘閣下有任何意見或建議，請隨時將閣下的書面詢問或反饋意見透過電郵enquiry@kashui.com發送給本集團。

價值觀與使命

於過往的幾十年中，我們一直按照企業社會責任（「企業社會責任」）原則營運，並致力於透過利用我們的技術、創新及專業知識，提供我們的持份者（包括客戶、僱員及社區）的福祉。

透過就企業治理及企業社會責任制定更具戰略性的框架，本集團旨在以最高的商業道德標準開展商業活動，並在整個組織中納入社會責任管理慣例，從而使我們能夠為社區、環境及持份者帶來積極影響。本集團的企業社會責任方法及原則概述如下。在整份報告中，我們將詳細闡述我們在報告期間為履行企業社會責任承諾所做的工作。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Sustainable operations 可持續營運

- To uphold the highest standard of ethical business values in our business operations, including compliance, fairness, integrity and anti-corruption
在我們的業務營運中堅持最高標準的商業道德價值觀，包括合規、公正、誠信及反腐
- To integrate sustainability concepts into our product designs
將可持續發展理念納入我們的產品設計中
- To invest in new technology research and development (“R&D”)
投資於新技術研究及開發(「研發」)
- To take into account environmental and social responsibility in supply chain management
在供應鏈管理中考慮環境及社會責任
- To create the best values for our stakeholders
為我們的持份者創造最佳價值

Caring our people 關愛我們的僱員

- To develop and provide a supportive, dynamic and safe workplace for our employees
為我們的僱員建立及提供一個支持性的、有活力的及安全的工作場所
- To comply with SA8000 Social Accountability international standard, laws and regulations in our employment practices
在我們的僱傭措施中，遵守SA8000社會責任國際標準、法律及法規
- To support the well-being of employees and their family obligations
支持僱員健康及家庭責任
- To ensure all our people are fairly treated, without any discrimination
確保我們所有的僱員得到公平對待，不受任何歧視
- To offer a variety of programmes to support the employees' growth and development
提供各種計劃以支持僱員的成長及發展

Protecting our environment 保護環境

- To carry on improving and refining our environmental management system, approaches and production chain processes so as to minimise emissions and maximise efficiency of energy and natural resources
繼續改進及完善我們的環境管理體系、方法及生產鏈流程，盡量減少排放，盡量提高能源及自然資源效益
- To continually achieve low-carbon production that minimises negative environmental impacts
持續實現低碳生產，盡量減少對環境造成負面影響
- To participate in environmental conservation activities
參加環境保護活動

Supporting our community 支持我們的社區

- To make positive contributions to the community in which we work and live with our competency and knowledge
利用我們的能力及知識為我們工作及生活所屬社區作出積極貢獻
- To support local education initiatives for youth development
支持地區青年發展的教育措施
- To support the poverty and disaster initiatives of local charities
支持當地慈善機構扶貧及救災措施
- To support the development of a sustainable and harmonious community
支持可持續及和諧社區的發展

CSR RISK MANAGEMENT

To enhance our CSR fulfilment and better manage the CSR risks, the Group has established a CSR risk management framework, which is applied to various levels of staff. In alignment to our core values of “pursuit of excellence, creation of values, unity and mutual trust, harmonious development, green production and contribution to the community”, the CSR risk management framework pushes Group-wide collaboration on managing our CSR risks in our day-to-day operation. Throughout the CSR risk management process, we focus on the areas of employment relations, business ethics and other significant environmental and social responsibilities.

CSR Risk Management Framework

The Board oversees the overall management and implementation processes of CSR risk management, and communicates closely with the management and administrative bodies. This approach not only enables management to grasp the most significant CSR risks associated with the Group, but also allows us to promptly respond to such risks. The structure of our CSR risk management framework and their roles and responsibilities have been summarised below:



企業社會責任風險管理

為了更好地履行企業社會責任並更好地管理企業社會責任風險，本集團已建立企業社會責任風險管理框架，並將其應用於各級員工。與我們「追求卓越、創造價值、團結互信、和諧發展、綠色製造及回饋社會」的核心價值觀一致，企業社會責任風險管理框架推動整個集團在日常營運中合作管理企業社會責任風險。在整個企業社會責任風險管理流程中，我們重點關注僱傭關係、商業道德及其他重要的環境及社會責任。

企業社會責任風險管理框架

董事會監督企業社會責任風險管理的整體管理及實施流程，並與管理層及行政部門進行密切溝通。此方法不僅使管理層能夠掌握與本集團相關的最重大的企業社會責任風險，而且使我們能夠及時應對此等風險。我們的企業社會責任風險管理框架的架構以及彼等的職責及責任已概述如下：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

The Board 董事會

- Oversees the Group's formulation of CSR strategy
監督本集團的企業社會責任戰略的制定
- Monitors the overall CSR risk management process of the Group
監察本集團整體的企業社會責任風險管理流程
- Maintain close communication with management on CSR issues
就企業社會責任問題與管理層保持密切溝通
- Reviews and approves the Report
檢討及批准本報告

Management 管理層

- Determines the risk level of the major CSR risk factors
釐定企業社會責任主要風險因素的風險等級

Administration 行政部門

- Coordinates with various operation units with regard to CSR risk factors on a regular basis
針對企業社會責任風險因素定期協調各營運單位
- Formulates plans on identification and evaluation of CSR risk factors
制定識別及評估企業社會責任風險因素的計劃
- Collects and reviews the evaluation outcomes
收集及檢討評估結果
- Reviews the CSR risk classifications and management plans of operation units
檢討營運單位的企業社會責任風險類別及管理計劃

Operation Units 營運單位

- Identifies and evaluates the CSR risk factors of the corresponding unit on a regular basis
定期識別及評估相應單位的企業社會責任風險因素
- Proposes suggestions on making improvements on the CSR risk factors
就改進企業社會責任風險因素提出建議

CSR Risk Management Process

The Group acts proactively to identify the CSR risks that may have an impact on the stakeholders and our operational capabilities. We regularly perform a comprehensive analysis on the impact of various CSR issues on our customers, employees and the community. Such issues are prioritised by the management so that we can respond accordingly when formulating the CSR policy. The outcomes of CSR risk assessment are to be reviewed by the Group regularly to identify areas which we could improve on.

企業社會責任風險管理流程

本集團積極主動地識別可能會對持份者及我們的營運能力造成影響的企業社會責任風險。我們定期就各種企業社會責任問題對我們的客戶、僱員及社區的影響進行全面分析。有關問題由管理層列出優先次序，以便我們能夠在制定企業社會責任政策時作出相應的響應。企業社會責任風險評估的結果將由集團定期審閱，以釐定可以改進的地方。

STAKEHOLDER ENGAGEMENT

In order to understand our stakeholders' views and expectations on the Group's CSR issues, and the associated environmental and social impacts on our business, we maintain close communication with them. By gathering stakeholders' opinions and understanding their concerns, the Group can adjust its policies and approaches on CSR management and formulate its strategy to address the CSR issues, so as to continuously make improvements on its CSR performance.

After identifying the key stakeholder groups which may have a significant impact on our business, and those who can be significantly affected by our operations, we maintain effective communication with them through various channels, as shown in the table below:

持份者參與

為了解持份者對本集團企業社會責任議題及本公司業務所產生的相關環境及社會影響的看法及期望，我們與彼等保持密切溝通。透過收集持份者的意見及了解彼等的關注點，本集團可調整企業社會責任管理的政策及方法，以及制定應對企業社會責任問題的策略，從而持續提高企業社會責任表現。

在釐定對我們的業務有重大影響的主要持份者群體及我們的營運可能對其造成重大影響的主要持份者群體後，我們通過各種渠道與彼等保持有效溝通，如下表所示：

| Types of stakeholder group 持份者組別類型 | Communication channels 溝通渠道 |
|---|--|
| Investors and shareholders 投資者及股東 | <ul style="list-style-type: none"> Company website 公司網站 Company's announcements 公司公佈 Annual general meeting 股東週年大會 Annual and interim reports 年報及中期報告 |
| Customers 客戶 | <ul style="list-style-type: none"> Company website 公司網站 Customer satisfaction surveys 客戶滿意度調查 Customer service hotline 客戶服務熱線 Social events 社交活動 |
| Employees 僱員 | <ul style="list-style-type: none"> Training and orientation 訓練及培訓 Intranet 內聯網 Opinion box 意見箱 Annual appraisal 年度評估 Social events 社交活動 Whistleblowing system 舉報系統 |
| Suppliers and business partners 供應商及業務夥伴 | <ul style="list-style-type: none"> Regular assessments 定期評估 Tendering and procurement processes 招標及採購流程 Social events 社交活動 |
| Non-governmental organizations 非政府組織 | <ul style="list-style-type: none"> Charity donations 慈善捐款 Volunteering 志願服務 |
| Communities 社區 | <ul style="list-style-type: none"> Company website 公司網站 Company's announcements 公司公佈 |
| Media 媒體 | <ul style="list-style-type: none"> Company website 公司網站 Company's announcements 公司公佈 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

In December 2021, the Group celebrated its 40th anniversary and invited its customers, business partners, suppliers, retired employees and local leaders to our gala dinner. We have granted awards and tokens of appreciation to outstanding suppliers and customers. Through this kind of events, the Group engages closely with its stakeholders.

於二零二一年十二月，本集團慶祝其成立四十週年，並邀請其客戶、業務夥伴、供應商、退休僱員及當地領導參加我們的慶祝晚宴。我們已向優秀的供應商及客戶授予獎項及感謝狀。本集團透過這類活動與持份者進行密切溝通。



MATERIALITY ASSESSMENT

To facilitate the identification and understanding of the material CSR issues that matter the most to the Group and the stakeholders, an independent consultant had been commissioned to perform a materiality assessment by conducting an online survey, which collected opinions from various stakeholder groups of the Group. Based on the stakeholders' views and opinions, we set the framework for the Report and developed our CSR management strategies, so as to address our stakeholders' concerns on CSR issues.

Our key stakeholder groups responded to our questionnaire based on their opinions on the materiality of each of the 27 identified ESG-related topics. These topics are prioritised and shown in the materiality assessment matrix below. The topics which fell in the upper right corner of the matrix were defined as the topics that matter the most to the Group's business operations and our stakeholders as far as they are concerned.

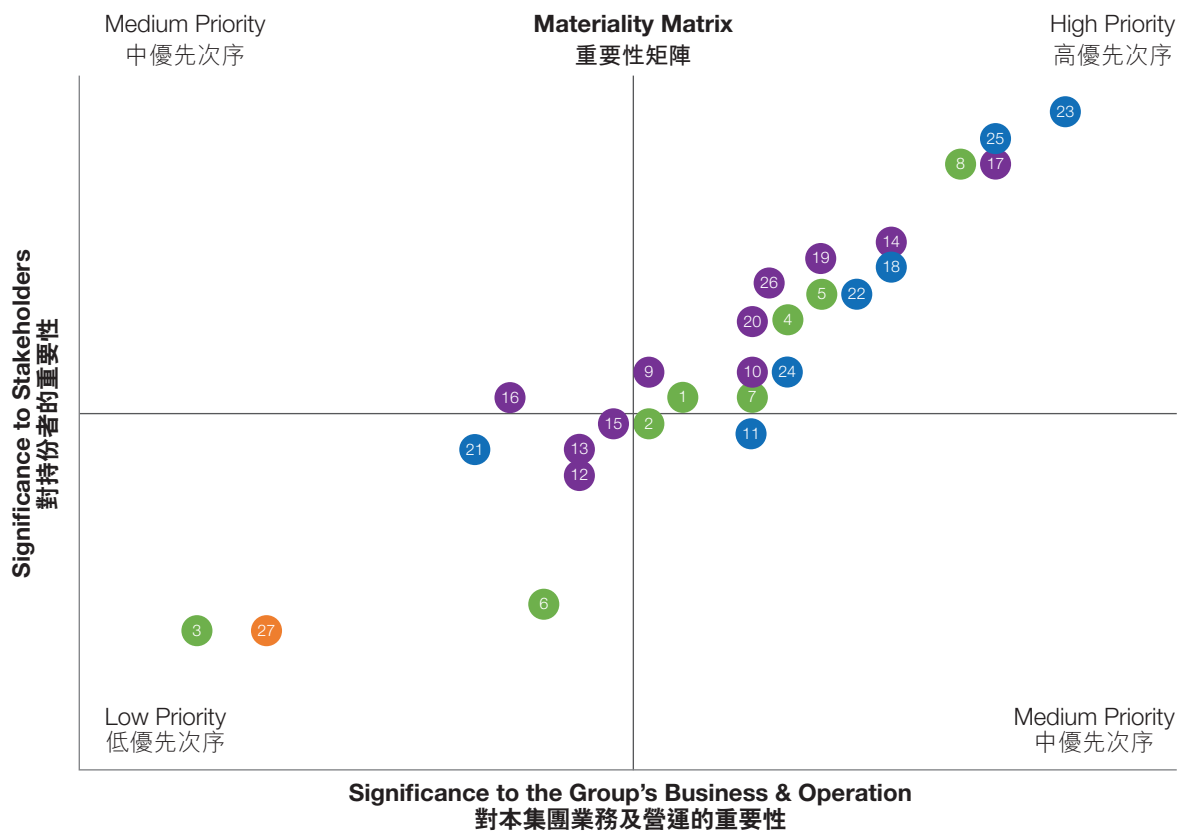
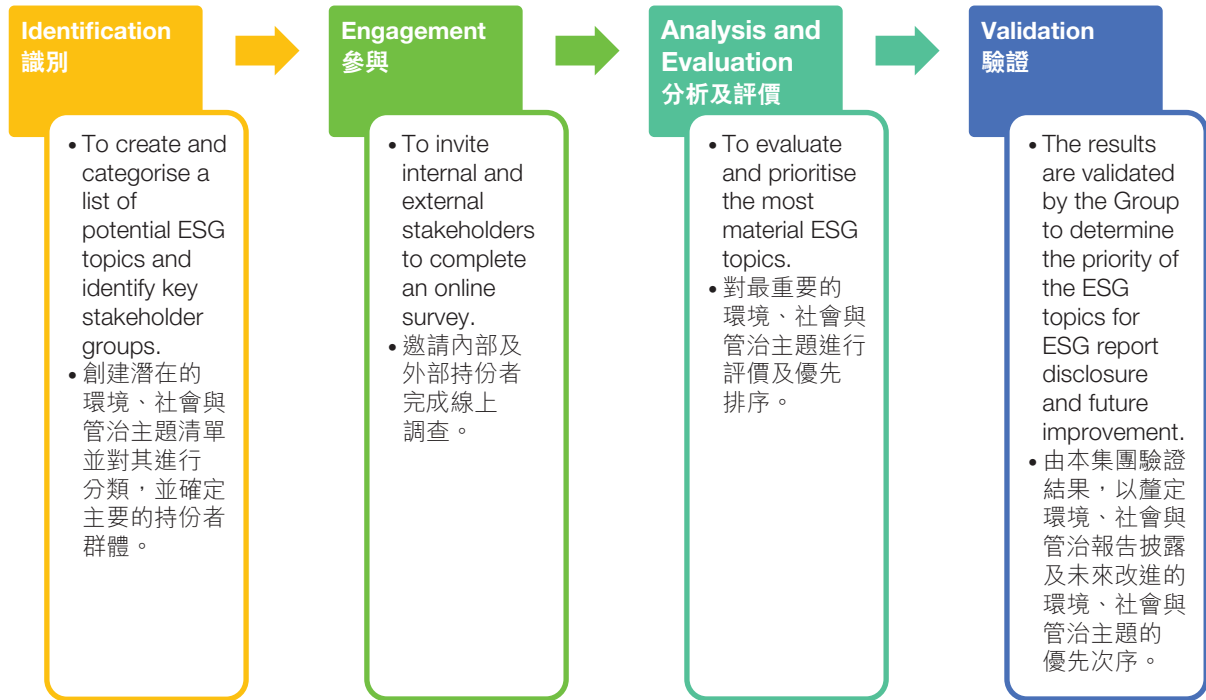
重要性評估

為了便於識別及了解對本集團及持份者最重要的重大企業社會責任議題，我們已委託一間獨立諮詢公司，透過開展線上調查，收集本集團各持份者群體的意見，執行重要性評估。我們根據持份者的意見及觀點，制定了本報告的框架，並制定了我們的企業社會責任管理策略，以解決持份者對企業社會責任問題的擔憂。

我們的主要持份者群體根據彼等對27個已識別的環境、社會與管治相關主題中每個主題的重要性意見，回復我們的調查問卷。此等主題按優先次序排列及於下文的重要性評估矩陣中顯示。矩陣右上角的主題被界定為與本集團業務營運最為相關及持份者最為關注的主題。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

● Environment 環境

1. Air emission
氣體排放
2. Greenhouse gas emission
溫室氣體排放
3. Climate change
氣候變化
4. Energy efficiency
能源效益
5. Water and effluents
水及污水
6. Use of materials
物料使用
7. Waste management
廢物管理
8. Environmental compliance
環境合規

● Employment 就業

9. Labour rights
勞工權利
10. Labour-management relations
勞工管理關係
11. Employee retention
僱員留任
12. Diversity and equal opportunity
多元化及平等機會
13. Non-discrimination
反歧視
14. Occupational health and safety
職業健康及安全
15. Employee training
僱員訓練
16. Employee development
僱員發展
17. Prevention of child labour and forced labour
預防童工及強迫勞工

Social 社會

● Operation 營運

18. Customer satisfaction
客戶滿意度
19. Product and service quality and complaints handling
產品及服務品質及投訴處理
20. Customer health and safety
客戶健康及安全
21. Marketing and product and service labelling compliance
營銷以及產品及服務標籤合規
22. Intellectual property
知識產權
23. Customer privacy and data protection
客戶私隱及數據保護
24. Responsible supply chain management
負責任的供應鏈管理
25. Business ethics
商業道德
26. Socio-economic compliance
社會經濟合規

● Community 社區

27. Community investment
社區投資

Materiality assessment is an important part of our stakeholder engagement, which allows us to understand the most significant ESG topics to the Group and its stakeholders, so that we can formulate our business and CSR strategies to focus on the most important CSR issues. More importantly, we can respond to the stakeholders' expectations and concerns, as summarised below:

重要性評估是我們持份者參與的一個重要部分，其使我們能夠了解對本集團及其持份者最重要的環境、社會與管治主題，以便我們能夠制定我們的業務及企業社會責任戰略，以關注最重要的企業社會責任問題。更重要的是，我們可對持份者的期望及關注點作出回應，概述如下：

| Key concerns from stakeholders 持份者的主要關注點 | Our responses 我們的回應 | Section 章節 |
|---|--|--|
| Customer privacy and data protection 客戶私隱和資料保護 | <p>We value our stakeholders' privacy and data security. We have implemented a robust set of procedures to protect the stakeholders' privacy by enhancing data protection stewardship.</p> <p>我們重視持份者的私隱和資料安全。我們實施了一套健全的程序，通過加強資料保護管理來保護持份者的私隱。</p> | <p>SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction 可持續營運 – 提高客戶的滿意度</p> |
| Customer satisfaction 客戶滿意度 | <p>We are committed to enhancing customer satisfaction by ensuring the quality of our products. Our award-winning quality management system is accredited by the international standard ISO 9001:2015 and IATF 16949:2016, which demonstrates our capability in providing goods and services that meet customer expectations. We have also been maintaining close communication with customers to understand their needs, expectations and feedbacks.</p> <p>我們致力於透過確保我們產品的品質來提高客戶滿意度。我們獲獎的品質管理體系已獲得國際標準 ISO9001：2015 及 IATF16949：2016 的認證，這表明我們有能力提供符合客戶期望的商品及服務。我們亦一直與客戶保持密切溝通，以了解彼等的需求、期望及反饋意見。</p> | <p>SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction 可持續營運 – 提高客戶的滿意度</p> |
| Business ethics 商業道德 | <p>The Group has always followed the principles of “law-abiding, honesty, fairness, and anti-corruption”, and takes a zero-tolerance approach to any behaviours that violates integrity. An anti-corruption policy is in place to set out anti-corruption standards.</p> <p>本集團始終遵循「守法、誠信、公正、反腐敗」的原則，對任何違反誠信的行為採取零容忍態度。已制定反腐敗政策，規定了反腐敗標準。</p> | <p>SUSTAINABLE OPERATIONS – Business Ethics 可持續營運 – 商業道德</p> |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

| Key concerns from stakeholders 持份者的主要關注點 | Our responses 我們的回應 | Section 章節 |
|---|---|---|
| Occupational health and safety 職業健康及安全 | <p>The Group has established a comprehensive health and safety risk management system to assess the potential hazards and environmental impacts of our operations.</p> <p>本集團已建立了全面的健康及安全風險管理體系，以評估營運的潛在危害及環境影響。</p> <p>We have also adopted a series of health and safety practices to protect our employees. In light of the widespread pandemic recently, we have set up a pandemic response leading group to minimise the pandemic impacts on the Group and its stakeholders.</p> <p>我們亦已採取一系列健康及安全慣例來保護我們的僱員。鑑於近期疫情傳播廣泛，我們成立了一個疫情應對領導小組，以盡量減少疫情對本集團及其持份者的影響。</p> | CARING OUR PEOPLE — Employees' Health and Safety 關愛我們的僱員 — 僱員健康及安全 |
| Prevention of child labour and forced labour 預防童工及強迫勞工 | <p>We have established child and forced labour policy based on the international SA8000 Social Accountability Standard. Not only do we strictly comply with our standard of child and forced labour prevention throughout employment and operation processes, we also closely communicate with our suppliers to ensure that they are in line with our standards.</p> <p>我們根據國際SA8000社會責任標準，制定了童工及強迫勞工政策。我們不僅在整個僱傭及營運流程中嚴格遵守預防童工及強迫勞工的標準，而且與供應商密切溝通，以確保彼等符合我們的標準。</p> | CARING OUR PEOPLE — Child and Forced Labour-free Workplace 關愛我們的僱員 — 工作場所無童工及強迫勞工 |
| Environmental compliance 環境合規 | <p>We have implemented an environmental management system accredited with the international standard of ISO14001:2015. During the Reporting Period, the Group was not aware of any material non-compliance with relevant environmental laws.</p> <p>我們已實施獲ISO14001:2015國際標準認證的環境管理體系。於報告期內，本集團並無發現任何不遵守相關環境法律的重大事件。</p> | PROTECTING OUR ENVIRONMENT 保護環境 |

SUSTAINABLE OPERATIONS

We are committed to ensuring our production chain creates the best value for the stakeholders and the Group. This includes enhancing the fairness and effectiveness of our supply chain management, as well as the assuring the quality of our products. To achieve this, a robust and unbiased supplier selection system is in place, which is accompanied by a well-organised supplier and product quality management system. We work closely with our suppliers and business partners to ensure we have a reliable supply chain, so as to deliver the best products.

Supply Chain Management

Supply chain management is an indispensable part of ensuring sustainable operations. Our sound supply chain management system enables us to ensure product quality and assess the level of environmental and social impacts and viability of our suppliers, so as to create a more sustainable supply chain. During the Reporting Period, we collaborated with 686 suppliers from 8 countries/regions. Details of the supplier distribution are summarised in the table below:

| | 2021 |
|---|------|
| Total number of suppliers 供應商總數 | 686 |
| Number and % by geographical region 按地區劃分的數目及百分比 | |
| Mainland China 中國內地 | 646 |
| Hong Kong 香港 | 23 |
| United States 美國 | 6 |
| Others 其他 | 11 |

Sustainable Supply Chain

To achieve a sustainable supply chain, we have been addressing environmental and social concerns throughout our supply chain. We aim at reducing carbon footprint and waste associated with the supply chain, while maintaining the health and safety standards as well as the labour conditions of our suppliers. In light of this, we prefer to collaborate with suppliers that adhere to environmental and social standards. Before we develop a partnership with a new supplier, the new supplier would go through a supplier assessment which evaluates its environmental and social impacts.

可持續營運

我們致力於確保我們的生產鏈為持份者及本集團創造最佳價值，包括提高我們的供應鏈管理的公正性及有效性，以及確保我們的產品品質。為了實現此目標，已建立一個穩健的、公正的供應商選擇系統，以及一個組織良好的供應商及產品品質管理體系。我們與供應商及業務夥伴密切合作，以確保我們擁有一個可靠的供應鏈，以便提供最佳的產品。

供應鏈管理

供應鏈管理是確保可持續營運的一個不可或缺的部分。我們健全的供應鏈管理體系使我們能夠確保產品品質，評估環境及社會的影響程度及供應商的生存能力，從而創造持續性更強的供應鏈。於報告期內，我們與來自8個國家／地區的686位供應商進行了合作。下表概述供應商分佈的詳情：

可持續供應鏈

為了實現可持續供應鏈，我們一直在解決整個供應鏈中的環境及社會問題。我們旨在減少與供應鏈相關的碳足跡及廢物，同時保持健康及安全標準及供應商的勞工條件。因此，我們優先考慮與遵守環境及社會標準的供應商合作。在與一位新的供應商建立合作關係之前，此新供應商會進行供應商評估，以評估其環境及社會影響。

Once the potential supplier is selected as our supplier, it is required to sign an environmental, health and safety agreement with the Group, as well as a declaration to ensure that the materials they provided comply with the Restriction of Hazardous Substances Directive and the Registration, Evaluation, Authorisation and Restriction of Chemicals, the European Union regulation addressing the production and use of chemical substances, and their potential impacts on both human health and the environment. Subcontractors which work on-site are required to comply with our workplace safety, chemical safety, fire safety and other health and safety requirements.

Supplier Selection and Engagement

Apart from environmental and social standards, our suppliers also have to fulfil other criteria of scale, quality and overall performance to ensure that they have the ability to meet our production standard and fulfil our customers' requirements. For existing suppliers, we have developed detailed policies and procedures and our professional supplier assessment panel will effectively manage the product quality of our suppliers through the monthly and annual performance assessments based on product quality, delivery time, customer complaint (if any) and other environmental and CSR-related aspects. Suppliers which do not meet our standards are required to make improvements promptly to stay on our approved supplier list. Furthermore, we attach great importance to the continual advancement of our suppliers, and have developed plans to encourage them to improve their quality management system by establishing ISO 9001 and/or IATF 16949 quality management system.

Enhancing Customer Satisfaction

Having been trusted by our customers for more than four decades, we understand the importance to build and maintain their confidence in our products. We are committed to providing the highest quality products, service and support for our customers that meet their expectations. During the Reporting Period, we were not aware of any material breach of relevant laws and regulations relating to health and product safety, advertising, labelling and privacy matters in connection to the products and services provided by the Group. In the meantime, there was no product recall due to safety or health concerns.

如此潛在供應商獲選為我們的供應商，其必須與本集團訂立一份環境、健康及安全協議及一份聲明，以確保他們提供的物料符合歐盟的危害性物質限制指令及化學品登記、評估、授權及限制條例，以對應化學物質的生產及使用，以及其對人類健康和環境的潛在影響。在現場工作的分包商必須遵守我們的工作場所安全、化學品安全、消防安全及其他健康及安全要求。

供應商的選擇及參與

除環境及社會標準外，我們的供應商亦必須滿足規模、品質及整體表現等其他標準，以確保彼等有能力符合我們的生產標準，並滿足我們的客戶要求。就現有供應商而言，我們已制定詳細的政策及程序，由我們的專業的供應商評估小組根據產品品質、交付時間、客戶投訴(如有)及其他與環境及企業社會責任有關方面，透過每月及年度表現評估有效管理供應商的產品質量。不符合標準的供應商必須及時改進，才能留在我們的獲批准供應商名單中。此外，我們非常重視持續提升供應商，並且已制定計劃，鼓勵彼等透過建立ISO 9001及/或IATF 16949品質管理體系來改善其品質管理體系。

提高客戶滿意度

四十多年來，我們一直受到客戶的信任，我們知悉使客戶對我們的產品充滿信心並一直信任我們的產品至關重要。我們致力於為客戶提供最高品質的產品、服務及支持，以滿足彼等的期望。於報告期內，我們並不知悉任何嚴重違反下述法律法規的行為：與本集團提供的產品及服務相關涉及健康及產品安全、廣告、標籤及私隱事項的法律法規。與此同時，沒有因安全或健康問題而召回產品。

Quality Management

Our quality management system has been accredited by the international standard ISO 9001:2015 and IATF 16949:2016, which demonstrates our capability in providing goods and services that meet customer expectations and our ability in offering quality services amid challenges. By obtaining the IATF 16949, we have shown our commitment in making continual improvements and our ability to minimize defect, variation and waste in the supply chain and assembly process of the automotive component industry.

Quality Control

Our stringent quality control system encompasses the entire production cycle from raw materials to end products, to ensure our products meet our quality standards and customers' expectations systematically. We regularly perform quality checks on raw materials, semi-finished products and end products. Our quality control personnel are well-trained and will strictly enforce our internal protocols on quality requirements. If any non-conforming products are found, we will assess the possibility of taking any remedial actions or proceed to recall the non-conforming products. During the Reporting Period, no sold or shipped products were subject to product recalls for safety and health reasons.

In 2021, the Group was accredited with "The Best Quality Improvement Award 2020" by Laird Technologies (Shenzhen) Ltd. ("Laird"), one of our auto parts customers. We have been providing Laird with high-quality automotive radar shielding covers which are being used by renowned international automobile brands. This honour was attributed to our prompt responses towards customer's needs and commitment to provide excellent service and high-quality products to our customers.

品質管理

我們的品質管理體系已獲得國際標準ISO 9001：2015及IATF 16949：2016的認證，這表明我們有能力提供符合客戶期望的商品及服務，並有能力面臨挑戰時提供優質服務。獲得IATF 16949認證，表明我們致力於持續改進，並展現我們在汽車零部件行業供應鏈及裝配流程中減少缺陷、變更及廢物的能力。

品質控制

我們嚴格的質量控制體系包含從原材料到成品的整個生產週期，以確保我們的產品系統地滿足我們的品質標準及客戶期望。我們定期對原材料、半成品及成品進行品質檢查。我們的品質控制人員均受過良好訓練，並將嚴格執行我們關於品質要求的內部方案。倘發現任何不合格品，我們將評估採取任何補救措施的可能性，或者召回不合格品。於報告期內，概無任何已售或已發貨的產品因安全及健康理由而被召回。

於二零二一年，本集團獲萊爾德電子材料(深圳)有限公司(「萊爾德」，我們的汽車零配件客戶之一)授予「二零二零年最佳品質進步獎」。我們一直向萊爾德提供優質的汽車雷達罩，該等雷達罩正在被國際知名汽車品牌使用。此榮譽得益於我們對客戶的需求迅速作出反應並致力於為客戶提供優質服務及產品。



Customer Satisfaction

A systematic procedure is in place to collect feedbacks and complaints from customers, so that their concerns can be effectively addressed and resolved, in order to enhance customer satisfaction. To ensure that our products satisfy the expectation of the customers, we maintain close communication with our customers, and welcome any feedbacks and complaints made by the customers. All feedbacks and complaints received from our customers will be handled by the corresponding departments, including management, sales and quality departments. We closely communicate with the customers to settle any quality issues they might encounter, recall the relevant products (if appropriate) and carefully investigate all complaints and feedback for future improvements. During the Reporting Period, we have received 21 complaint cases regarding our products and services, all of which were properly handled and investigated adhering to our complaint handling procedures.

Product Safety

Product safety is an imperative consideration for the Group. To ensure that our products meet the safety standards, we conduct a product quality audit annually to examine our products against various safety parameters in order to ascertain if they constitute any safety risk.

Corrective and preventive measures will be taken promptly should we identify any non-conformity throughout the process.

Intellectual Property

In order to enhance our competitiveness in technological innovation, we are committed to protecting the intellectual property rights. The Group has established a sound management system to standardise the management of the application, acquisition and maintenance of the Group's intellectual property. During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to intellectual property regarding our products and services.

客戶滿意度

我們擁有一套用於收集客戶反饋及投訴的系統程序，以便有效地處理及解決彼等的問題，從而提高客戶滿意度。為了確保我們的產品能夠滿足客戶的期望，我們與客戶保持密切溝通，並歡迎客戶進行反饋及投訴。我們收到的所有客戶反饋及投訴均將由相應的部門(包括管理層、銷售部及品質部)進行處理。我們與客戶進行密切溝通，以解決彼等可能遇到的任何質量問題，召回相關產品(如適用)並仔細調查所有的投訴及反饋，以便於日後進行改進。於報告期內，我們共接到21宗產品和服務的投訴，均按照投訴處理程序妥善處理和調查。

產品安全

產品安全乃本集團極其重要的考慮因素之一。為了確保產品符合安全標準，我們每年進行一次產品品質審核，根據各項安全參數檢查我們的產品，以確定彼等是否構成安全風險。

倘我們在整個流程中發現任何不合格品，我們將及時採取糾正及預防措施。

知識產權

為了提高我們在技術創新方面的競爭力，我們致力於保護知識產權。本集團已建立一個完善的管理系統以規範管理本集團知識產權的應用、獲取及維護。於報告期內，就我們的產品及服務的知識產權而言，本集團概無發現任何違反適用法律及法規的情況。

Data Protection

The Group understands the importance of privacy to all stakeholders, including our customers, employees, and business partners. Adhering to our information management policy, we have implemented a stringent set of procedures to protect the stakeholders' privacy:

- Data protection responsibilities of different bodies are clearly defined.
- The scope of our data protection is well defined. The documents which are classified as confidential information are to be clearly labelled and properly stored. The retrieval of such information is restricted.

Innovation and Research

Since the Group has become the first enterprise in Hong Kong to obtain the Industry 4.0 “1i Maturity Level Recognition” certificate issued by Hong Kong Productivity Council and Fraunhofer Institute for Production Technology in Germany in 2018, we have continued to make efforts to develop smart manufacturing facilities in order to hasten production innovation and improve efficiency.



Our effort in promoting smart manufacturing and production was also recognised by our customers as evidenced by the award of “The Smart Manufacturing System Award” granted by Lenovo in 2021. The real-time end-to-end production management system implemented in our production sites allows the traceability of the production of every single product or any batch of products and highly enhances production data authentication, reduces manual error, and improves the overall quality and production efficiency. The Group will further expedite the implementation of “Industry 4.0” in its production bases in China to expand the application of Industrial Internet of Things (“IIoT”) for machine interface, and use IIoT data for further data analysis so as to continuously improve production efficiency.

資料保護

集團了解私隱對所有持份者(包括我們的客戶、員工和業務合作夥伴)的重要性。秉承我們的信息管理政策，我們實施了一套嚴格的程序來保護持份者的私隱：

- 明確界定不同機構的資料保護責任。
- 我們的資料保護範圍明確，屬於機密信息的文件將會清楚標示並妥善保存。此類信息的檢索會受到限制。

創新與研究

本集團於二零一八年成為香港首家企業榮獲香港生產力促進局及德國Fraunhofer Institute for Production Technology頒發之「工業4.0『1i成熟度等級認可』證書，自此，我們繼續努力發展智能製造設施，以加快生產創新，提高效率。

我們於推動智能製造及生產方面作出的努力也獲得了客戶的認可，本集團於二零二一年獲聯想授予「智能製造系統獎」可引證此點。我們的生產基地內實施的實時端到端生產管理體系，使每一個產品或任何一批產品的生產均可被追蹤，亦可大大增強生產數據認證，減少人工錯誤，提高整體品質及生產效率。本集團將繼續通過加快在中國生產基地實施「工業4.0」，擴展工業物聯網(「IIoT」)的應用進行機器連接，並利用IIoT數據進行進一步的數據分析，從而持續改善生產效率。

Business Ethics

Unity and mutual trust are key core values of the Group, and we have been upholding business ethics to promote integrity among employees and gain trust from key stakeholders. We strictly observe ethical standards at all times throughout the entire business operation. During the Reporting Period, the Group was not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering such as the Prevention of Bribery Ordinance in Hong Kong, nor any concluded legal cases regarding corrupt practices against the Group or its employees.

Anti-corruption

The Group has always followed the principles of “law-abiding, honesty, fairness, and anti-corruption”, and takes a zero-tolerance approach to any behaviours of bribery and unfair business practices. An anti-corruption policy is in place to set out anti-corruption standards. Any forms of corruption (such as offering or accepting any benefits or advantages) and unfair business practices (such as collusion) are strictly prohibited.

Employees are required to disclose any potential conflict of interest. We also require our business partners to sign an integrity declaration and a non-disclosure agreement to ensure that our business relationship is built upon integrity. During the Reporting Period, we have offered about 1,012 hours of anti-corruption training to the Board, management and employees through classroom training and self-learning.

Whistleblowing and Investigation

The Group has adopted a whistleblowing policy and employees are encouraged to report any suspected behaviours of bribery and dishonesty, as well as other CSR issues to the Group or the staff committee in confidence and anonymity, either in writing or over the phone. All cases will be properly investigated in a strict, meticulous and timely manner.

商業道德

團結及互信是本集團的關鍵核心價值觀，因而我們一直堅持商業道德，以促進僱員保持誠信並獲得主要持份者的信任。於整個業務營運過程中，我們始終嚴格遵守道德標準。於報告期內，本集團並不知悉任何嚴重違反有關賄賂、勒索、欺詐及洗錢的法律法規如《香港防止賄賂條例》，亦不知悉任何針對本集團或其僱員的腐敗行為的已結案法律案件。

反腐敗

本集團始終遵循「守法、誠信、公正、反腐敗」的原則，對任何賄賂行為及不公正的商業行為採取零容忍態度。本集團已制定反腐敗政策，規定了反腐敗標準。嚴格禁止任何形式的腐敗（如提供或接受任何利益或益處）及不公正的商業行為（如勾結）。

僱員必須披露任何潛在的利益衝突。我們亦要求我們的業務夥伴簽署誠信聲明及保密協議，以確保我們的業務關係建立在誠信基礎之上。報告期內，我們通過課堂培訓和自學，為董事會、管理層和員工提供了約1,012小時的反腐敗培訓。

舉報及調查

本集團已採納舉報政策，鼓勵僱員以保密及匿名方式以書面或電話形式向本集團或僱員委員會舉報任何可疑的賄賂及不誠實行為，以及其他企業社會責任問題。本集團將以嚴格、細緻及及時的方式對所有案件進行適當地調查。

CARING OUR PEOPLE

We provide our employees with a supportive, dynamic, fair and safe workplace and value their well-being. Apart from compliance with relevant local labour laws, our employment practice aligns with SA8000 Social Accountability Standard, which is based on a number of internationally recognised labour standards on workplace health and safety, labour rights, and prevention of child and forced labour. At the end of the Reporting Period, the Group's three major subsidiaries employed 3,040 employees in China and Hong Kong, with a turnover rate of about 50%. The employment figures as at the end of the Reporting Period are summarised below:

關愛我們的僱員

我們為僱員提供一個重視彼等健康的支持性的、有活力的、公正的及安全的工作場所。除遵守當地的相關勞動法外，我們的僱傭常規符合SA8000社會責任標準，該標準乃基於若干國際公認的有關工作場所健康及安全、勞工權利及預防童工及強迫勞工的勞工標準。於報告期末，本集團的三間主要附屬公司在中國及香港僱用了3,040名僱員，離職率約為50%。於報告期末的僱傭數據概述如下：

| | | 2021 |
|---|-----------------|---------|
| Total number of employees¹ 僱員總數¹ | | 3,040 |
| By gender (%) | Male 男 | 59.14% |
| 按性別劃分(%) | Female 女 | 40.86% |
| By age group (%) | Below 30 30歲以下 | 35.33% |
| 按年齡組劃分(%) | 30 to 50 30至50歲 | 53.36% |
| | Over 50 50歲以上 | 11.32% |
| By employment type (%) | Full-time 全職 | 66.97% |
| 按僱傭類別劃分(%) | Part-time 兼職 | 33.03% |
| By geographical region (%) | Hong Kong 香港 | 0.00% |
| 按地區劃分(%) | China 中國 | 100.00% |
| Employee turnover rate² 僱員離職率² | | |
| Total 總計 | | 50.47% |
| By gender | Male 男 | 53.12% |
| 按性別劃分 | Female 女 | 46.07% |
| By age group | Below 30 30歲以下 | 63.75% |
| 按年齡組劃分 | 30 to 50 30至50歲 | 42.28% |
| | Over 50 50歲以上 | 5.75% |
| By geographical region | Hong Kong 香港 | 0.00% |
| 按地區劃分 | China 中國 | 50.53% |

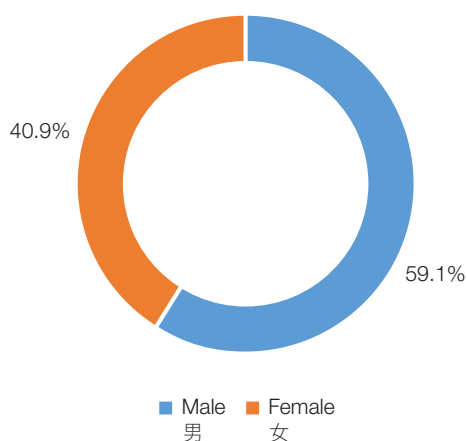
¹ The number of employees as at the end of the Reporting Period.

² Given the business nature of the Group, the employee turnover rate is calculated by dividing the number of employees of the respective category who left employment in 2021 by the total workforce size of the respective category. The total workforce size is the aggregate of the number of employees who left employment and the total number of employees at the end of the Reporting Period.

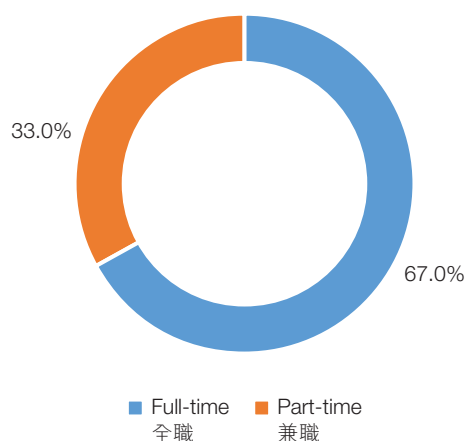
¹ 報告期末的僱員人數。

² 因應本集團的業務性質，離職率的計算方法為以特定類別的僱員在二零二一年離職人數除以於該特定類別的總僱員人數。總僱員人數為離職僱員人數及於報告期末的總僱員人數。

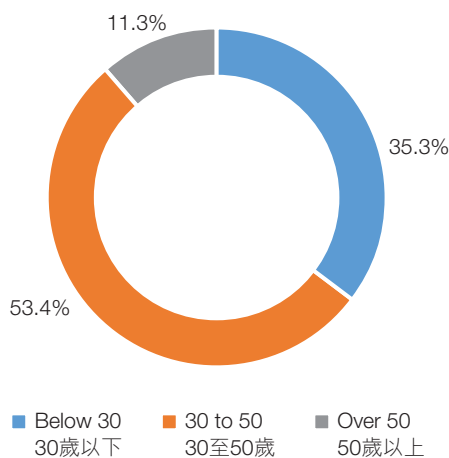
Total Workforce by Gender
按性別劃分僱員總數



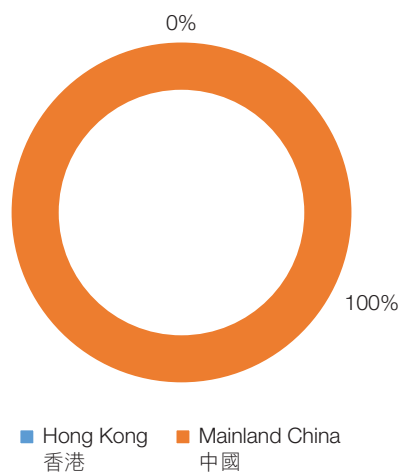
Total Workforce by Employment Type
按僱員類別劃分僱員總數



Total Workforce by Age Group
按年齡組別劃分僱員總數



Total Workforce by Geographical Region
按地區劃分僱員總數



Employees' Health and Safety

One of our key objectives is to provide our employees with a safe and healthy working environment, and to create working conditions that promote work-life balance and employee well-being. The Group strives to keep its workplace hygienic, healthy and free from hazards that might cause accidents, incidents, health issues or safety risks.

僱員健康及安全

我們的主要目標之一乃為僱員提供安全及健康的工作環境，並創造工作條件，促進工作與生活之間的平衡及僱員的福祉。本集團努力保持工作場所衛生、健康及不存在可能導致事故、事件、健康問題或安全風險的危害。

Health and Safety Risk Assessment

The Group has a comprehensive health and safety risk management system in place under the supervision of project management personnel, including the project planner, project supervisor, senior safety engineer and the safety commissioner. Before the commencement of each project, an environmental, health and safety risk assessment will be conducted to assess its potential hazards and environmental impacts, such as chemical safety assessment and identification of hazardous gases, and to formulate the mitigating measures. We will inspect the equipment to ensure it functions normally and work permits of relevant project personnel to ensure they are qualified to perform such work in the meantime.

Health and Safety Practices

In compliance with the highest standards of workplace health and safety, our health and safety practices cover various aspects of hazard prevention across the entire production cycle.

健康及安全風險評估

在項目管理人員(包括項目規劃師、項目主管、高級安全工程師及安全專員)的監督下,本集團建立了一個全面的健康及安全風險管理體系。在每個項目開始之前,將進行環境、健康及安全風險評估,以評估其潛在的危害及環境影響,如化學品安全評估及危險氣體識別,並制定緩解措施。同時,我們將檢查設備以確保正常運作及相關項目人員的工作許可證以確保他們符合資格進行該工作。

健康及安全實踐

根據工作場所健康及安全的最高標準,我們的健康及安全實踐涵蓋整個生產週期的危險預防的各方面。

Health and Safety Management 健康及安全管埋

- ✓ The Safety Management Group is responsible for planning and overseeing the safety management system, monitoring the implementation of the safety plan of all operation units and coordinating the regular medical check-up of employees.
安全管理小組負責規劃及監督安全管理體系,監督所有營運單位的安全計劃的實施,並協調僱員進行定期體檢。

Safety Practices of Manual Handling Operations 體力處理操作之安全實踐

- ✓ We have assessed the labour intensity of each role that involves manual handling operations and set up rest periods and adjusted work arrangements accordingly, so as to ease the physical burden of the employees.
我們已評估涉及體力處理操作各職位的勞動強度,並相應地設定休息時間及調整工作安排,以減輕僱員的身體負擔。
- ✓ Pregnant female workers will not be allowed to carry out works that involve manual handling operations.
不允許懷孕職工從事涉及體力處理操作的工作。

Emergency Preparedness 應急準備

- ✓ A fire safety equipment subcontractor has been commissioned to inspect and provide maintenance service for our fire safety equipment regularly.
我們已委託一名消防安全設備分包商定期檢查我們的消防安全設備並提供維修服務。
- ✓ Inspections on fire safety, assessments on fire hazards and fire drills are carried out regularly.
定期檢查消防安全、評估火災隱患並進行消防演習。

Personal Protective Equipment (“PPE”) 個人防護設備(「個人防護設備」)

- ✓ We have set up a set of guidelines on proper use of PPE, to which employees must adhere. Managers and supervisors will carry out inspections on the compliance.
我們已制定一套關於正確使用個人防護設備的指引，並且僱員必須遵守該等指引。管理人員及監督人員將進行合規檢查。
- ✓ To ensure that the PPE is utilised with the intended safety function, we have set a lifespan for each type of PPE, and will offer replacement of any expired PPE accordingly.
為了確保個人防護設備利用在應有的安全功能上，我們為每一種個人防護設備設定了有效期，並將相應地更換任何過期的個人防護設備。

Incident Management 事故管理

- ✓ A clear guidance on dealing with safety incidents is in place, which outlines the procedures of handling workplace injuries.
我們擁有關於處理安全事故的明確指引，其概述處理工傷的程序。
- ✓ Any injuries will be examined immediately. Depending on the condition of the injury, the injured worker will receive first aid on-site and/or be hospitalised.
將立即檢查一切傷害。根據受傷的情況，受傷的工人將在現場接受急救及／或送往醫院接受治療。
- ✓ All incidents will be recorded and investigated properly by the Safety Management Group.
將記錄所有事故，並由安全管理小組進行適當地調查。

Chemical Safety 化學品安全

- ✓ Our chemical safety management system strictly complies with the Regulations on the Administration of Precursor Chemicals of the PRC.
我們的化學品安全管理體系嚴格遵守《中華人民共和國易製毒化學品管理條例》。
- ✓ The Precursor Chemicals Administration Group has been set up to regulate the procurement, use, storage and disposal of precursor chemicals.
已成立易製毒化學品管理小組，以規範易製毒化學品的採購、使用、儲存及處置。

Health and Safety Training 健康及安全培訓

- ✓ To ensure that all employees and subcontractors understand our safety standards and requirements, we provide them with safety training before the commencement of each project.
為確保所有僱員及分包商了解我們的安全標準及要求，我們會於每個項目開始前為彼等提供安全培訓。
- ✓ Our comprehensive safety training programme covers all relevant topics such as three-tier (i.e. factory, department and position levels) safety training and 6S safety standard.
我們全面的安全培訓計劃包含所有相關主題，如三級(即廠級、部門級及崗位級)安全培訓及6S安全標準。

Anti-pandemic Responses

The Coronavirus (“COVID-19”) pandemic is one of the greatest public health challenges over the past years, confronting enterprises with operational challenges. Protecting the health and safety of the employees and minimising potential disruptions of COVID-19 to the stakeholders is one of the one of the greatest concerns of the Group.

Leading Group

We have established a pandemic response leading group to manage the risks associated with COVID-19, and implement preventive measures accordingly, so as to build resilience in the pandemic. With the efforts of the pandemic response taskforce and all our employees, we have tackled the challenge of the pandemic and have become one of the two factories recognised by the local government for having high standard virus prevention measures.

抗疫應對措施

新型冠狀病毒(「新型冠狀病毒」)疫情乃過往幾年中最大的公共衛生挑戰之一，使企業面臨著營運挑戰。保護僱員的健康及安全，盡量減少新型冠狀病毒疫情對持份者造成潛在中斷乃本集團最關注的問題之一。

領導小組

我們成立了一個疫情應對領導小組，以管理與新型冠狀病毒疫情相關的風險，並相應地採取預防措施，以建立疫情中的適應力。在疫情應對工作組及所有僱員的努力下，我們克服了疫情帶來的挑戰，成為當地政府認可的擁有高標準病毒預防措施的兩個工廠之一。



Pandemic Response Leading Group 疫情應對領導小組

- Coordinates the pandemic prevention practices of the factory area
協調廠區的疫情預防工作
- Formulates the pandemic prevention strategy
制定疫情預防策略

Information Screening and Policy Setting Group 信息篩選及政策制定小組

- Tracks and analyses the information of the employees
追蹤並分析僱員的信息
- Formulates preventive measures in compliance with the regulations and the pandemic trend
制定符合法規及疫情趨勢的預防措施

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Quarantine, Testing, Sanitation and Contingency Group 隔離、檢測、衛生及應急小組

- Conducts the body temperature checking
進行體溫檢測
- Manages the quarantine zones
管理隔離區
- Handles emergency incidents
處理緊急事件

Promotion and Training Group 宣傳及培訓小組

- Keeps abreast of the pandemic development
及時了解疫情的發展情況
- Organises training on pandemic prevention
組織疫情預防培訓

Logistics Protection and Inspection Group 後勤防護及檢查小組

- Checks on our pandemic prevention practices
檢查疫情預防實施情況
- Monitors all cross-border employee movements
監察所有跨境僱員的行蹤

COVID-19 Practices

To protect the health and safety of our employees and minimise potential disruptions to our supply chain, we have adopted the following practices to reduce the risk of an outbreak of COVID-19 at the workplace.

新型冠狀病毒疫情常規

為了保護僱員的健康及安全，並盡量減少對供應鏈造成潛在干擾，我們已採取以下常規以減少新型冠狀病毒在工作場所爆發的風險。

Protecting Our People 保護我們的僱員

- ✓ To keep all employees informed about the national and Group anti-pandemic policies
讓所有的僱員了解國家及集團的抗疫政策
- ✓ To monitor the global and local pandemic situation and remind employees to avoid going to the areas with a high risk of infection
監察全球及本地疫情情況，並提醒僱員避免前往感染風險高的地區
- ✓ To carry out daily sanitation of the factories and workshops
對工廠及車間進行日常衛生清潔
- ✓ To closely monitor the employees' and visitors' body temperature and examine their movement records
密切監測僱員及訪客的體溫及彼等的行蹤
- ✓ To provide antigen test kits for employees to do self-tests
提供抗原檢測試劑盒供僱員自我檢測
- ✓ To encourage employees to have COVID-19 vaccines
鼓勵僱員接種新型冠狀病毒疫苗
- ✓ To reserve an area for quarantine purpose
留出地方用作隔離

Protecting the Supply Chain 保護供應鏈

- ✓ To relocate employees to multiple locations in order to prevent transmission of virus
將僱員轉移到多個地點，以防止病毒傳播
- ✓ To introduce a “closed-loop” system for cross-border employees
為跨境員工引入一個「閉環」系統
- ✓ To set up a stringent management system and working procedures for cross-border logistics
為跨境物流設定嚴格的管理制度及工作程序
- ✓ To carry out thorough sanitation after unloading
卸貨後進行徹底的消毒
- ✓ To adopt a “contactless” approach on cross-border goods transportation
就跨境貨物運輸採用「無接觸式」方式
- ✓ To communicate closely with the authorities to obtain permits for vehicles
與政府機構密切溝通，以獲得跨境車輛許可證



To protect the health and safety of our employees, we carry out sanitation of workplace frequently.
為保護僱員的健康及安全，我們經常對工作場所進行清潔消毒。



Employees are required to maintain personal hygiene at all times and comply with pandemic prevention protocols.
僱員必須時常保持個人衛生，並遵守防疫規定。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to provision of a safe working environment and protection of employees from occupational hazards, such as Law of the PRC on Prevention and Control of Occupational Diseases and the Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong. The following table illustrates the number of work-related fatalities occurred in the past three years:

於報告期內，本集團並不知悉任何不遵守下述適用法律及法規的行為：有關提供安全工作環境及保護僱員，使彼等免於遭受職業危害的法律及法規，如《中華人民共和國職業病防治法》及香港《職業安全及健康條例》第509章。下表顯示過往三年中發生的與工作有關的死亡數目。

| Employee health and safety data 僱員健康與安全數據 | 2021 | 2020 | 2019 |
|--|------|------|------|
| Number of work-related injury cases 工傷案件的數目 | 6 | 12 | 14 |
| Number of work-related fatalities 因工死亡人數 | 0 | 0 | 2 |
| Number of lost days due to work injury 因工傷損失的工作日數 | 253 | 534 | 632 |

Employment Conditions

Our employees stand at the very heart of our success and are the most valuable assets of the Group. As such, taking good care of employees is a top priority for us. We have adopted a long-term strategy for taking care of our employees, which includes providing our employees with a dynamic working environment and attractive compensation and benefits which are competitive in the market. During the Reporting Period, the Group was not aware of any material breach of relevant laws and regulations in China and Hong Kong that has a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare, as well as child and forced labour, such as the Labour Law and Labour Contract Law in the PRC, and the Employment Ordinance (Cap. 57) in Hong Kong.

僱傭條件

我們的僱員乃我們成功的核心及本集團最寶貴的資產。因此，愛護僱員乃我們的第一要務。我們已採取一項愛護僱員的長期戰略，其中包括為僱員提供一個充滿活力的工作環境及在市場上具有競爭力的、具有吸引力的薪酬及福利。於報告期內，本集團並不知悉有任何嚴重違反對本集團具有以下重大影響：薪酬及解聘、招聘及晉升、工作時間、休息時間、同等機會、多元性、反歧視、其他利益及福利，以及童工及強迫勞工的中國及香港相關法律法規的行為，例如《中華人民共和國勞動法》及《中華人民共和國勞動合同法》，以及《香港僱傭條例》(第57章)。

Promotion and employment relations

The Group is keen on establishing a close relationship with its employees. To enhance employee satisfaction and productivity, we have established a fair and transparent promotion and awarding mechanism. Employees are to be appraised against a set of KPIs annually. Outstanding employees will receive awards and discretionary bonuses and they may be entitled promotion. To promote team spirit, we also issue awards to teams based on their productivity, improvement and innovation.

Employees are invaluable assets of the Group and we make every effort to retain each of them. Employment relationships are taken seriously and we do not make dismissal decisions lightly. No employees would normally be laid off unless they are no longer able to take up their roles for different reasons. All employees who are subject to dismissal will receive due notice or compensation, unless they have breached the laws or our code of conduct.

Benefits

We recognise the contribution by our employees with a highly competitive remuneration package. The Group fully complies with the minimum wage regulations, and offers employees with discretionary bonuses based on their performance. To help ease the cost of living of the employees, we offer them with allowances on meals and accommodation. We also make contributions to the social security system of pension fund, medical insurance, industrial injury insurance, unemployment insurance and maternity insurance for our employees according to the local laws and regulations.

Work-life Balance

Work-life balance is an important aspect of a healthy work environment. We discourage unnecessary overtime work and properly manage the working hours of the employees. Management will review and adjust the work roster to avoid overtime work. Employees who have to work overtime will be compensated. We adopt a five-day work week. Apart from the national statutory holidays, employees are also entitled to additional paid annual leave, sick leave, marital leave, maternity leave, paternity leave and compassionate leave according to the local laws and regulations. We organise a series of social events for our employees to promote mental wellbeing and build a culture of employee motivation.

晉升和僱傭關係

本集團致力於與員工建立密切關係。為提高員工滿意度和生產力，我們建立了公平及透明的晉升和獎勵機制。每年將根據一套績效指標對員工進行評估。優秀員工將獲得獎勵和酌情獎金，並可能獲得晉升。為了促進團隊精神，我們還根據團隊的生產力、改進和創新向他們頒發獎勵。

員工是本集團的寶貴資產，我們竭盡全力挽留每一位員工。我們認真對待僱傭關係，我們不會輕易做出解僱決定。通常不會解僱任何員工，除非他們因不同原因無法繼續擔任職務。所有被解僱的員工都將收到適當的通知或補償，除非他們違反了法律或我們的行為守則。

福利

我們透過極具競爭力的薪酬待遇認可僱員作出的貢獻。本集團完全遵守最低工資規定，並根據僱員的表現向僱員提供酌情花紅。為了降低僱員的生活成本，我們為彼等提供餐飲及住宿津貼。我們亦為僱員根據當地法律及法規向養老金、醫療保險、工傷保險、失業保險及生育保險的社會保障制度供款。

工作與生活的平衡

工作與生活的平衡乃健康工作環境一個重要方面。我們不鼓勵不必要超時工作，並恰當管理僱員的工作時間。管理層將審查並調整工作名單，以避免超時工作。不得不加班的僱員將獲得補償。我們採用每週五日工作制。除國家法定節假日外，僱員亦根據當地法律及法規享有額外的帶薪年假、病假、婚假、產假、陪产假及陪護假。我們為僱員組織了一系列社交活動，以提升僱員的心理健康，並建立一種激勵僱員的文化。



On the New Year's Day, the employees of the Group had dinner together to celebrate the new year and shared blessings. They truly enjoyed the unforgettable time they spent together.

元旦當日，本集團僱員共進晚餐，慶祝新年並相互祝福。彼等一起愉快地度過了難忘的時光。

Chinese New Year is an important traditional festival of the Chinese that welcomes a new start and embraces unity and peace. In celebration of the Chinese New Year, more than a thousand of our factory workers had Poon Choi together, which made them feel like home.

農曆新年乃中國人的重要傳統節日，迎接新的開始及擁抱團結與和平。為了慶祝農曆新年，我們工廠的一千多名職員一起享用盆菜晚宴，使彼等有家的感覺。



Our employees joined an outdoor event to celebrate the Labour Day.

In this event, we expressed gratitude to the employees for their outstanding achievements over the past year, and encouraged them to carry on making progress and growing together.

僱員參加戶外活動，以慶祝勞動節。於此次活動中，我們對僱員在過往一年中取得的傑出成就表示感謝，並鼓勵彼等繼續取得進步，共同成長。

Diversity and Labour Rights

We are a people-centric enterprise which respects labour rights and fairness. The Group understands the importance of diversity and respect it. Our employees are protected from receiving unequal treatment on recruitment, promotion, performance evaluation, salary, rewards and training opportunities, as well as any forms of discrimination, violence and harassment based on the grounds of race, ethnic, age, gender, sexual orientation, disability, religious beliefs, political affiliation, or marital status. We have set up a whistleblowing channel for employees to report violation of our labour rights and diversity policy. Furthermore, we respect the freedom of association and the right of collective bargaining of the employees, and have set out policy to protect such rights.

多元化及勞工權利

我們是一個以人為本的企業，尊重勞工權利及公平。本集團深知多元化的重要性及尊重多元化。我們使僱員免於在招聘、晉升、績效評估、薪資、獎勵及培訓機會方面受到不公平待遇，且不會因種族、民族、年齡、性別、性取向、殘疾、宗教信仰、政治立場或婚姻狀況而遭受任何形式的歧視、暴力及騷擾。我們已建立一個舉報渠道，供僱員舉報違反勞工權利及多元化政策的行為。此外，我們尊重僱員的結社自由及集體談判的權利，並已制定政策保護有關權利。

Child and Forced Labour-free Workplace

Prevention of child and forced labour is another material issue on labour rights protection. We have established a stringent set of policy on child and forced labour based on the international SA8000 Social Accountability Standard. The Group acts proactively to avoid the use of child or forced labour throughout our operations. Not only do we strictly comply with our standard of child and forced labour prevention throughout employment and operation processes, we also closely communicate with our suppliers to ensure that they are in line with our standards.

The Group undertakes to avoid the use of child and forced labour across all operation units. To avoid underage employment, all job applicants must reach the legal working age and present valid identification document for our verification. We carry out inspections to ensure compliance with the child labour policy and in the event child labour is identified, we will take actions to ensure their health and safety, such as arranging a medical check-up for them, sending staff to escort them back home, and providing them with necessary medical and living support. We do not tolerate any act of using child labour by our suppliers. In case of violation, they are required to take remedial actions promptly and we may terminate our business relationship with them if appropriate.

During the Reporting Period, the Group was not aware of any identified case regarding child and forced labour, as well as material non-compliance with laws and regulations relating to child and forced labour in China and Hong Kong, including, among others, the Provisions on Prohibition of Child Labour and the Law on the Protection of Minors of the PRC, and the Employment Ordinance (Cap. 57) of Hong Kong.

Training and Development

We aim to give employees the opportunity to acquire new skills they needed by providing them with the training courses that suit them the most. By investing in training and development, we help our employees to excel in their roles and thrive in the future.

無童工及強迫勞工的工作場所

防止童工及強迫勞工乃保護勞工權利的另一個重要議題。我們根據國際SA8000社會責任標準，制定了一套嚴格的童工及強迫勞工政策。本集團積極行動，在整個營運過程中避免使用童工或強迫勞工。我們不僅在整個僱傭及營運流程中嚴格遵守預防童工及強迫勞工的標準，而且與供應商密切溝通，以確保彼等符合我們的標準。

本集團承諾所有營運單位避免使用童工及強迫勞工。為避免僱用未成年人，所有求職者必須達到法定工作年齡，並出示有效的身份證明文檔供我們核實。我們進行檢查以確保遵守童工政策，一旦發現童工，我們將採取行動確保彼等的健康及安全，如為彼等安排體檢，派職工護送彼等回家，並為彼等提供必要的醫療及生活援助。我們不容許我們的供應商出現任何使用童工的行為。如發現違反，彼等必須及時採取補救措施，否則我們可終止與他們的業務關係(如合適)。

於報告期內，本集團並不知悉任何已確定的有關童工及強迫勞工的案件，以及嚴重違反中國及香港與童工及勞工相關的法律法規包括(其中包括)《禁止使用童工規定》及《中華人民共和國未成年人保護法》，以及《香港僱傭條例》(第57章)。

培訓與發展

我們旨在透過為僱員提供最適合彼等的培訓課程，讓彼等有機會學習所需的新技能。我們透過投資於培訓及發展，幫助僱員精於崗位並於日後不斷成長。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

To facilitate a better management of employee training and development, we have established the Enterprise Academy, which is responsible for formulating a training plan annually to address the training needs of the employees, and coordinating the hosting of training. Depending on the training needs and the roles of the employees, our training activities cover topics on various areas such as quality management, patent development, intellectual property, vocational skills and management. New joiners will participate in an orientation training programme, in which they will be trained and assessed on a range of topics including environmental, health and safety knowledge, production process, as well as our quality and CSR policies. The training programmes are delivered by experienced and qualified instructors.

Furthermore, the Enterprise Academy also coordinated with external parties and institutions to support our employees to obtain professional qualifications in achieving their professional goals. The data of our training hours are summarised below:

為了更好地管理僱員的培訓及發展，我們成立了企業學院，其負責制定年度培訓計劃，以滿足僱員的培訓需求，並協調培訓的實施。依據僱員的培訓需求及職位，培訓活動涵蓋眾多領域的主題，如質量管理、專利開發、知識產權、職業技能及管理。新僱員將參加入職培訓計劃，彼等將接受一系列主題（包括環境、健康及安全知識、生產流程以及我們的品質及企業社會責任政策）的培訓及評估。培訓課程由經驗豐富的合資格講師授課。

此外，企業學院亦透過與外部各方及機構合作，支持僱員取得專業資格，實現彼等的職業目標。有關培訓時間的資料概述如下：

| | 2021 |
|--|--------------|
| Total number of hours of training received by employees 僱員接受培訓的總時數 | 27,228.50 |
| Average hours of training per employee (% of employees who received training³) 每位僱員的平均培訓時間(接受培訓的僱員的百分比 ³) | 8.96 (100%) |
| By gender 按性別劃分 | |
| Male 男 | 9.79 (100%) |
| Female 女 | 7.74 (100%) |
| By employment category 按僱傭類別劃分 | |
| Senior Management 高級管理人員 | 13.23 (100%) |
| Middle Management 中級管理人員 | 13.23 (100%) |
| General Staff 普通職工 | 8.62 (100%) |

³ It is calculated by dividing the employees received training in the specified category by the number of employees in the specified category at the end of the Reporting Period.

³ 其計算方法為，於報告期末接受指定類別培訓的僱員除以指定類別的僱員人數。



We have been collaborating with tertiary institutions to deliver academic events and other exchange events to nurture talents of the next generation. This year, we collaborated with Shenzhen Technology University to organise a seminar on industry-education integration and innovation. Participants had a meaningful discussion and exchanged ideas with the Group's management.

我們一直與大專院校合作，舉辦學術活動及其他交流活動，以培養下一代人才。今年，我們與深圳技術大學合作，舉辦了關於產教融合及創新的研討會。參與者進行了有意義的討論，並與本集團的管理層交流了意見。

SUPPORTING OUR COMMUNITY

The Group fully supports the community where it operates and cares about the health and well-being of the people in the community. We collaborate with local charities to offer support to projects on local education, youth development, poverty alleviation, disaster relief and environmental conservation. During the Reporting Period, we contributed a total amount of RMB94,200.00 to the community to support the above initiatives.

Our volunteer team engages in various volunteering activities in environmental aspects. This year's volunteering service includes tree plantation and supports in community COVID-19 vaccination and testing. The team engaged in volunteering work for a total of 343 hours during the Reporting Period. Looking forward, we will continue to leverage our competency and knowledge to make positive contributions to the community, so as to foster a sustainable and harmonious community.



We work with external training providers to deliver professional training programmes in order to upskill our employees.

我們與提供專業培訓課程的外部培訓提供商合作，以提高僱員的技能。

支持我們的社區

本集團完全支持其營運所在社區，並關心社區內人們的健康及福祉。我們與當地慈善機構合作，為當地教育、青年發展、扶貧、救災及保護環境等項目提供支持。於報告期內，我們向社區貢獻總額為人民幣94,200元，以支持上述項目。

我們的義工隊在環保方面從事各種義工活動。今年的志願服務包括植樹造林和支持社區新型冠狀病毒疫苗接種和檢測。報告期內，該團隊共從事志願工作343小時。展望未來，我們將繼續利用我們的能力及知識，為社區作出積極貢獻，以發展成可持續的、和諧的社區。



Ka Shui Volunteer Service Team organized volunteer activities and cooperated with the Industry and Trade Bureau and the Epidemic Prevention Department to conduct nucleic acid testing and vaccination for all employees in Ka Shui Science and Technology Park.

嘉瑞志願者服務隊組織了義工活動，配合工貿局及防疫部門在嘉瑞科技園進行全員核酸檢測及疫苗接種工作。

PROTECTING OUR ENVIRONMENT

The Group regards environmental protection as our primary duty, and carries on improving and enhancing our environmental management procedures and production process to minimise our carbon footprint and address the environmental challenges that we face. As such, we have implemented an environmental management system accredited with the international standard of ISO14001:2015. To ensure strict compliance with all applicable environmental laws and regulations, we have engaged external consultants to carry out annual examination on air emissions, wastewater discharges and noise generation. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, generation of waste and use of resources, including, among others, the Environmental Protection Law and the Law on the Prevention and Control of Atmospheric Pollution of the PRC. Further, the Group was not aware of any issue in sourcing water that is fit for purpose. During the Reporting Period, the Group’s total GHG emission was 42,553.32 tCO₂e, with an intensity of 29.00 tCO₂e per million pieces of product.

保護環境

本集團將環境保護視為我們的首要職責，並不斷改進及完善我們的環境管理程序與生產流程，以將我們的碳足跡降至最低，並應對我們所面臨的環境挑戰。因此，我們已實施獲ISO14001:2015國際標準認證的環境管理體系。為確保嚴格遵守所有適用的環境法律及法規，我們已聘請外部顧問對氣體排放、廢水排放及噪音產生進行年度檢查。於報告期內，本集團並不知悉任何嚴重違反下述法律法規的行為：與氣體及溫室氣體（「溫室氣體」）排放、對水及土地的排污、廢物產生以及資源使用有關的法律及法規，包括（其中包括）《中華人民共和國環境保護法》及《中華人民共和國大氣污染防治法》。此外，本集團並不知悉求取適用水源存在任何問題。於報告期內，本集團的溫室氣體總排放為42,553.32公噸二氧化碳當量，密度為每百萬件產品29.00公噸二氧化碳當量。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

| Greenhouse Gas Emission ⁴ 溫室氣體排放 ⁴ | Unit 單位 | 2021 | 2020 |
|---|--|------------------------|-------------------------|
| Scope 1 – Direct GHG emissions ⁵ 範圍1 – 直接溫室氣體排放 ⁵ | tCO ₂ e 公噸二氧化碳當量 | 3,821.79 | 2,280.48 |
| Scope 2 – Energy indirect GHG emissions ⁶ 範圍2 – 能源間接溫室氣體排放 ⁶ | tCO ₂ e 公噸二氧化碳當量 | 38,723.31 | 36,407.75 |
| Scope 3 – Other indirect emissions ⁷ 範圍3 – 其他間接排放 ⁷ | tCO ₂ e 公噸二氧化碳當量 | 8.23 | N/A ⁸ |
| Total GHG emissions 溫室氣體總排放 | tCO ₂ e 公噸二氧化碳當量 | 42,553.32 ⁹ | 38,688.23 ¹⁰ |
| GHG Intensity 溫室氣體排放密度 | tCO ₂ e/million pieces of product 公噸二氧化碳當量/ 每百萬件產品 | 29.00 ⁹ | 56.17 |

We aim to reduce total GHG intensity (per million pieces of products) by 41% by 2030 from a 2019 base year.

我們的目標是在二零一九年的基礎上，於二零三零年將溫室氣體排放密度(每百萬件產品)降低41%。

Minimising Environmental Impacts

We strive to improve sustainability at every stage of our manufacturing processes by minimising the environmental impacts. The major sources of our environmental impacts are noise, wastewater and air emissions from stationary machineries, motor vehicles and our manufacturing processes such as die casting, moulding and scrapping. We closely monitor the levels of such emissions and noise to ensure that they are in strict compliance with regulatory standards.

盡量減少環境影響

我們努力通過盡量減少環境影響，在生產流程的各個階段提高可持續性。環境影響的主要來源為固定機器、汽車及生產流程(例如壓鑄、注塑及銷毀)所產生的噪音、污水及氣體排放。我們密切監測此類排放物及噪音的水平，以確保其嚴格遵守監管標準。

⁴ The calculation had made reference to GHG Protocol – Emission Factors from Cross-Sector Tools and the published emission factors of the “How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs” published by HKEx.

⁵ Scope 1 emissions represent direct GHG emissions generated by the use of refrigerant and fuels for stationary and mobile sources.

⁶ Scope 2 emissions represent energy indirect GHG emissions generated by the use of electricity.

⁷ Scope 3 emissions cover other indirect emissions associated with the Group’s business operation. Our Scope 3 emissions figure covers the emissions derived from business travel of our employees.

⁸ Not recorded in 2020.

⁹ The total GHG emissions in 2021 had increased compared with that in 2020 due to increase in production. However, the GHG intensity (in terms of tCO₂e per million pieces of products) had decreased compared with that in 2020 due to the implementation of environmentally friendly initiatives.

¹⁰ Includes Scope 1 and 3 emissions only.

⁴ 此計算已參考溫室氣體協議 – 跨界別排放係數工具及聯交所發佈的「如何編備環境、社會及管治報告附錄二：環境關鍵績效指標匯報指引」中所載之已發佈排放係數。

⁵ 範圍一指固定及移動源頭使用製冷劑及燃料所產生的直接溫室氣體排放。

⁶ 範圍二指使用電力所產生的間接溫室氣體排放。

⁷ 範圍三包括與集團業務營運相關的其他間接排放。我們的範圍三排放數據涵蓋了員工商務差旅產生的排放。

⁸ 二零二零年未有記錄。

⁹ 由於產量增加，二零二一年溫室氣體排放總量較二零二零年有所增加。然而，由於環保措施的實施，溫室氣體排放密度(以公噸二氧化碳當量/百萬件產品計)較二零二零年有所下降。

¹⁰ 只包括範圍一及範圍三的排放。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Air Emissions

The level of air emissions of our production plants is in strict compliance with DB44/27-2001 “Emission Limits of Air Pollutants” of Guangdong Province. To ensure compliance, we conduct a third-party air quality examination every year. The air emissions generated by the Group are primarily attributed to exhaust gas produced by the injection molding machine during the high temperature melting process and dust generated during the crushing process. We mitigate such impacts by adopting new initiatives and technologies, such as the installation of emission reduction devices. The dust and waste gas generated in the process of injection molding are treated by UV photolysis before emission. Furthermore, we have been using real-time monitoring system to keep track the emission level. During the Reporting Period, the Group’s total air emissions generated from production activities, stationary fuel usage and mobile fuel usage are as follows:

氣體排放

我們的生產工廠的氣體排放水平嚴格遵守廣東省DB44/27-2001《大氣污染物排放限值》的規定。為了確保合規，我們每年均會進行第三方空氣質量檢查。本集團產生的氣體排放物主要歸因於注塑機在高溫熔化過程中產生的廢氣及壓碎過程中產生的灰塵。我們通過採取新的措施及技術（如安裝減排設備）來減輕此類影響。注塑過程產生的灰塵及廢氣在排放前將以紫外光催化進行處理。此外，我們一直使用實時監控系統追蹤排放水平。於報告期間，本集團的生產活動所產生的總氣體排放量、固定燃料使用量及流動燃料使用量如下：

| Air Emissions ¹¹ 氣體排放 ¹¹ | Unit 單位 | 2021 ¹² | 2020 |
|--|---------|--------------------|-----------|
| Nitrogen oxides ¹³ 氮氧化物 ¹³ | kg 公斤 | 1,820.47 | 1,548.08 |
| Sulphur oxides 硫氧化物 | kg 公斤 | 12.85 | 1.71 |
| Particulate matter 顆粒物 | kg 公斤 | 14,007.23 | 11,485.93 |
| Benzene 苯 | kg 公斤 | 51.08 | 39.84 |
| Toluene and xylene 甲苯及二甲苯 | kg 公斤 | 749.44 | 577.07 |
| Volatile organic compound 揮發性有機化合物 | kg 公斤 | 4,818.10 | 3,750.31 |
| Sulphuric acid mist 硫酸霧 | kg 公斤 | 30.31 | 20.91 |
| Sulphur dioxide 二氧化硫 | kg 公斤 | 896.72 | 771.18 |
| Non-methane hydrocarbons 非甲烷碳氫化合物 | kg 公斤 | 1,112.92 | 1,191.46 |

¹¹ The air emission generated by the use of company vehicles is disclosed based on available data record only. We will continue to improve our data collection methodology.

¹² The air emissions in 2021 had increased compared with 2020 due to increase in production and improvement in collection of air emission data of some subsidiaries.

¹³ The emission of nitrogen oxides in 2020 include the direct emission from production plants and combustion of stationary and mobile fuels, whereas that in 2021 only covers direct emission from production plants.

¹¹ 使用公司車輛產生的空氣排放僅根據已有的數據記錄披露。我們將繼續改善我們的數據收集方法。

¹² 由於產量增加及某些附屬公司的氣體排放數據收集有所改善，二零二一年的空氣排放量與二零二零年相比有所增加。

¹³ 二零二零年氮氧化物的排放包括生產工廠的直接排放以及固定和移動燃料的燃燒，而二零二一年僅包括生產工廠的直接排放。

Wastewater Discharge

Our wastewater discharge can be attributed to the effluent produced from production and general washing. To protect the water sources nearby, our wastewater goes through a robust treatment process to remove organic material and pollutants before discharge, so that it can be safely returned to the environment. The wastewater treatment facility is inspected and cleaned regularly to ensure it functions normally. We collaborate with external consultants to examine our wastewater at least once a year to ensure that the volume of organic material and pollutants is within acceptable ranges. During the Reporting Period, the intensities of our water consumption and discharge were 167.93 and 3.14 m³ per million pieces of product respectively.

廢水排放

我們的廢水排放可歸因於生產及一般清洗所產生的污水。為了保護附近的水源，我們的廢水在排放前將通過嚴謹的處理流程去除有機物質及污染物，使它可安全地回到環境中。我們定期檢查並清潔廢水處理設施，以確保其功能正常。我們與外部顧問合作，每年至少檢測一次我們的廢水，以確保有機物質及污染物的量保持在可接受的範圍內。於報告期間，我們的用水量及排放量密度分別為每百萬件產品167.93及3.14立方米。

| Water 水 | Unit 單位 | 2021 | 2020 |
|---------------|--|------------|------------|
| Freshwater 淡水 | m ³ 立方米 | 246,423.62 | 256,106.00 |
| Intensity 密度 | m ³ /million pieces of product 立方米/百萬件產品 | 167.93 | 371.82 |
| Wastewater 廢水 | m ³ 立方米 | 4,603.62 | 84,016.92 |
| Intensity 密度 | m ³ /million pieces of product 立方米/百萬件產品 | 3.14 | 121.98 |



The wastewater generated is properly treated before being recycled or discharged.

我們產生的廢水在回收或排放前均會進行適當處理。

We aim to:

我們的目標是：

- Reduce water consumption by 5% by 2030 from a 2019 base year.
- Reduce the intensity of water consumption (per million pieces of products) by 34% by 2030 from a 2019 base year.
- Reduce the intensity of wastewater discharge (per million pieces of products) by 50% by 2030 from a 2019 base year.

- 以二零一九年為基準年，於二零三零年將用水量減少5%。
- 以二零一九年為基準年，於二零三零年將用水密度(每百萬件產品)降低34%。
- 以二零一九年為基準年，於二零三零年將廢水排放密度(每百萬件產品)降低50%。

Noise Generation

The level of noise generation of our production plants is in strict compliance with GB12348-2008 "Emission Standard for Industrial Enterprises Noise at Boundary". To minimise the noise generation, we opt for equipment with higher efficiency and lower noise generation, and have improved the sound insulation of our workshops by optimising the workshop layout and setting up solid walls. Our machinery is well maintained to ensure its energy efficiency. We also maximise the utilisation of our equipment when it is in motion in order to reduce the time and frequency of using the equipment.

Resource Management

Conserving our natural resources is an effective way to combat climate change for better sustainability. We have set up a set of internal guidance on resource management in order to promote a sense of conservation and cultivate a green workplace culture. During the Reporting Period, the intensities of energy consumption, raw material consumption and packaging material consumption were 46.84 MWh, 4.77 tonnes and 0.67 tonnes per million pieces of product respectively.

噪音產生

我們的生產工廠的噪聲產生水平嚴格遵守 GB12348-2008《工業企業廠界環境噪聲排放標準》。為盡量減少噪音產生，我們選擇了效率較高、噪音較低的設備，並通過優化車間佈局及設置實體牆來提高車間的隔音效果。我們的機器維護良好，以確保能源效益。我們亦在設備運行時最大限度地利用設備，以減少使用設備的時間及頻率。

資源管理

保護我們的自然資源乃應對氣候變化的有效途徑，從而達致更佳持續發展。我們制定了有關資源管理的內部指引，以提升節約意識，培養綠色工作場所文化。於報告期間，能源消耗、原材料消耗及包裝材料消耗密度分別為每百萬件產品 46.84兆瓦小時、4.77公噸及0.67公噸。

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| Resource Consumption 能源消耗 | Unit 單位 | 2021 | 2020 |
|---|--|------------------------|---------------------|
| Total energy consumption 能源消耗總量 | MWh 兆瓦小時 | 68,731.44 | 58,205.13 |
| Total energy intensity 能源密度總量 | MWh/million pieces of product 兆瓦小時/百萬元產品 | 46.84 | 84.50 ¹⁴ |
| Direct energy consumption 直接燃料消耗 | MWh 兆瓦小時 | 20,508.89 | 12,876.59 |
| – Natural gas 天然氣 | MWh 兆瓦小時 | 11,482.03 | 11,771.44 |
| – Diesel oil 柴油 | MWh 兆瓦小時 | 3,850.49 | 558.24 |
| – Unleaded petrol 無鉛汽油 | MWh 兆瓦小時 | 2,118.98 | 502.11 |
| – Liquefied petroleum gas 液化石油氣 | MWh 兆瓦小時 | 3,057.40 ¹⁵ | 44.80 |
| Indirect energy consumption – Purchased electricity 間接能源消耗 – 已購買的電力 | MWh 兆瓦小時 | 48,222.55 | 45,328.54 |
| Raw material consumption 原材料消耗 | Tonnes 公噸 | 6,999.20 | 4,585.39 |
| – Plastic 塑膠 | Tonnes 公噸 | 3,681.15 | 1,354.60 |
| – Magnesium alloy 鎂合金 | Tonnes 公噸 | 2,565.13 | 2,259.33 |
| – Aluminium alloy 鋁合金 | Tonnes 公噸 | 609.52 | 816.84 |
| – Zinc alloy 鋅合金 | Tonnes 公噸 | 143.40 | 154.63 |
| Total raw material consumption intensity 總原材料消耗密度 | Tonnes/million pieces of product 公噸/百萬元產品 | 4.77 | 6.66 |
| Packaging material consumption ¹⁶ 包裝物料消耗 | Tonnes 公噸 | 987.91 | 845.94 |
| – Carton boxes 紙箱 | Tonnes 公噸 | 617.97 | 496.31 |
| – Plastic bags 塑膠 | Tonnes 公噸 | 54.18 | 67.44 |
| – Stickers 貼紙 | Tonnes 公噸 | 11.44 | 13.31 |
| – Wood boards 木材 | Tonnes 公噸 | 294.22 | 255.63 |
| – Others 其他 | Tonnes 公噸 | 10.09 | 13.24 |
| Total packaging material consumption intensity 總包裝物料消耗密度 | Tonnes/million pieces of product 公噸/百萬元產品 | 0.67 | 1.23 |

We aim to:

- Reduce the intensity of total energy consumption (per million pieces of products) by 33% by 2030 from a 2019 base year.
- Reduce the intensity of paper consumption (per million pieces of products) by 46% by 2030 from a 2019 base year.
- Reduce the intensity of packaging material consumption (per million pieces of products) by 50% by 2030 from a 2019 base year.

我們的目標是：

- 以二零一九年為基準年，於二零三零年將總能源消耗密度(每百萬元產品)降低33%。
- 以二零一九年為基準年，於二零三零年將紙張消耗密度(每百萬元產品)降低46%。
- 以二零一九年為基準年，於二零三零年將包裝材料消耗密度(每百萬元產品)降低50%。

¹⁴ Restated due to change in calculation method.

¹⁵ Including the use of liquefied petroleum gas as mobile and stationary fuel. The consumption in 2021 had increased compared with 2020 due to extended usage of liquefied petroleum gas and improvement in collection of resource consumption data of some subsidiaries.

¹⁶ The figures in 2020 have been restated due to improvement in data collection method.

¹⁴ 由於計算方法改變所以重列。

¹⁵ 包括使用液化石油氣作為移動和固定燃料。二零二一年消耗量較二零二零年有所增加，主要是由於液化石油氣的廣泛使用和部分子公司改進了能源消耗數據的收集。

¹⁶ 由於數據收集有改善，2020年之數字已重列。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Below summarises our measures in reducing consumption of resources:

以下是我們減少資源消耗的措施的摘要：



Electricity 電力

- Electricity consumption is closely monitored by a designated unit
電力消耗由指定部門密切監測
- Idle lights, machinery and air conditioners are to be turned off
關閉閒置的燈、機器及空調
- Automatic lights are installed at common areas
在公共區域安裝自動燈
- Machinery is well-maintained to ensure its energy efficiency
維護好機器，以確保其能源效益



Water 水

- Water consumption is closely monitored by a designated unit
由指定部門密切監測用水量
- Regular analysis is conducted to identify the consumption pattern
定期分析以確定消耗模式
- Water pipes are inspected regularly to avoid leakages
定期檢查水管以避免漏水



Paper 紙張

- Email is preferred for document transmission
文檔傳輸首選電郵
- Apart from confidential paper, all used paper is recycled
除機密文件外，所有使用過的紙張均被回收利用
- Printing on both sides of paper is required
必須採用雙面列印



Others 其他

- Green procurement is adopted as far as practicable
在可行的情況下採用綠色採購
- Production technique is regularly reviewed to enhance efficiency
定期檢討生產技術以提高效率

Equipment upgrades for carbon reduction 設備升級以減少碳排放

We have always been carrying out energy saving projects to reduce the carbon footprint of our production process and achieve sustainable production. Apart from the retrofitting of the water cooling system that was completed in December 2020, this year we have completed the retrofitting of cooling towers and the polishing and dust removal system in January and September respectively.

我們一直在開展節能項目，以減少我們生產流程中的碳足跡，並實現可持續生產。除於二零二零年十二月完成的水冷卻系統改造外，今年我們分別於一月及九月完成了冷卻塔及拋光除塵系統的改造。

The modified cooling powers are equipped with a new temperature modulation system, which can adjust the cooling temperature at an energy-efficient level. The retrofitted water cooling system and polishing and dust removal system are fitted with an energy-efficient water pump. During the Reporting Period, the three projects have reduced electricity consumption by about 104,438 kWh.

改造後的冷卻裝置配備了新的溫度調節系統，可將冷卻溫度調整至節能水平。改造後的水冷卻系統及拋光除塵系統均配備了節能水泵。於報告期內，此三個項目已經減少約104,438千瓦時的電力消耗。

Waste Management

The Group is well aware of the importance of waste reduction at the source. We require all operation units to improve the accuracy in estimating the quantity of raw materials needed to avoid excessive purchases and waste. We never stop improving our production techniques to increase our production efficiency, so as to reduce material consumption and minimise product failures.

Increasing waste diversion is a key approach to our waste management. We facilitate waste diversion by implementing a waste sorting system across all production units. Training courses are provided to the employees to ensure that they are familiar with waste sorting practices.

廢物管理

本集團深知從源頭上減少廢物的重要性。我們要求所有營運單位提高估算所需原材料數目的準確度，以避免過度採購及浪費。我們從未停止改進我們的生產技術，以提高生產效率，從而減少材料消耗並使產品故障的出現頻率降至最低。

增加廢物轉化乃廢物管理的關鍵方法。我們透過在所有生產單位實施廢物分類系統來促進廢物轉化。我們為僱員提供培訓課程，確保彼等熟悉廢物分類常規。

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環境、社會及管治報告(續)

We are fully aware of the potential impact that hazardous waste, such as waste oil residues, paints, sludge, chemicals and their containers, might have on the environment and the safety of our people. Hazardous waste is separated from non-hazardous waste, and is properly stored for collection by licensed collectors in accordance with local laws and regulations. We also apply appropriate handling procedures for chemical waste, such as attaching hazard labels and warning signs to containers for identification and safety precautions. Contingency plans are in place to deal with emergencies associated with the handling of hazardous waste, such as chemical spills, fires and explosions.

Non-hazardous production waste with economic values, such as leftover metals from production, are to be retained for resale, or smelted for reuse in the production line. We require our collectors to comply with our environmental and safety protocols to avoid potential harm to the environment and our employees. During the Reporting Period, the intensities of hazardous waste and non-hazardous waste were 0.66 and 0.04 tonnes per million pieces of product respectively.

我們充分意識到有害廢物(如廢油殘渣、油漆、污泥、化學品及其容器)對環境以及公眾安全的潛在影響。有害廢物與無害廢物分開，並正確儲存，以便由獲許可的收集人員根據當地法律及法規收集。我們亦對化學品廢物採用合適的處理程序，例如在容器上貼上危險標籤及警告標識，以便識別及採取安全預防措施。已制定應急計劃，以應對與處理有害廢物相關的緊急情況，如化學品洩漏、火災及爆炸。

保留具有經濟價值的無害生產廢物(如生產中剩餘的金屬)，用於轉售，或經冶煉後再次於生產線上使用。我們要求收集人員遵守我們的環境及安全規定，以避免對環境及僱員造成潛在的傷害。於報告期間，有害廢物及無害廢物密度分別為每百萬件產品0.66公噸及0.04公噸。

| Waste Generation 廢物產生 | Unit 單位 | 2021 ¹⁷ | 2020 |
|--------------------------|--|--------------------|--------|
| Hazardous waste 有害廢物 | tonnes 公噸 | 963.30 | 514.81 |
| Intensity 密度 | tonnes/million pieces of product 公噸/百萬件產品 | 0.66 | 0.75 |
| Non-hazardous waste 無害廢物 | tonnes 公噸 | 55.49 | 77.36 |
| Intensity 密度 | tonnes/million pieces of product 公噸/百萬件產品 | 0.04 | 0.11 |

We aim to:

- Reduce the intensity of hazardous waste disposal (per million pieces of products) by 28% by 2030 from a 2019 base year.
- Reduce the intensity of non-hazardous waste disposal (per million pieces of products) by 42% by 2030 from a 2019 base year.

我們的目標是：

- 以二零一九年為基準年，於二零三零年將危險廢物處置密度(每百萬件產品)降低28%。
- 以二零一九年為基準年，於二零三零年將無害廢物處理密度(每百萬件產品)降低42%。

¹⁷ The volume of hazardous waste in 2021 had increased compared with 2020 due to increase in production. However, the intensity of hazardous waste (in terms of tonnes per million pieces of products) had decreased compared with that in 2020 due to the implementation of the aforesaid environmentally friendly initiatives.

¹⁷ 由於產量增加，二零二一年有害廢物量較二零二零年有所增加。然而，由於環保措施的實施，有害廢物密度(以公噸/百萬件產品計)較二零二零年有所下降。

MEASURES ON MITIGATING CLIMATE RISK

One of the most significant consequences of global warming is an increase in the intensity and frequency of extreme weather events. Our business nature makes us more prone to the impacts of climate risk. The Group has formulated a business contingency plan to minimise the loss and potential disruption on our operation in the event of extreme weather. To mitigate the impact, the following measures have been adopted:

Impacts

The Group is likely to face significant impacts from extreme weather such as storms and flooding based on the local climate and change of local climate pattern of the locations at Group's production bases. Potential impacts from the extreme rain and floods may lead to environmental, health and safety concerns. In the event of a flood, stormwater runoffs may carry contaminants into the drain, including chemicals.

Extreme weather events also have an impact on the safety of the employees.

Countermeasures

We have performed regular inspections of drainage systems to ensure there is no blockage. Repairs will be carried out promptly if needed. We have reinforced our chemical safety management system to minimise the risk of chemical leakage. During the rain season, we carry out inspections of the drainage system regularly to examine the water quality level of the rainwater being discharged. In the event of a storm, we will closely monitor the situation and weather alerts, and evacuate the work area when needed.

減低氣候風險措施

全球變暖最重要的後果之一為極端天氣事件的強度及頻率增加。我們的業務性質使我們更易於受到氣候風險的影響。本集團已制定一項業務應急計劃，以盡量減少極端天氣事件對我們的業務造成損失及潛在中斷。為了減少影響，我們已採取以下措施：

影響

根據本集團生產基地所在地的當地氣候及當地氣候模式的變動，本集團可能會面臨暴風雨及洪水等極端天氣的重大影響。特大暴雨及洪水的潛在影響可能導致環境、健康及安全問題。發生洪災時，雨水徑流可能會將污染物帶入下水道，包括化學品。

極端天氣事件亦會影響僱員的安全。

對策

我們定期檢查排水系統，以確保無堵塞。需要時及時進行維修。我們已加強我們的化學品安全管理體系，以將化學品洩漏的風險降至最低。我們於雨季定期檢查排水系統，以檢查所排放的雨水的水質。發生暴風雨時，我們將密切監測當時的情況及天氣預警，並於必要時撤離工作區。



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TO THE SHAREHOLDERS OF KA SHUI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ka Shui International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 118 to 271, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

致嘉瑞國際控股有限公司 全體股東

(於開曼群島公司註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第118頁至271頁嘉瑞國際控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二一年十二月三十一日之綜合財務狀況表，與截至該日止年度的綜合損益表及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(包括主要重大會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映 貴集團於二零二一年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照《公司條例》的披露規定妥善編製。

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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. The key audit matters we identified are:

1. Fair value measurement of lands
2. Allowance for inventories

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審核。我們就該等準則承擔的責任將在本報告「核數師就審核綜合財務報表承擔的責任」部分中闡述。根據香港會計師公會的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他職業道德責任。我們相信，我們所獲得的審核憑證能充分及適當地為我們的審核意見提供基礎。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，對本期間綜合財務報表的審核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時進行處理的，而我們不會對這些事項提供單獨的意見。我們識別出的關鍵審核事項包括：

1. 土地公平值的計量
2. 存貨撥備

KEY AUDIT MATTER (Continued)

關鍵審核事項(續)

Key Audit Matter 關鍵審核事項

How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式

1. Fair value measurement of lands
土地公平值的計量

Refer to notes 5(e), 7 and 20 to the consolidated financial statements.

參閱綜合財務報告附註5(e)、7及20。

The Group measures its lands at fair value using a market approach. The valuation is a level 3 fair value measurement as it involves adjustments to market comparables to reflect the particular characteristics of the land, including location and plot sizes, which are based on unobservable inputs that are subjective. The value of land is sensitive to these inputs. In order to determine an appropriate fair value of the land, the Group appointed an independent professional valuer to perform the assessment.

貴集團使用市場法，按公平值計量其土地。估值為第三層公平值計量，因為當中涉及就市場可資比較資料進行調整，以反映土地的具體特性，包括地方及地段大小，乃以主觀不可觀察的參數為基礎。土地之價值對該等參數敏感。為釐定該土地的恰當公平值，貴集團委任獨立專業估值師進行評估。

Our procedures in relation to the fair value measurement of lands included:

我們就土地公平值的計量進行的程序包括：

- Evaluating the independent external valuer's competence, capabilities and objectivity and obtaining an understanding of the independent external valuer's scope of work and terms of engagement;
評估獨立外部估值師的資格、能力及客觀性，以及了解獨立外部估值師的工作範圍及聘用條款；
- Assessing the valuation methodologies used and the appropriateness of the key assumptions and comparables;
評估所用估值方法以及主要假設及可資比較資料是否恰當；
- Checking the accuracy of the observable inputs;
檢查可觀察參數是否準確；
- Reviewing the appropriateness of those adjustments which were based on unobservable inputs; and
檢討按不可觀察參數所作調整是否恰當；及
- Assessing the adequacy of the disclosures in respect of the fair value of lands.
評估就土地公平值所作披露是否足夠。

KEY AUDIT MATTER (Continued)

關鍵審核事項(續)

Key Audit Matter 關鍵審核事項

How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式

2. Allowance for inventories
存貨撥備

Refer to notes 5(a) and 27 to the consolidated financial statements.
參閱綜合財務報表附註5(a)及27。

At the end of the reporting period, the Group identifies obsolete and slow-moving inventories items that are not probable for use in future production or to be sold out. It also identifies any other inventories with net realisable value below cost. The identification is based on forecasts of customers' future orders and future market conditions, and involves subjective estimation. The allowance has impact on the carrying amount of inventories and the profit or loss for the year.

於報告期末，貴集團識別不可能用作未來生產或售出的過時及滯銷存貨項目。彼亦識別可變現淨值低於成本的任何其他存貨。該識別是以預測客戶未來訂單及未來市場狀況為基礎，並涉及主觀估計。有關撥備對年內存貨賬面值及損益有影響。

Our procedures in relation to the allowance for inventories included:
我們就存貨撥備進行的程序包括：

- Reviewing inventory ageing analysis to identify obsolete or slow-moving inventories;
審閱存貨賬齡分析，識別過時或滯銷存貨；
- Testing the accuracy of inventory ageing list by reviewing the date of purchase;
通過審閱購買日期、測試存貨賬齡列表的準確性；
- Testing whether the net realisable value of major items of inventories exceeded cost by reviewing sales after the reporting date;
審閱報告日期後的銷售，測試主要存貨項目的可變現淨值是否低於成本；
- Reviewing the appropriateness of the allowance for inventories by reference to information about subsequent sales or usage; and
參考有關其後銷售或使用的資料，審閱存貨撥備是否恰當；及
- Checking the historical accuracy of inventory provisioning and the level of inventories write-offs during the year.
檢查過去存貨撥備的準確性及年內存貨撇銷的水平。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他資料

董事需對其他資料負責。其他資料包括 貴公司年報所載列的全部資料(不包括綜合財務報表及我們就此發出的核數師報告)。

我們對綜合財務報表的意見並不涵蓋其他資料及我們亦不對其他資料發表任何形式的保證結論。

在我們審核綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及《公司條例》的披露規定擬備真實而公平的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

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

審核委員會協助董事履行監督 貴集團財務報告過程的責任。

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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

核數師就審核綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按《香港審計準則》進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或滙總起來可能影響綜合財務報表使用者所作出的經濟決定，則可被視作重大錯誤陳述。

在根據《香港審計準則》進行審核的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制，因此未能發現因欺詐而導致的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部控制，以設計適當審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。

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)

- 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.

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.

核數師就審核綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則修改我們的意見。我們的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足適當的審核憑證，以就綜合財務報表發表意見。我們負責指導、監督和執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們與審核委員會溝通了(其中包括)審核計劃範圍及時間安排以及重大審核發現，包括我們在審核期間識別出內部控制的任何重大缺失。

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Liu Fung Yi.

Certified Public Accountants

19 April 2022

核數師就審核綜合財務報表承擔的責任(續)

我們亦向審核委員會作出聲明，指出我們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我們獨立性的所有關係及其他事宜，以及消除威脅及實施防範措施(如適用)。

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審核項目合夥人是廖鳳儀女士。

執業會計師

二零二二年四月十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

| | | Note 附註 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|--------------------------------------|------------|----------------------------------|----------------------------------|
| Revenue | 收入 | 8 | 1,714,549 | 1,469,237 |
| Cost of sales | 銷售成本 | | (1,225,485) | (1,021,934) |
| Gross profit | 毛利 | | 489,064 | 447,303 |
| Other income | 其他收入 | 9 | 30,125 | 25,155 |
| Reversals of impairment loss on trade receivables and contract assets/ (impairment losses on trade receivables and contract assets) | 貿易應收款項及合約資產減值虧損回撥/ (貿易應收款項及合約資產減值虧損) | | 242 | (236) |
| Selling and distribution expenses | 銷售及分銷開支 | | (33,116) | (27,119) |
| General and administrative expenses | 一般及行政開支 | | (309,817) | (273,495) |
| Other operating expenses and income | 其他營運開支及收入 | 11 | (22,612) | (10,205) |
| Profit from operations | 經營溢利 | | 153,886 | 161,403 |
| Finance costs | 融資成本 | 12 | (3,259) | (6,840) |
| Loss on deregistration of a subsidiary | 註銷附屬公司損失 | | (100) | — |
| Gain on disposal of a subsidiary | 出售附屬公司收益 | 40(c) | — | 9 |
| Gain on disposal of an associate | 出售聯營公司收益 | | — | 350 |
| Share of profits/(losses) of associates | 攤分聯營公司溢利/ (損失) | 25 | 45 | (872) |
| Profit before tax | 除稅前溢利 | | 150,572 | 154,050 |
| Income tax expense | 所得稅開支 | 13 | (22,835) | (31,295) |
| Profit for the year | 年內溢利 | 14 | 127,737 | 122,755 |
| Attributable to | 以下人士應佔權益 | | | |
| Owners of the Company | 本公司權益持有人 | | 131,139 | 123,991 |
| Non-controlling interests | 非控股權益 | | (3,402) | (1,236) |
| | | | 127,737 | 122,755 |
| | | | HK Cents 港仙 | HK Cents 港仙 |
| Earnings per share | 每股盈利 | 18 | | |
| Basic | — 基本 | | 14.67 | 13.87 |
| Diluted | — 攤薄 | | N/A不適用 | N/A不適用 |

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 截至二零二一年十二月三十一日止年度

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Profit for the year | 年內溢利 | 127,737 | 122,755 |
| Other comprehensive income: | 其他全面收益： | | |
| <i>Items that will not be reclassified to profit or loss</i> | <i>將不會重新分類至損益之項目</i> | | |
| Surplus on revaluation of leasehold lands | 租賃土地價值重估之盈餘 | 4,466 | 15,080 |
| Income tax on items that will not be reclassified to profit or loss | 不會重新分類至損益之項目之所得稅 | (943) | 11,491 |
| | | 3,523 | 26,571 |
| <i>Items that may be reclassified to profit or loss</i> | <i>可重新分類至損益之項目</i> | | |
| Exchange differences on translating foreign operations | 換算海外業務產生之匯兌差額 | 17,421 | 48,840 |
| Other comprehensive income for the year, net of tax | 年內除稅後其他全面收益 | 20,944 | 75,411 |
| Total comprehensive income for the year | 年內全面收益總額 | 148,681 | 198,166 |
| Attributable to | 以下人士應佔權益 | | |
| Owners of the Company | 本公司權益持有人 | 151,839 | 198,212 |
| Non-controlling interests | 非控股權益 | (3,158) | (46) |
| | | 148,681 | 198,166 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2021 於二零二一年十二月三十一日

| | | Note | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|-----------------|------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、機器及設備 | 19 | 547,487 | 519,816 |
| Right-of-use assets | 使用權資產 | 20 | 244,968 | 248,214 |
| Goodwill | 商譽 | 21 | 2,654 | — |
| Other intangible assets | 其他無形資產 | 22 | 3,835 | — |
| Club membership | 會所會籍 | 23 | 718 | 718 |
| Investment in an associate | 於聯營公司之投資 | 25 | 8,949 | 8,691 |
| Deposits paid for acquisition of property, plant and equipment | 預付購買物業、機器及設備之按金 | | 13,411 | 18,464 |
| Deferred tax assets | 遞延稅項資產 | 35 | 99 | 121 |
| | | | 822,121 | 796,024 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 27 | 209,363 | 180,666 |
| Right of return assets | 退回資產之權利 | | 54 | 90 |
| Trade and bills receivables | 貿易及票據應收款項 | 28 | 453,082 | 394,276 |
| Contract assets | 合約資產 | 29 | 14,132 | 12,598 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | | 49,543 | 47,637 |
| Due from an associate | 應收聯營公司款項 | 25 | 212 | 259 |
| Current tax assets | 即期稅項資產 | | 1,474 | 6,834 |
| Restricted bank balances | 有限制銀行存款 | 30 | 2,029 | 1,975 |
| Bank and cash balances | 銀行及現金結餘 | 30 | 280,683 | 256,686 |
| | | | 1,010,572 | 901,021 |
| Current liabilities | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 31 | 209,935 | 189,319 |
| Contract liabilities | 合約負債 | 29 | 7,854 | 14,031 |
| Refund liabilities | 退款負債 | | 241 | 240 |
| Other payables and accruals | 其他應付款項及應計費用 | 31 | 103,801 | 99,093 |
| Due to an associate | 應付聯營公司款項 | 25 | 121 | — |
| Derivative financial liabilities | 衍生金融負債 | 26 | 3,486 | 1,341 |
| Bank borrowings | 銀行借款 | 32 | 132,858 | 106,958 |
| Lease liabilities | 租賃負債 | 34 | 8,894 | 9,033 |
| Current tax liabilities | 即期稅項負債 | | 22,936 | 13,374 |
| | | | 490,126 | 433,389 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

At 31 December 2021 於二零二一年十二月三十一日

| | | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|---------------------|----|----------------------------------|----------------------------------|
| Net current assets | 流動資產淨值 | | 520,446 | 467,632 |
| Total assets less current liabilities | 資產總值減流動負債 | | 1,342,567 | 1,263,656 |
| Non-current liabilities | 非流動負債 | | | |
| Bank borrowings | 銀行借款 | 32 | 10,500 | 46,500 |
| Loan from non-controlling interests | 非控股權益借款 | 32 | 803 | — |
| Lease liabilities | 租賃負債 | 34 | 5,582 | 9,045 |
| Deferred tax liabilities | 遞延稅項負債 | 35 | 31,280 | 28,803 |
| | | | 48,165 | 84,348 |
| NET ASSETS | 資產淨值 | | 1,294,402 | 1,179,308 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 36 | 89,376 | 89,376 |
| Reserves | 儲備 | 38 | 1,190,703 | 1,074,614 |
| Equity attributable to owners of the Company | 本公司權益持有人應佔權益 | | 1,280,079 | 1,163,990 |
| Non-controlling interests | 非控股權益 | | 14,323 | 15,318 |
| TOTAL EQUITY | 權益總額 | | 1,294,402 | 1,179,308 |

Approved by the Board of Directors on 19 April 2022 and are signed on its behalf by:

經董事會於二零二二年四月十九日批准，並由以下董事代表簽署：

Lee Yuen Fat
李遠發
Director
董事

Wong Wing Chuen
黃永銓
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

| | | Attributable to owners of the Company 本公司權益持有人應佔權益 | | | | | | | | | | | |
|---|-----------------------------|---|---------------|-------------------|-----------------|----------------|--------------------------------------|-------------------|--------------------------|--|-----------|---------------------------|--------------|
| | | Share capital | Share premium | Retained earnings | Capital reserve | Merger reserve | Foreign currency translation reserve | Statutory reserve | Land revaluation reserve | Financial assets at fair value through other comprehensive income ("FVTOCI") reserve | Total | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價 | 保留盈利 | 資本儲備 | 合併儲備 | 匯兌儲備 | 法定儲備 | 儲備 | 按公平值計入其他全面收益儲備 | 總數 | 非控股權益 | 權益總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2020 | 於二零二零年一月一日 | 89,376 | 204,650 | 608,905 | 8,701 | (9,931) | (50,157) | 58 | 149,292 | (8,303) | 992,591 | 15,364 | 1,007,955 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | 123,991 | - | - | 47,650 | - | 26,571 | - | 198,212 | (46) | 198,166 |
| Disposal of investment in equity instrument at FVTOCI | 出售按公平值計入其他全面收益之 股權工具投資 | - | - | (8,303) | - | - | - | - | - | 8,303 | - | - | - |
| Transfer to statutory reserve | 轉至法定儲備 | - | - | (22,946) | - | - | - | 22,946 | - | - | - | - | - |
| Transfer from capital reserve | 轉至資本儲備 | - | - | 6,586 | (6,586) | - | - | - | - | - | - | - | - |
| Dividends paid (note 17) | 已付股息(附註17) | - | - | (26,813) | - | - | - | - | - | - | (26,813) | - | (26,813) |
| Changes in equity for the year | 年內權益變動 | - | - | 72,515 | (6,586) | - | 47,650 | 22,946 | 26,571 | 8,303 | 171,399 | (46) | 171,353 |
| At 31 December 2020 and 1 January 2021 | 於二零二零年十二月三十一日及 二零二一年一月一日 | 89,376 | 204,650 | 681,420 | 2,115 | (9,931) | (2,507) | 23,004 | 175,863 | - | 1,163,990 | 15,318 | 1,179,308 |
| Total comprehensive income for the year | 年內全面收益總額 | - | - | 131,139 | - | - | 17,177 | - | 3,523 | - | 151,839 | (3,158) | 148,681 |
| Acquisition of a subsidiary (note 40(b)) | 收購附屬公司(附註40 (b)) | - | - | - | - | - | - | - | - | - | - | 2,163 | 2,163 |
| Transfer to statutory reserve | 轉至法定儲備 | - | - | (2,114) | - | - | - | 2,114 | - | - | - | - | - |
| Dividends paid (note 17) | 已付股息(附註17) | - | - | (35,750) | - | - | - | - | - | - | (35,750) | - | (35,750) |
| Changes in equity for the year | 年內權益變動 | - | - | 93,275 | - | - | 17,177 | 2,114 | 3,523 | - | 116,089 | (995) | 115,094 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 89,376 | 204,650 | 774,695 | 2,115 | (9,931) | 14,670 | 25,118 | 179,386 | - | 1,280,079 | 14,323 | 1,294,402 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | Note 附註 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 | |
|--|--------------------|----------------------------------|----------------------------------|-----------|
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 經營業務所得現金淨額 | 40(a) | 172,061 | 204,827 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動之現金流量 | | | |
| Interest received | 已收利息 | | 1,042 | 816 |
| Proceeds from disposals of property, plant and equipment | 出售物業、機器及設備 | | 1,849 | 567 |
| Proceed from disposal of associates | 出售聯營公司 | | — | 350 |
| Purchase of property, plant and equipment | 購買物業、機器及設備 | | (84,399) | (58,099) |
| Acquisition of a subsidiary | 收購附屬公司 | 40(b) | (7,432) | — |
| Net cash outflow from deregistration of a subsidiary | 註銷附屬公司淨現金流出 | | (159) | — |
| Refund/(payments) for rental deposits | 租金按金退款／(付款) | | 11 | (92) |
| Repayment from due from associates, net | 應收聯營公司淨款項 | | — | 1,469 |
| Deposits paid for the acquisition of property, plant and equipment | 預付物業、機器及設備之訂金 | | (8,297) | (12,974) |
| Net cash used in investing activities | 投資活動所用之現金淨額 | | (97,385) | (67,963) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動之現金流量 | | | |
| Dividend paid | 已付股息 | | (35,750) | (26,813) |
| Loan from non-controlling interests | 非控股權益貸款 | 40(e) | 4,500 | — |
| Short-term bank loans raised | 新增短期銀行貸款 | 40(e) | 60,000 | — |
| Short-term bank loans repaid | 償還短期銀行貸款 | 40(e) | (950) | (43,557) |
| Repayment to associates | 償還聯營公司款項 | 40(e) | — | (1,917) |
| Receipt from an associate | 由聯營公司收取之款項 | 40(e) | — | 118 |
| Repayment of long-term bank loans | 償還長期銀行貸款 | 40(e) | (70,033) | (143,166) |
| Long term bank loans raised | 新增長期銀行貸款 | 40(e) | — | 78,639 |
| Principal elements of lease payments | 租賃本金部份付款 | 40(e) | (9,388) | (8,093) |
| Net cash used in financing activities | 融資活動所耗之現金淨額 | | (51,621) | (144,789) |

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

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

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及等同現金項目增加/(減少)淨額 | 23,055 | (7,925) |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | 於一月一日的現金及等同現金項目 | 256,686 | 262,252 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | 942 | 2,359 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 於十二月三十一日的現金及等同現金項目 | 280,683 | 256,686 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | 現金及等同現金項目分析 | | |
| Bank and cash balances | 銀行及現金結餘 | 280,683 | 256,686 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

Ka Shui International Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room A, 29/F., Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 24 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 December 2021, Precisefull Limited, a company incorporated in the British Virgin Islands (“BVI”), is the ultimate parent and Mr. LEE Yuen Fat (“Mr. Lee”) is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with the disclosure requirements of the Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

1. 公司資料

嘉瑞國際控股有限公司(「本公司」)根據開曼群島公司法於開曼群島註冊成立為受豁免有限公司。其註冊辦事處地點為 Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。其主要營業地點為香港九龍九龍灣宏光道一號億京中心B座29樓A室。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為投資控股公司，其附屬公司之主要業務載列於綜合財務報表附註24。

本公司董事認為，於二零二一年十二月三十一日，Precisefull Limited(一間於英屬處女群島註冊成立之公司)為最終母公司，李遠發先生(「李先生」)為本公司之最終控股方。

2. 編製基準

此等綜合財務報表乃根據適用之由香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋。此等綜合財務報表也遵從適用之聯交所證券上市規則(「上市規則」)之披露守則及公司條例(第622章)之披露要求。本集團所採納之主要會計政策如下文披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

2. BASIS OF PREPARATION (Continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

| | |
|---|--|
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 |
|---|--|

| | |
|------------------------|-----------------------------------|
| Amendments to HKFRS 16 | COVID-19 Related Rent Concessions |
|------------------------|-----------------------------------|

Except as described below, the application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 編製基準(續)

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可供提早採納之新訂及經修訂香港財務報告準則。在該等綜合財務報表中反映之因初次應用該等與本集團有關的頒佈而引致之本年度或過往會計期間會計政策之任何變動詳述於綜合財務報表附註3。

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

本集團於編製綜合財務報表時已首次應用以下由香港會計師公會頒佈之香港財務報告準則修訂本，有關修訂自二零二一年一月一日或之後開始的年度期間強制生效：

| | |
|---|---------------|
| 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂本 | 利率基準改革 – 第二階段 |
|---|---------------|

| | |
|------------------|--------------|
| 香港財務報告準則第16號之修訂本 | 新型冠狀病毒相關租金減免 |
|------------------|--------------|

除下文所述者外，於本年度應用香港財務報告準則修訂本對本集團於本年度及過往年度之財務狀況及表現及／或對該等綜合財務報表所載之披露事宜並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest Rate Benchmark Reform – Phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“IBOR reform”).

The Group had interest-bearing bank loan (the “Loan”) denominated in EURO dollars based on the Euro Interbank Offered Rate (“EURIBOR”) as at 31 December 2021. Since the interest rate of the Loan was not replaced by an alternative benchmark rate during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rate of the Loan is replaced by an alternative benchmark rate in a future period, the Group will apply this practical expedient upon the modification of the derivative financial liabilities provided that the “economically equivalent” criterion is met.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂本利率基準改革 – 第二階段

有關修訂提供下列方面的針對豁免：(i)將釐定金融資產、金融負債及租賃負債合約現金流量的基準的變動作為修改進行會計處理；及(ii)由於銀行同業拆息改革(「銀行同業拆息改革」)，當利率基準被替代基準利率取代時，則終止對沖會計處理。

本集團於二零二一年十二月三十一日擁有按歐元銀行同業拆息(「EURIBOR」)以歐元計值的計息銀行貸款(「該貸款」)。由於期內該貸款利率並未被替代基準取代，此修訂對本集團的財務狀況和業績沒有任何影響。如果該貸款利率在未來期間被替代基準利率取代，本集團將在符合「經濟等價」標準的前提下，在衍生金融負債的修改時採用該實務變通方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

Amendment to HKFRS 16, COVID-19 Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic (“COVID-19 Related Rent Concessions”) are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The application of the amendments had no impact on the consolidated financial statements.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2021. These new and revised HKFRSs include the following which may be relevant to the Group.

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendment to HKFRS 16: Leases — COVID-19-Related Rent Concessions beyond 30 June 2021 | 1 April 2021 |

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號之修訂本新型冠状病毒相關租金減免

有關修訂本提供了一種實用的權宜之計，允許承租人繞過評估某些符合條件的租金減免是否作為新型冠状病毒疫情直接後果(「新型冠状病毒相關租金減免」)是否屬於租賃修改，而是將這些租金減免視為不是租賃修改。

應用有關修訂對綜合財務報表並無影響。

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無應用任何已頒佈但尚未於二零二一年一月一日開始的財政年度起生效的新訂及經修訂香港財務報告準則。該等新訂及經修訂的香港財務報告準則中可能與本集團相關者如下。

| | 於下列日期或 之後開始的會計期 間起生效 |
|--|-------------------------------------|
| 香港財務報告準則第16號之修訂本租賃 — 二零二一年六月三十日後新型冠状病毒相關租金減免 | 二零二一年 四月一日 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendments to HKFRS 3 Business Combination — Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to HKAS 16 Property Plant and Equipment — Proceeds before Intended Use | 1 January 2022 |
| Amendments to HKAS 37 Onerous Contracts — Cost of Fulfilling a Contract | 1 January 2022 |
| Annual Improvements to HKFRSs 2018–2020 Cycle | 1 January 2022 |
| Amendments to HKAS 1 Classification of Liabilities as Current or Non-current | 1 January 2023 |

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

| | 於下列日期或 之後開始的會計期 間起生效 |
|--|-------------------------------------|
| 香港財務報告準則第3號 之修訂本業務合併 — 對概念框架的 提述 | 二零二二年 一月一日 |
| 香港會計準則第16號之修 訂本物業、廠房及設備 — 擬定用途前的所得 款項 | 二零二二年 一月一日 |
| 香港會計準則第37號之修 訂本虧損合約 — 履行 合約之成本 | 二零二二年 一月一日 |
| 二零一八年至二零二零年 週期之香港財務報告準 則年度改進 | 二零二二年 一月一日 |
| 香港會計準則第1號之修 訂本負債分類為流動或 非流動 | 二零二三年 一月一日 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendments to HKAS 1 Presentation of Financial Statements and HKFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates | 1 January 2023 |
| Amendments to HKAS 12 Income Taxes — Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction | 1 January 2023 |

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

| | 於下列日期或 之後開始的會計期 間起生效 |
|---|-------------------------------------|
| 香港會計準則第1號財務 報表之呈列及香港財務 報告準則實務報告第2 號作出重大性判斷 — 會計政策披露之修 訂本 | 二零二三年 一月一日 |
| 香港會計準則第8號之修 訂本會計政策、會計估 計變動及錯誤 — 會計 估計的定義 | 二零二三年 一月一日 |
| 香港會計準則第12號之修 訂本所得稅 — 與單一 交易產生的資產及負債 有關的遞延稅項 | 二零二三年 一月一日 |

本集團正在評估該等修訂及新訂準則預期於首次應用期間的影響。截至目前，本集團已經確定了採納該等修訂及新訂準則不太可能對綜合財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. leasehold land and certain financial instruments that are measured at fair value).

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

4. 主要會計政策

除按下列會計政策外(例如以公平值計量之租賃土地及若干金融工具),此等綜合財務報表乃按歷史成本作為編製基準。

編製符合香港財務報告準則的綜合財務報表須使用若干重要會計估計,亦需要管理層於應用於本集團會計政策的過程中作出判斷。對此等綜合財務報表涉及高度之判斷及具複雜性及屬重大的假設及估計的範疇於綜合財務報表附註5中披露。

編製此等綜合財務報表所採用的主要會計政策載列如下:

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司為本集團擁有控制權的實體。當本集團透過從參予該實體之運作而得到或有權利得到可變動之回報,並有能力影響該實體之回報,則視為本集團對該實體擁有控制權。當本集團現有權利令其目前有能力主導相關活動(即對實體回報構成重大影響的活動),則本集團對該實體擁有權力。

在評估本集團是否擁有控制權時,本集團會考慮其潛在表決權以及其他各方所持潛在表決權。潛在表決權僅於持有人擁有實質能力可行使該項權利時方予考慮。

附屬公司於控制權轉移至本集團當日全面綜合計算,並於控制權終止當日不再作綜合處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

4. 主要會計政策(續)

(a) 綜合賬目(續)

因出售一間附屬公司而導致失去控制權的盈虧指(i)出售代價公平值加上於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值加上與該附屬公司有關的任何餘下商譽以及任何相關累計匯兌儲備兩者間的差額。

集團間的交易、結餘及未變現溢利會予以對銷。未變現虧損亦會予以對銷，除非交易有證據顯示所轉讓資產出現減值則除外。附屬公司的會計政策已於有需要時作出變動，以確保與本集團所採納的政策貫徹一致。

非控股權益指並非本公司直接或間接應佔之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合損益表及綜合損益及其他全面收益表呈列為本公司非控股股東與擁有人應佔溢利或虧損及年內全面收益總額之分配。

即使會導致非控股權益出現赤字結餘，損益及其他全面收益各部份仍歸屬於本公司擁有人及非控股股東。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

4. 主要會計政策(續)

(a) 綜合賬目(續)

本公司於不會導致失去控制權之附屬公司之擁有權權益變動計入權益交易(即以擁有人身分與擁有人進行之交易)。控股權益及非控股權益之賬面值已經調整,以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認,並由本公司擁有人分佔。

於本公司之財務狀況表內,於附屬公司之投資按成本扣除減值虧損列賬,除非該投資被分類為持作銷售(或包括在被分類為持作銷售之出售組別)。

(b) 業務合併及商譽

於業務合併中收購附屬公司乃按收購會計法處理。於業務合併中轉移之代價按收購日所交付資產、所發行股本工具、所產生或承擔之負債及或然代價之公平值計算。與收購有關之成本於產生成本及獲得服務之期間確認為開支。所收購附屬公司之可識別資產及負債按收購日之公平值計算。

轉移之代價總和超出本集團攤分附屬公司可識別資產及負債之公平淨值之差額將以商譽列賬。任何本集團攤分可識別資產及負債之公平淨值高於轉移之代價總和之差額將於綜合損益表內確認為本集團應佔之議價收購收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill (Continued)

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. 主要會計政策(續)

(b) 業務合併及商譽(續)

分階段進行業務合併時，過往持有之附屬公司股本權益按其收購日期之公平值重新計算，據此產生之損益則於綜合損益確認。公平值將計入於業務合併中轉移之代價總和，以計算商譽。

附屬公司之非控股權益初步以非控股股東於收購日在附屬公司中可識別資產及負債之公平淨值之股權比例計量。

經初步計量後，商譽以成本減累計減值虧損計量。就減值測試目的而言，於業務合併中收購的商譽將分配各個預期將自該業務合併所產生之協同效應獲益的現金產生單位。各個或各組獲分配商譽相當於本集團內最低層，其商譽就內部管理目的而受監察。商譽減值檢討每年進行一次，倘發生任何事件或情況有變顯示潛在減值風險，檢討將更為頻密。載有商譽之現金產生單位的賬面值將與其可收回金額(即其使用價值或其公平值減出售成本之較高者)比較。任何減值將即時確認為開支並不可於其後撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4. 主要會計政策(續)

(c) 聯營公司

聯營公司為本集團對其有重大影響之實體。重大影響乃於有關實體之財務及營運政策之決策擁有參與權而非控制或共同控制權。包括其他實體持有之潛在投票權在內的現時可行使或可兌換之潛在投票權，其存在及影響將於評估本集團有否重大影響力時予以考慮。在評估潛在投票權有否重大影響時，持有人行使或兌換該權力之意圖及財務能力不會考慮在內。

於聯營公司之投資乃採用權益會計法於綜合財務報表列賬，並按成本作出初步確認。所收購聯營公司之可識別資產及負債乃按其於收購當日之公平值計量。倘投資成本超出本集團應佔聯營公司之可識別資產及負債之公平淨值，則差額將以商譽列賬，並列入投資之賬面值內。倘本集團應佔可識別資產及負債之公平淨值高於收購成本，則有關差額將於綜合損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4. 主要會計政策(續)

(c) 聯營公司(續)

本集團評估是否有客觀證據顯示在聯營公司的權益可能出現減值。當存在任何客觀證據時，投資的全數賬面值(包括商譽)將作為單一資產根據香港會計準則第36號進行減值測試，方法是將其可收回金額(即使用價值與公平值減出售成本之較高者)與其賬面值進行比較。任何已確認的減值虧損不會分配至構成投資賬面值一部份的任何資產(包括商譽)。該減值虧損之任何撥回乃根據香港會計準則第36號按投資之可收回金額其後增加確認。

本集團應佔聯營公司之收購後損益及其他全面收益於綜合收益及其他全面收益表內確認。倘本集團應佔聯營公司虧損相等於或超逾其於聯營公司之權益(包括實際上構成本集團於該聯營公司投資淨值一部份之任何長期權益)，則本集團不會進一步確認虧損，除非本集團已代聯營公司承擔負債或支付款項。倘聯營公司其後報收溢利，則本集團僅於其應佔溢利等於其應佔未確認之虧損後恢復確認其應佔之該等溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Foreign currency translation

(i) **Functional and presentation currency**
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency.

4. 主要會計政策(續)

(c) 聯營公司(續)

因出售聯營公司而導致其失去重大影響之損益為(i)出售代價之公平值加任何保留於該聯營公司之投資之公平值及(ii)本集團應佔該聯營公司全部賬面值(包括商譽)及任何有關累計匯兌儲備兩者間之差額。倘於聯營公司之投資成為於合營企業投資,本集團繼續採用權益法而不重新計量保留權益。

對銷本集團與其聯營公司間交易之未變現溢利乃以本集團於聯營公司之權益為限。未變現虧損亦會對銷,除非該交易有證據顯示所轉讓資產出現減值則作別論。聯營公司之會計政策已按需要變更,以確保與本集團所採納政策貫徹一致。

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表所納入的項目乃按實體經營業務所在主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表以港元呈列,而港元為本公司的功能及呈列貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 主要會計政策(續)

(d) 外幣換算(續)

(ii) 各實體財務報表內的交易及結餘

外幣交易在初始確認時以交易日期適用的匯率換算為功能貨幣。以外幣計值的貨幣資產及負債按每個報告期間完結時的匯率換算。該換算政策所產生的收益及虧損於損益內確認。

按外幣歷史成本計算的非貨幣資產及負債以交易日期的現行匯率換算。交易日期指本公司初始確認該非貨幣資產或負債的日期。按外幣公平值計算的非貨幣項目以決定公平值當天之匯率換算。

當非貨幣項目的收益或虧損於其他全面收益中確認，任何該收益或虧損之匯兌部份於其他全面收益中確認。當非貨幣項目的收益或虧損於損益中確認，任何該收益或虧損之匯兌部份於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rate for the period (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

4. 主要會計政策(續)

(d) 外幣換算(續)

(iii) 綜合賬目時的換算

本集團內所有功能貨幣與本公司呈列貨幣有別的實體，其業績及財務狀況乃按下列方式換算為本公司的呈列貨幣：

- 各財務狀況表所呈列的資產及負債均按財務狀況表之日期的收市匯率換算；
- 期內的收入及開支按平均匯率換算(除非該平均匯率並非為交易日期的適用匯率累計影響的合理約數，在該情況下，收入及開支按交易日期的匯率換算)；及
- 所產生的全部匯兌差額於其他全面收益內確認及於外幣匯兌儲備內累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

4. 主要會計政策(續)

(d) 外幣換算(續)

(iii) 綜合賬目時的換算(續)

綜合賬目時，換算海外實體投資淨額所產生的現金項目匯兌差額於其他全面收益內確認及於外幣匯兌儲備內累計。當海外業務被出售，該匯兌差額於綜合損益中重新分類至出售溢利或虧損的一部份。

收購海外實體所產生的商譽及公平值調整被視作海外實體的資產及負債，並按收市匯率換算。

(e) 物業、機器及設備

物業、機器及設備持有作生產用途或供應貨品或服務或行政目的(不包括下述之在建物業)。物業、機器及設備乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產之賬面值或確認為獨立資產項目(如適用)。所有其他維護及保養費用均需於產生時於該財務期間之損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

| | |
|--|---|
| Buildings | 5 to 20 years or over the unexpired term of lease |
| Leasehold improvements | 2 to 5 years or over the unexpired term of lease |
| Plant and machinery | 5 to 10 years |
| Computer equipment | 3 to 5 years |
| Furniture, fixtures and office equipment | 3 to 5 years |
| Motor vehicles | 3 to 5 years |

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 主要會計政策(續)

(e) 物業、機器及設備(續)

物業、機器及設備之折舊乃於估計可使用年期內，以直線法按適當比率計算以撇銷其成本或重估金額減其剩餘價值。主要可用年期如下：

| | |
|---------------|--------------|
| 樓宇 | 5至20年或尚餘租賃年期 |
| 租賃物業裝修 | 2至5年或尚餘租賃年期 |
| 機器及設備 | 5至10年 |
| 電腦設備 | 3至5年 |
| 傢俬、固定裝置及辦公室設備 | 3至5年 |
| 汽車 | 3至5年 |

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)，任何估計變更的影響均按預期基準列賬。

在建工程指建設中的樓宇及待安裝的機器及設備，按成本減減值虧損列賬。當有關資產可供使用時，折舊即開始。

出售物業、機器及設備的收益或虧損指出售所得款項淨額與有關資產賬面值兩者間的差額，並於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases

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

(i) The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

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

4. 主要會計政策(續)

(f) 租賃

於訂立合約時，本集團評估合約是否為租賃或包含租賃。倘合約給予於一段時間內控制已識別資產使用的權利以換取代價，則合約為租賃或包含租賃。倘客戶同時有權指示已識別資產的用途及從該用途獲得絕大部份經濟利益，則表示擁有控制權。

(i) 本集團作為承租人

倘合約包含租賃部份及非租賃部份，則本集團選擇不區分非租賃部份，並就所有租賃將各租賃部份及任何相關的非租賃部份入賬列為單一租賃部份。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租賃期為12個月或以下的短期租賃及低價值資產租賃除外，就本集團而言，低價值資產主要為筆記本電腦及辦公室傢俬。倘本集團就低價值資產訂立租賃，則本集團決定是否按個別租賃基準將有關租賃撥充資本。與該等並無撥充資本的租賃相關的租賃付款於租賃期內按系統基準確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

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

The right-of-use assets recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets related to leasehold land where the Group is the registered owner of the leasehold interest are carried at fair value.

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

倘有關租賃撥充資本，則有關租賃負債於租賃期內按應付租賃付款的現值初步確認，並使用租賃內含利率或(如該利率無法輕易釐定)使用相關增量借款利率貼現。初步確認後，租賃負債按攤銷成本計量，利息開支則使用實際利息法計算。計量租賃負債時並不計及不會依賴指數或利率的可變租賃付款，故有關付款在產生的會計期間於損益中扣除。

租賃撥充資本時確認的使用權資產初步按成本計量，其中包括租賃負債的初步金額加於開始日期或之前作出的任何租賃付款及任何已產生初步直接成本。倘適用，使用權資產成本亦包括就拆除並移除相關資產或修復相關資產或其所在地盤產生的估計成本，並將其貼現至現值(扣除任何已收租賃獎勵)。使用權資產其後按成本減累計折舊及減值虧損列賬，惟與租賃土地相關而本集團為有關租賃權益的註冊擁有人的使用權資產按公平值列賬則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

Right-of-use assets related to leasehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income and accumulated in land revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the land revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued land is recognised in profit or loss. On the subsequent sale or retirement of a revalued land, the attributable revaluation surplus remaining in the land revaluation reserve is transferred directly to retained earnings.

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

就生產用途或供應貨品或服務或行政目的持有之租賃土地相關之使用權資產乃按彼等的重估金額(即於重估日期之公平值減任何其後累計折舊及其後累計減值虧損)於綜合財務狀況表入賬。重估每隔若干適當時間進行,以確保賬面值與於各報告期末以公平值釐定的數值不會出現重大偏差。

任何重估有關土地產生之重估增值會於其他全面收益內確認,並累計列入土地重估儲備,除非其撥回之前於損益確認之相同資產之重估減值,在此情況下則有關增值會以之前支出之減額為限計入損益。重估有關土地產生之賬面減值會於損益內確認,至其超過與該資產過往重估有關之土地重估儲備內之結餘(如有)為止。

經重估土地的折舊於損益確認。已重估土地其後出售或報廢時,留存於土地重估儲備的應佔重估盈餘乃直接轉撥至保留盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the unexpired term of lease.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

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

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

本集團於租賃期結束時合理確定獲取相關租賃資產所有權的使用權資產自開始日期起至可使用年期結束期間折舊。在其他情況下，使用權資產以直線法於其估計可使用年期及未屆滿的租賃期(以較短者為準)內折舊。

已付的可退回租賃按金乃根據香港財務報告準則第9號列賬，並初步按公平值計量。初步確認公平值的調整被視為額外租賃款項，並計入使用權資產的成本內。

當指數或利率變動引致未來租賃付款變動，或本集團根據剩餘價值擔保預期應付款項之估計有變，或當重新評估本集團是否將合理確定行使購買、延期或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，就使用權資產之賬面值作出相應調整，或倘使用權資產之賬面值減至零，則記錄於損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

(ii) The Group as a lessor

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

(g) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

當租賃範圍或租賃合約原先並無規定的租賃代價(「租賃修改」)發生變化,且未作為單獨租賃入賬時,則租賃負債亦重新計量。在此情況,租賃負債根據經修訂的租賃付款及租賃期,使用經修訂折現率在修改生效日期重新計量。唯一的例外為因新型冠狀病毒疫情直接引致且滿足香港財務報告準則第16號第46B段所載條件的任何租金減免。在該等情況下,本集團使用實際權宜方法從而而不評估租金減免是否為租賃修改,並於觸發租金減免的事件或條件發生的期間內於損益內將代價變動確認為負向租賃付款。

(ii) 本集團作為出租人

當本集團作為出租人,其於訂立租賃時釐定各項租賃是否融資租賃或經營租賃。倘租賃轉移相關資產所有權附帶的絕大部份風險及回報至承租人,則分類為融資租賃。倘情況並非如此,則租賃分類為經營租賃。

(g) 研究及開發支出

研究活動的支出於產生的期間作為開支確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Other intangible assets Technology knowhow

Know-how is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives.

Customer relationships

Customer relationships are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Other contract costs

Other contract costs are the incremental costs of obtaining a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

4. 主要會計政策(續)

(h) 其他無形資產 技術訣竅

訣竅按成本減累計攤銷及減值虧損列賬。攤銷於彼等的估計可使用年內以直線法計算。

客戶關係

客戶關係按成本減累計攤銷及減值虧損列賬。攤銷於彼等的估計可使用年內以直線法計算。

(i) 存貨

存貨按成本與可變現淨值兩者中的較低者入賬。成本乃按加權平均基準計量。製成品及在製品的成本包括原材料、直接勞工及所有生產經常性開支及分包開支(如適用)。可變現淨值按一般業務過程中的估計銷售價格減去估計完成成本及估計銷售所需費用計算。

(j) 其他合約成本

其他合約成本為取得客戶合約的增量成本。

取得合約的增量成本為本集團取得客戶合約所產生的該等成本，若沒有取得合約，便不會產生有關成本。若預期將收回取得合約的增量成本，則該等成本在產生時便會撥充資本，惟預期攤銷期間是自初始確認資產日期起一年或以下則除外，在該情況下成本在產生時列作開支。取得合約的其他成本在產生時列作開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

(l) Contract assets and contract liabilities

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 expected credit losses (“ECLs”) in accordance with the policy set out in note 4(z) 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.

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

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

4. 主要會計政策(續)

(k) 會所會籍

具無限可使用年期的會所會籍按成本減任何減值虧損列賬。會所會籍每年及當有跡象顯示出現減值虧損時，將進行減值檢討。

(l) 合約資產及合約負債

當本集團在無條件地有權享有合約載列的付款條款下的代價前確認收入，便會確認合約資產。合約資產根據附註4(z)載列的政策評估預期信貸虧損，並在代價的權利成為無條件時重新分類為應收款項。

當客戶在本集團確認相關收入前支付代價，本集團便會確認合約負債。若本集團在確認相關收入前具有無條件權利收取代價，則本集團亦會確認合約負債。在該等情況下，亦會確認相關應收款項。

就與客戶訂立的單一合約而言，將呈列合約資產淨值或合約負債淨額。就多項的合約而言，不相關合約的合約資產及合約負債並非按淨額基準呈列。

當合同包含重大融資成分時，合同餘額包括根據實際利率法的應計利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4. 主要會計政策(續)

(m) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時，將於綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)直接應佔的交易成本乃於初始確認時計入金融資產或金融負債的公平值，或從相關公平值中扣除(如適用)。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本則隨即在損益中確認。

本集團僅於資產現金流量的合約權利屆滿，或其轉讓金融資產及絕大部份資產擁有權的風險及回報予另一實體時，才會終止確認金融資產。倘本集團未有轉讓或保留絕大部份擁有權的所有風險及回報，並繼續控制已轉讓的資產，本集團便確認其於該項資產的保留權益及其可能須要支付的金額的相關負債。倘本集團保留已轉讓金融資產所有權絕大部份的風險及回報，本集團便繼續確認該項金融資產，亦就收取的所得款項確認有抵押借款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments

Debt instruments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the instrument is calculated using the effective interest method. Typically, trade and bills receivables, other receivables, cash and bank balances are classified in this category.

4. 主要會計政策(續)

(m) 確認及終止確認金融工具(續)

本集團僅在義務已解除、取消或屆滿時才終止確認金融負債。終止確認的金融負債賬面值金額與已付及應付的代價(包括任何已轉讓的非現金資產或承擔的負債)的差額，則於損益中確認。

(n) 金融資產

所有以慣常方式作出的金融資產買賣均按交易日期確認及終止確認。慣常方式買賣為須在市場規例或慣例建立的時限內交付資產的金融資產買賣。所有已確認的金融資產其後則全部按攤銷成本或公平值計量，視乎金融資產的分類而定。

債務投資

本集團持有的債務投資乃分類為下列其中一項計量類別：

- 倘投資是持有作收集合約現流量，而該等現金流量僅為本金及利息款項，則為攤銷成本。投資的利息收入乃使用實際利率法計算。貿易及票據應收款項、其他應收款項、現金及銀行結餘一般均歸類於此類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial assets (Continued) Debt instruments (Continued)

- FVTOCI — recycling, if the contractual cash flows of the instruments comprise solely payments of principal and interest and the instrument is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the instrument is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the instrument does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the instrument (including interest) are recognised in profit or loss.

4. 主要會計政策(續)

(n) 金融資產(續) 債務投資(續)

- 倘投資的合約現金流量僅由本金及利息款項組成，且投資是在一個業務模式內持有，其目標是透過收集合約現金流量及出售達致，則為按公平值計入其他全面收益 — 重新歸入。公平值變動是在其他全面收益確認，惟在損益中確認預期信貸虧損、利息收入(使用實際利率法計算)及外匯收益及虧損則除外。當終止確認投資時，在其他全面收益累計的金額則由權益重新歸入損益。
- 倘投資不符合按攤銷成本或按公平值計入其他全面收益(重新歸入)計量的標準，則為按公平值計入損益。投資公平值的變動(包括利息)則於損益賬認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial assets (Continued) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings but not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(o) Trade and other receivables

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

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

4. 主要會計政策(續)

(n) 金融資產(續) 股權投資

除非股權證券投資並非持作交易用途，且在初始確認投資時本集團選擇指定投資按公平值計入其他全面收益(不得重新歸入)，致使其後公平值的變動在其他全面收益確認，否則股權證券投資分類為按公平值計入損益。該等選擇乃在個別工具的基礎上作出，但僅可在從發行人角度而言投資符合股權的定義才可作出。倘作出了該項選擇，則在其他全面收益累計的金額仍然留在公平值儲備(不得重新歸入)，直至出售投資為止。於出售時，在公平值儲備(不得重新歸入)累計的金額則轉移至保留盈利，而並非透過損益重新歸入。來自股權證券投資的股息，不論分類為按公平值計入損益或按公平值計入其他全面收益，均會於損益中確認為其他收入。

(o) 貿易及其他應收款項

應收款項於本集團有無條件權利收取代價時確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘收入於本集團有無條件權利收取代價前已確認，則該金額按合約資產呈列。

應收款項以實際利率法減信貸虧損撥備按攤銷成本列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL.

(q) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4. 主要會計政策(續)

(p) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金、銀行及其他金融機構的活期存款，以及可隨時轉換為已知金額現金的短期高變現能力，且價值改變風險不大及於收購後三個月內到期的投資。就編製綜合現金流量表而言，現金及等同現金項目包括按要求償還及構成本集團現金管理組成部份的銀行透支。現金及等同現金項目乃就預期信貸虧損作評估。

(q) 金融負債及股本工具

金融負債及股本工具乃根據所訂立的合約安排性質及根據香港財務報告準則對金融負債及股本工具的定義而分類。股本工具為證明於本集團經扣除其所有負債後的資產中所剩餘權益的任何合約。就特定金融負債及股本工具而採納的會計政策載於下文。

(i) 借貸

借貸初步按公平值扣除所產生的交易成本確認，其後則以實際利率法按攤銷成本值計量。

除非本集團擁有無條件權利，可將負債的償還日期遞延至報告期間完結後至少十二個月，否則借貸被分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial liabilities and equity instruments (Continued)

(ii) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under HKFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

4. 主要會計政策(續)

(q) 金融負債及股本工具(續)

(ii) 財務擔保合約負債

在擔保簽訂的同時，財務擔保合約確認為一項金融負債。該項負債按公平值初步計量，其後則按以下兩者中較高者計量：

- 按香港財務報告準則第9號的預期信貸虧損模式確定的金額；及
- 初步確認的金額減去(如適用)按香港財務報告準則第15號確認的累計收入。

財務擔保的公平值由基於債務工具下規定的合約支付金額，與毋須保證的支付金額或與作為承擔義務付給第三方的估計金額之間的現金流量差額的現值決定。

當與聯營公司的借款或其他應付聯營公司的款項不提供補償時，公平值便作為投入列賬且確認為投資成本的一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial liabilities and equity instruments (Continued)

(iii) Trade and other payables

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

(iv) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(r) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

(s) Revenue and other income

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

4. 主要會計政策(續)

(q) 金融負債及股本工具(續)

(iii) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，其後則以實際利率法按攤銷成本值計量，貼現影響微少則作別論，在該情況下，則按成本值列賬。

(iv) 股本工具

股本工具指能證明於實體扣除其所有負債後的資產中存在剩餘權益的任何合約。本公司發行的股本工具按已收取的所得款項減去直接發行成本而列賬。

(r) 衍生金融工具

衍生工具於訂立衍生合約之日按公平值進行初步確認，其後於各報告期末按公平值進行重新計量。

(s) 收入及其他收入確認

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶時，便會確認收入。收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue and other income (Continued)

For OEM Products that have no alternative use to the Group and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue from the sales of such OEM Products as the performance obligation is satisfied over time in accordance with the input method, by reference to the costs incurred to date over the total expected costs. Otherwise, sales are recognised when control of the products has been transferred, being when the products are delivered to the customers. Delivery occurs when the products have been delivered to the designated location prescribed by the customer. Payment for goods is not due from the customer until the OEM Products are delivered to the customer and therefore a contract asset is recognised over the period in which the goods are produced, representing the entity's right to consideration for the services performed to date.

4. 主要會計政策(續)

(s) 收入及其他收入確認(續)

原設備製造產品對本集團並無替代用途，且當本集團擁有收取客戶迄今為止已完成履約的款項之可強制執行權利時，本集團根據輸入數據法，並參考迄今為止已產生費用佔預期費用總額之比例，將按原設備製造產品銷售收入已達成之履約責任的進度確認。否則，當產品控制權已轉移時(即產品已交付至客戶時)確認銷售。交付在產品已運送至客戶的特定地點時發生。客戶毋須支付貨品款項，直至原設備製造產品運送至客戶為止，因此合約資產是在於貨品已生產一段時間，代表實體對迄今履行服務的代價所享有的權利的期間內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue and other income (Continued)

Revenue from the sales of non-OEM Products is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. A refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Revenue from sales of moulds is recognised when the quality of moulds are accepted by the customers, and the customers have the legal title to the moulds and can direct the Group to use them for production.

4. 主要會計政策(續)

(s) 收入及其他收入確認(續)

由非原設備製造產品銷售所產生的收入在貨品的控制權已轉讓，即貨品已運送至客戶的指定地點(交付)時確認。在交付後，客戶對銷售貨品的分銷方式及價格擁有完全酌情權，在銷售貨品時具有主要責任，並承擔貨品滯銷及損失的風險。當貨品交付予客戶，本集團便會確認應收款項，原因是此乃對代價的權利僅因到期付款前需要時間流逝方成為無條件的時點。對於預期將要退回的產品，退款負債和作出相應的調整並於收入確認。同時，當客戶行使退貨權時，本集團有權收回產品，並因此確認退貨資產的權利以及對銷售成本作相應調整。本集團利用其積累的歷史經驗，使用期望值方法估計投資組合水平的收益數量。考慮到往年的收益水平穩定，很可能不會發生已確認累計收入的重大回撥。

銷售模具的收入於模具質量獲客戶接納及客戶擁有模具的合法所有權，並指示本集團使用該等模具作生產時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue and other income (Continued)

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(t) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 主要會計政策(續)

(s) 收入及其他收入確認(續)

利息收入於產生時按實際利率法確認。就按攤銷成本或按公平值計入其他全面收益(重新歸入)計量且並無出現信貸減值的金融資產而言,實際利率便適用於資產的賬面總值。就出現信貸減值的金融資產而言,實際利率則適用於資產的攤銷成本(即扣除虧損撥備的賬面總值)。

經營租賃項下的應收租金收入在租賃期涵蓋期間內平均分期於損益確認,除非替代基準更能代表使用租賃資產所產生的收益模式。授予的租賃獎勵措施在損益中確認為應收租賃淨付款總額的組成部份。不依賴於指數或利率的可變租賃付款在其產生的會計期間內確認為收入。

(t) 僱員福利

(i) 僱員享有的假期

僱員年假及長期服務假於僱員享有時確認,並已就僱員因截至報告期間完結時止所提供服務享有的年假及長期服務假的估計負債作出撥備。

僱員病假及產假於放假時始確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Employee benefits (Continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(u) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

4. 主要會計政策(續)

(t) 僱員福利(續)

(ii) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與該計劃。計劃供款由本集團及僱員按僱員基本薪金的百分比計算。自損益扣除的退休福利計劃成本指本集團應向該基金支付的供款。

(iii) 離職福利

離職福利於本集團不再撤回該等福利邀約與本集團確認重組成本及涉及支付離職福利當日(以較早者為準)確認。

(u) 以股份支付之款項

本集團向若干僱員發行以股權結算以股份支付的款項。以股權結算以股份支付的款項乃於授出當日按股本工具的公平值(不包括非市場歸屬條件的影響)計量。於按股權結算以股份支付的款項授出當日釐定的公平值，根據本集團所估計最終就非市場歸屬條件歸屬及調整的股份，按歸屬期以直線法支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying assets. Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. 主要會計政策(續)

(v) 借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售的借貸成本，會撥充該等資產成本部份，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產的特定借貸作短期投資賺取的投資收入，會於合資格資本化的借貸成本中扣除。

對於一般性借入資金用於獲取一項合資格的資產，可予資本化的借貸成本乃以在該資產的支出應用一個資本化比率釐定。資本化比率為期內適用於本集團尚未償還借款(用於獲取一項合資格的資產的借貸除外)的借貸成本的加權平均值。在相關資產準備可用於其預期用途或出售后仍尚未償還的任何特定借款均計入一般借款池，以計算一段借款的資本化率。

所有其他借貸成本乃於其產生期間在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(x) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. 主要會計政策(續)

(w) 政府補助金

如有合理保證本集團將遵守附帶條件及將收取政府補助金，則確認政府補助金。

與收入有關之政府補助金就其與擬補償成本配對之所需期間於損益遞延及確認。

作為開支或已承受的虧損的補償或為本集團提供即時財務資助而可收取(並無日後相關成本)的政府補助金，乃於其成為可收取的期間於損益確認為收入。

(x) 稅項

所得稅為即期稅項與遞延稅項的總和。

即期稅項乃按本年度應課稅溢利計算。應課稅溢利與損益中所確認的溢利不同，因應課稅溢利不包括在其他年度應課稅收入或可扣減開支項目，而且不包括永遠毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按報告期間完結前已頒佈或實質頒佈的稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Taxation (Continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. 主要會計政策(續)

(x) 稅項(續)

遞延稅項乃就綜合財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基間的差額確認。遞延稅項負債通常會就所有應課稅暫時差異確認，遞延稅項資產僅於可能有應課稅溢利而動用暫時性差異、未動用稅項虧損或未動用稅項資產可予以抵銷時方予以確認。於一項交易中，倘因商譽或其他資產及負債之初步確認(業務合併除外)而產生的暫時差異且不影響應課稅溢利及會計溢利時，則該等資產及負債不會予以確認。

遞延稅項負債乃就投資於附屬公司及聯營公司而產生的應課稅暫時差異予以確認，惟倘本集團能控制撥回暫時差異以及暫時差異在可見將來不會被撥回則作別論。

遞延稅項資產的賬面值於各報告期間完結時均會作出檢討，並在預期不再有足夠應課稅溢利可令全部或部份資產變現時作出相應減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

4. 主要會計政策(續)

(x) 稅項(續)

遞延稅項乃以預期於償還負債或變現資產即期應用的稅率並基於報告期間完結前頒佈或實質頒佈的稅率計算。遞延稅項會於損益中確認，惟遞延稅項與已於其他全面收益中或直接於權益中確認的相關聯者則除外，在此情況下，遞延稅項亦會於其他全面收益中或直接於權益中確認。

遞延稅項資產及負債之計量反映本集團於報告期間結束時預計收回或結算其資產及負債賬面值之方式而引致之稅務後果。

就計量按公平值模式計量之投資物業之遞延稅項而言，假定該等物業之賬面值可透過出售全數收回，除非假定被駁回則作別論。倘該投資物業可予折舊且以業務目標為隨時間而非透過出售消耗該投資物業所包含之絕大部分經濟利益之業務模式持有，此假定則被駁回。倘假定被撥回，該等投資物業之遞延稅項乃基於物業將被收回的預期方式進行計量。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(y) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

4. 主要會計政策(續)

(x) 稅項(續)

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團將香港會計準則第12號之規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，故與使用權資產及租賃負債相關之暫時性差異不會於初步確認時及於租賃期內確認。

倘有法定可行使權利可以即期稅項資產抵銷即期稅項負債，且彼等為關乎同一稅務機構徵收之所得稅，且本集團擬按淨額基準結算其即期稅項資產及負債，則遞延稅項資產及負債會予以抵銷。

(y) 非金融資產減值

非金融資產之賬面值於各報告日期檢討有無減值跡象，倘資產已減值，則透過綜合損益表以開支撇減至其估計可收回金額，惟倘有關資產乃按重估金額列賬，則減值虧損按重估減少處理。可收回金額乃就個別資產釐定，惟倘資產並無產生大部份獨立於其他資產或資產組合之現金流入。如屬此情況，則可收回金額就資產所屬之現金產生單位釐定。可收回金額為個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Impairment of non-financial assets (Continued)

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(z) Impairment of financial assets and contract assets

The Group recognises a loss allowance for ECLs on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade and other receivables and contract assets, as well as on financial guarantee contracts. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and bills receivables, contract assets and lease receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

4. 主要會計政策(續)

(y) 非金融資產減值(續)

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間值及資產／現金產生單位(已計量減值)之特有風險之稅前貼現率計算。

現金產生單位之減值虧損首先用於抵銷單位商譽，然後於現金產生單位的其他資產之間按比例分配。隨後估計變動導致的可收回金額增長計入損益，直至撥回減值。惟倘有關資產乃按重估金額列賬，則減值虧損的撥回按重估增加處理。

(z) 金融資產及合約資產減值

本集團就按攤銷成本或按公平值計入其他全面收益計量的債務工具投資、租賃應收款項、貿易及其他應收款項及合約資產，以及財務擔保合約確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各個報告日期更新，以反映自各項金融工具初始確認以來信貸風險的變動。

本集團一直就貿易及票據應收款項、合約資產及租賃應收款項確認全期預期信貸虧損。該等金融資產的預期信貸虧損乃使用以本集團過往信貸虧損經驗為基礎的撥備矩陣估算，並就債務人特定因素、整體經濟環境及報告日期當前情況及預測動向的評估(在適當時包括貨幣的時間價值)作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

對於所有其他金融工具，本集團在信貸風險自初始確認以來顯著上升時確認全期預期信貸虧損。然而，若金融工具的信貸風險自初始確認以來並未顯著上升，則本集團便按12個月預期信貸虧損的相同金額計量該金融工具的虧損撥備。

全期預期信貸虧損指於金融工具預計年期內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損指金融工具於報告日期後12個月內可能發生的違約事件預計產生的該部份全期預期信貸虧損。

信貸風險顯著上升

評估金融工具的信貸風險自首次確認以來有否顯著增加時，本集團會就金融工具於報告日期發生違約的風險與金融工具於初始確認當日發生違約的風險進行比較。在進行有關評估時，本集團會考慮合理且可靠的定量和定性資料，包括過往經驗及毋須付出不必要的成本或努力即可獲得的前瞻性資料。所考慮的前瞻性資料包括獲取自經濟專家報告、金融分析師、政府機構、相關智庫及其他類似組織的本集團債務人經營所在行業的未來前景，以及與本集團核心業務相關的各種外在來源的實際及預測經濟資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued) Significant increase in credit risk (Continued)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

具體而言，評估信貸風險自初始確認以來是否顯著上升時會考慮以下資料：

- 金融工具對外(如有)或內部信貸評級的實際或預期顯著惡化；
- 特定金融工具信貸風險的對外市場指標顯著惡化；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還其債務的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 同一債務人其他金融工具的信貸風險顯著上升；及
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人償還其債務的能力顯著下降。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

不論上述評估結果如何，本集團假設當合約付款逾期超過30日時，金融資產的信貸風險已自初始確認以來顯著增加，除非本集團有合理及可作為依據的資料顯示並非如此則作別論。

儘管存在上文所述，本集團假設倘金融工具釐定為於報告日期具有低信貸風險，則金融工具的信貸風險自初始確認以來並無顯著增加。金融工具釐定為具有低信貸風險，假若：

- (i) 金融工具具有低違約風險；
- (ii) 債務人於短期內具備雄厚實力履行其合約現金流量責任；及
- (iii) 長期經濟及業務狀況的不利變動可能(但不一定)減低借款人履行其合約現金流量責任的能力。

當金融資產根據環球理解的定義擁有「投資級別」的外圍信貸評級，或倘未有外圍評級，則資產具有「良好」的內部評級，本集團便會認為該項資產具有低信貸風險。良好的意思為對手方具有強勁的財務狀況，以及無逾期款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued) Significant increase in credit risk (Continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

就財務擔保合約而言，在本集團不可撤回地成為該項承擔的相關方當日，該日即被視為評估財務工具減值的初始確認日。在評估信貸風險在初始確認財務擔保合約後是否大幅攀升，本集團會考慮個別債務人的違約風險變動。

本集團定期監察用以確定信貸風險會否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 對手方違反財務契諾；或
- 內部產生或獲取自對外來源的資料表明，債務人不大可能向債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Definition of default (Continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

違約的定義(續)

不論上述分析結果如何，本集團認為當金融資產付款逾期超過90日時，便已出現違約，除非本集團有合理及可作為依據的資料顯示並更寬鬆的違約標準更為合適則作別論。

信貸減值的金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一宗或多宗事件時，該金融資產即出現信貸減值。金融資產出現信貸減值的證據包括與下列事件相關的可觀察數據：

- 發行人或對手方陷入嚴重財困；
- 違反合約，如違約或逾期事件；
- 對手方的貸款人出於與對手方財困相關的經濟或合約原因，而向對手方授予貸款人原本不會考慮的優惠；
- 對手方可能將進入破產程序或進行其他財務重組；或
- 因財務困難而導致該項金融資產失去活躍市場。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade and bills receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

撇銷政策

本集團在有資料顯示債務人陷入嚴重財務困難，且無實際收回資產可能之時(包括債務人遭受清盤或已進入破產程序，或在貿易及票據應收款項的情況下，則有關金額逾期超過兩年(以較早發生者為準)，便會撇銷金融資產。在考慮法律意見(如適當)後，已撇銷金融資產仍可根據本集團的收回程序實施強制執行活動。任何收回資產於損益中確認。

計量及確認預期信貸虧損

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險承擔的函數。評估違約概率及違約損失率的依據是過往數據，並按上文所述的前瞻性資料調整。違約風險承擔方面，金融資產則由資產於報告日期的賬面總值代表。

就金融資產而言，預期信貸虧損按根據合約應付予本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額估計，並按原本的實際利率貼現。就租賃應收款項而言，根據香港財務報告準則第16號用作釐定預期信貸虧損的現金流量與用作計量租賃應收款項的現金流量一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued) Measurement and recognition of ECL (Continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(aa) Provisions and contingent liabilities

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

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

計量及確認預期信貸虧損(續)

倘本集團於上個報告期間以相等於全期預期信貸虧損的金額計量一項金融工具的虧損撥備，但於本報告日期釐定該全期預期信貸虧損的條件不再符合，則本集團於本報告日期便會按相等於12個月預期信貸虧損的金額計量虧損撥備，惟使用了簡化方式的資產則除外。

本集團於損益確認所有金融工具的減值收益或虧損，對透過虧損撥備賬對其賬面值作出相應調整，惟按公平值計入其他全面收益計量的債務工具投資除外，其虧損撥備於其他全面收益確認，並於投資重估儲備累計，且並無削減金融資產於財務狀況表的賬面值。

(aa) 撥備及或然負債

倘本集團因過往事件承擔現有法定或推定責任而可能需要經濟利益流出以履行有關責任並可作出可靠估計，便會就無確定時間或金額的負債確認撥備。倘款項的時間價值重大，撥備會以履行責任預期所需開支的現值列報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Provisions and contingent liabilities (Continued)

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 is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(ab) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

4. 主要會計政策(續)

(aa) 撥備及或然負債(續)

倘不大可能需要經濟利益流出，或有關款額不能可靠估量，有關責任則按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。可能承擔的責任(其存在與否僅藉一項或多項未來事件的發生與否而確定)亦按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。

(ab) 報告期間完結後事項

報告期間完結後事項提供本集團於報告期間完結時狀況的額外資料，此等為調整事項並反映於綜合財務報表。如屬非調整事項的報告期間完結後事項，倘屬重大時，則於綜合財務報表附註內披露。

5. 關鍵判斷及主要估計

應用會計政策時的關鍵判斷

於應用會計政策的過程中，董事已作出以下對綜合財務報表所確認金額產生最重大影響的判斷(除涉及估計者於下文處理外)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Allowance for inventories

The directors identify obsolete and slow-moving inventory items that are no longer probable for use in production or to be sold out at the end of each reporting period. The directors estimate the net realisable value for such inventories based primarily on the latest selling prices and costs of completion and selling expenses estimated at current operation conditions. The directors carry out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete items.

Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimates have been changed.

The allowance on inventories as at 31 December 2021 was approximately HK\$70,613,000 (2020: HK\$55,888,000).

5. 關鍵判斷及主要估計(續)

應用會計政策時的關鍵判斷(續)

信貸風險顯著增加

第1階段資產的預期信貸虧損按相等於12個月預期信貸虧損的撥備計量，而第2階段或第3階段資產則按全期預期信貸虧損計量。當信貸風險自首次確認後顯著增加時，資產將移至第2階段。香港財務報告準則第9號並無界定甚麼構成信貸風險顯著增加。於評估資產的信貸風險是否已顯著增加時，本集團會考慮定性及定量的合理而有據可依的前瞻性資料。

估計不明朗因素的主要來源

下文討論有關未來的主要假設及於報告期間完結時的其他主要估計不明朗因素來源，而該等假設及估計不明朗因素來源具有導致下一個財政年度的資產及負債賬面值須作出重大調整的重大風險。

(a) 存貨撥備

董事於各報告期間完結時識別一些不再適合生產的過時及滯銷存貨項目。董事主要根據最新售價及現時經營狀況下的銷售開支及預計完成成本估計該等存貨的可變現淨值。董事於每個報告期間完結時對存貨逐一進行檢查，並對過時項目作出撥備。

倘日後實際結果與原定估計有差異，則該等差異將影響存貨賬面值及該估計變更期間的撥備/撥回值。

於二零二一年十二月三十一日，存貨撥備為約70,613,000港元(二零二零年：55,888,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(b) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2021 were approximately HK\$547,487,000 (2020: HK\$519,816,000) and HK\$244,968,000 (2020: HK\$248,214,000) respectively.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(b) 物業、機器及設備以及使用權資產折舊

物業、廠房及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否發生減值時，本集團須進行判斷並作出估計，特別是於評估(1)是否發生可能影響資產價值的事件或出現任何有關跡象；(2)資產賬面值是否能以可收回金額作支持，若為使用價值，則為根據持續使用資產估計得出的未來現金流量的淨現值；及(3)估計可收回金額所用的合適主要假設(包括現金流量預測及合適的折現率)。倘無法估計個別資產(包括使用權資產)的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。更改假設及估計(包括現金流量預測中的折現率或增長率)可對可收回金額產生重大影響。

於二零二一年十二月三十一日，物業、機器及設備以及使用權資產賬面值為分別約547,487,000港元(二零二零年：519,816,000港元)及244,968,000港元(二零二零年：248,214,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of trade and bills receivables and contract assets

The management of the Group estimates the amount of impairment loss for ECL on trade and bills receivables and contract assets based on the credit risk of trade and bills receivables and contract assets. 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.

Due to the economics recovery from the COVID-19 pandemic, the Group has decreased the expected loss rates in the current year as there is lower risk that recovery from pandemic could lead to decreased credit default rates. The information about the ECL and the Group's trade and bills receivables and contract assets are disclosed in note 6(b).

As at 31 December 2021, the carrying amounts of trade and bills receivables and contract assets are approximately HK\$453,082,000 (2020: HK\$394,276,000) (net of allowance for doubtful debts of approximately HK\$353,000 (2020: HK\$590,000)), and HK\$14,132,000 (2020: HK\$12,598,000) respectively.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(c) 貿易及票據應收款項及合約資產的減值

本集團管理層的估計按貿易及票據應收款和合約資產的信貸風險估計貿易及票據應收款和合約資產預期信貸虧損的減值虧損金額。基於預期信貸虧損模型的減值虧損金額以根據本集團按合約應收的所有合約現金流量及本集團預期收取的所有現金流量(於首次確認時決定的實際利率貼現)之間的差額計量。當未來現金流量低於預期，或由於事實和情況的變化被向下修訂，重大減值虧損可能會產生。

由於經濟從新型冠狀病毒疫情中復甦，本集團已調低本年度的預期虧損率，原因為從疫情中復甦可能導致信貸違約率降低的風險減少。有關預期信貸虧損及本集團的貿易及票據應收款項以及合約資產的資料披露於附註6(b)。

於二零二一年十二月三十一日，貿易及票據應收款項及合約資產的賬面值分別為約453,082,000港元(二零二零年：394,276,000港元)(扣除約353,000港元(二零二零年：590,000港元)呆賬撥備)及14,132,000港元(二零二零年：12,598,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(d) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, approximately HK\$22,835,000 (2020: HK\$31,295,000) of income tax was charged to profit or loss based on the estimated profit from operations.

Recognition of deferred tax assets, which principally relates to deductible temporary differences and tax losses, depends on whether it is probable that future taxable profits or taxable temporary differences will be available against which deferred tax assets can be utilised. In cases where the actual future taxable profits or taxable temporary differences generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place. The directors considered that, based on the profit forecast of the group companies with tax losses, it is probable that the tax losses can be utilised in the foreseeable future. The profit forecast required the use of judgement and estimates.

The carrying amount of deferred tax assets with respect to tax losses as at 31 December 2021 was approximately HK\$961,000 (2020: HK\$5,426,000).

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(d) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重要估計。在日常業務過程中有多項交易及計算方式，均會導致不能確定最終稅項。倘若該等事情最終所得之稅項與最初錄得之款額有所差異，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。於本年度，根據經營業務的估計溢利計入損益的所得稅約22,835,000港元(二零二零年：31,295,000港元)。

確認遞延稅項資產主要與可扣減暫時差異及稅項虧損有關，視乎是否很可能獲得可利用遞延稅項資產來抵扣之未來應課稅溢利或應課稅暫時差異而定。倘所產生之未來實際應課稅溢利或應課稅暫時差異少於預期數額，則該遞延稅項資產可能予以撥回，並會於有關撥回發生期間之損益內確認。董事認為，根據錄得稅項虧損之集團公司之溢利預測，稅項虧損很可能在可見將來動用。溢利預測需要運用判斷及估計。

於二零二一年十二月三十一日，有關稅項虧損之遞延稅項資產之賬面值為約961,000港元(二零二零年：5,426,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(e) Fair value of leasehold lands

The Group appointed an independent professional valuer to assess the fair value of the leasehold lands. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of leasehold lands as at 31 December 2021 was approximately HK\$231,080,000 (2020: HK\$230,480,000).

(f) Fair value of derivative component

As disclosed in note 26 to the consolidated financial statements, the fair value of the derivative financial instruments at the end of the reporting period was determined using mark-to-market approach and discounted cash flow method. Application of discounted cash flow method requires the Group to estimate the prominent factors affecting the fair value, including but not limited to, the assigned value based on the current price of that instrument and expected rate of return. Where the estimation on these factors is different from those previously estimated, such differences will impact the fair value gain or loss of the derivative financial instrument in the period in which such determination is made.

The carrying amount of the derivative financial liabilities as at 31 December 2021 was approximately HK\$3,486,000 (2020: HK\$1,341,000).

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(e) 租賃土地的公平值

本集團委任獨立專業估值師評估租賃土地的公平值。於釐定公平值時，估值師利用的估值方法涉及若干估計。董事已行使判斷，並信納估值方法及使用的參數反映現行市況。

於二零二一年十二月三十一日，租賃土地的賬面值為約231,080,000港元(二零二零年：230,480,000港元)。

(f) 衍生工具部份的公平值

誠如綜合財務報表附註26所披露，衍生金融工具在報告期末的公平值乃使用按市值計價法及折現現金流量法釐定。應用折現現金流量法規定本集團須估計影響公平值的主要因素，包括但不限於基於該工具的當前價格及預期收益率所得的分配價值。倘對該等因素的估計有異於先前估計所得，則有關差額將影響衍生金融工具在釐定期間的公平值收益或虧損。

衍生金融負債於二零二一年十二月三十一日的賬面值為約3,486,000港元(二零二零年：1,341,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(g) Revenue and profit recognition

As explained in policy note 4(s), revenue from sales of moulds is recognised when the quality of moulds is accepted by the customers and the customers can direct the Group to use them for production. Certain contracts with customers may include moulds and products, and the Group only charges the customers for the products and recovers the costs of moulds through the sales of products. Since moulds and products are distinct performance obligations, transaction price of a contract should be allocated to moulds and products separately. In the allocation of the transaction price to moulds, the Group has to make estimation of the stand-alone price of moulds and the products, and the quantity of the products that the moulds can be ultimately manufactured. Actual outcomes of revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

During the year, approximately HK\$140,637,000 (2020: HK\$149,717,000) of revenue from moulds was recognised.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(g) 收入及溢利確認

如政策附註4(s)所闡述，銷售模具的收入於模具質量獲客戶接納及客戶指示本集團用作生產時確認。若干客戶合約可能包括模具及產品，而本集團僅就產品向客戶收費，並透過產品銷售收回模具成本。由於模具及產品為不同的履約責任，故合約的交易價格應分別分配予模具及產品。於分配交易價格至模具時，本集團須估計模具及產品的獨立價格，以及模具最終可以製造的產品數量。收入的實際結果於報告期間完結時可能高於或低於估計，這將作為對至今已記錄金額的調整而影響未來年度確認的收入及溢利。

本年度確認模具收入約140,637,000港元(二零二零年：149,717,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(h) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than the expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

The carrying amount of goodwill at the end of the reporting period was HK\$2,654,000 (2020: N/A) after an impairment loss of HK\$Nil (2020: N/A) was recognised during the year.

(i) Impairment of other intangible assets

Determining whether other intangible assets are impaired requires an estimation of the value in use of the CGU to which other intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

The carrying amount of other intangible assets as at 31 December 2021 was approximately HK\$3,835,000 (2020: N/A)(net of accumulated impairment losses of approximately HK\$Nil (2020: N/A)).

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(h) 商譽減值

釐定商譽是否減值時須估計商譽所獲分配的現金產生單位的使用價值。計算使用價值要求本集團須就預期源自該現金產生單位的日後現金流量及合適的折現率作出估計，以計算現值。若實際未來現金流量低於預期，或由於事實及情況有變導致未來現金流量下調或貼現率上調，則可能會產生重大減值虧損或進一步減值虧損。

年內確認減值虧損零港元(二零二零年：不適用)後，商譽於報告期末的賬面值為2,654,000港元(二零二零年：不適用)。

(i) 其他無形資產減值

釐定其他無形資產是否減值時須估計其他無形資產所獲分配的現金產生單位的使用價值。計算使用價值要求本集團須就預期源自該現金產生單位的日後現金流量及合適的折現率作出估計，以計算現值。

其他無形資產於二零二一年十二月三十一日的賬面值為約3,835,000港元(二零二零年：不適用)(扣除累計減值虧損約零港元(二零二零年：不適用))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK\$, United States dollars ("USD") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

6. 財務風險管理

本集團因經營業務而承受多項財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃集中在金融市場的不可預測性，故務求降低本集團財務表現所受到的潛在負面影響。

(a) 外匯風險

由於本集團大部份商務交易、資產及負債主要以港元、美元(「美元」)及人民幣(「人民幣」)列值，故本集團面對若干外匯風險。本集團現時並無就外匯交易、資產及負債採取外匯對沖政策。本集團將密切監察其外匯風險，並將考慮於需要時對沖重大外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

At 31 December 2021, if HK\$ had weakened 0.5 per cent (2020: 0.5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,740,000 (2020: HK\$1,324,000) higher, arising mainly as a result of the foreign exchange gain on trade and bills receivables and bank balances denominated in USD, but partly offset by the foreign exchange loss on trade payables denominated in USD (2020: foreign exchange gain on trade and bills receivables and bank balances denominated in USD, but partly offset by the foreign exchange loss on trade payables denominated in USD). If HK\$ had strengthened 0.5 per cent (2020: 0.5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,740,000 (2020: HK\$1,324,000) lower, arising mainly as a result of the foreign exchange loss on trade and bills receivables and bank balances denominated in USD, but partly offset by the foreign exchange gain on trade payables denominated in USD (2020: foreign exchange loss on trade and bills receivables and bank balances denominated in USD, but partly offset by the foreign exchange gain on trade payables denominated in USD).

6. 財務風險管理(續)

(a) 外匯風險(續)

於二零二一年十二月三十一日，倘港元兌美元貶值0.5%（二零二零年：0.5%），而其他所有變數維持不變，則年內除稅後綜合溢利將增加約1,740,000港元（二零二零年：1,324,000港元），主要由於以美元計值的貿易及票據應收款項及銀行結餘產生外匯收益所致，惟部份影響被以美元計值之貿易應付款項產生外匯虧損所抵銷（二零二零年：以美元計值的貿易及票據應收款項及銀行結餘產生外匯收益所致，惟部份影響被以美元計值之貿易應付款項產生外匯虧損所抵銷）。倘港元兌美元升值0.5%（二零二零年：0.5%），而其他所有變數維持不變，則年內除稅後綜合溢利將減少約1,740,000港元（二零二零年：1,324,000港元），主要由於以美元計值的貿易及票據應收款項及銀行結餘產生外匯虧損所致，惟部份影響被以美元計值之貿易應付款項產生外匯收益所抵銷（二零二零年：以美元計值的貿易及票據應收款項及銀行結餘產生外匯虧損所致，惟部份影響被以美元計值之貿易應付款項產生外匯收益所抵銷）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

At 31 December 2021, if HK\$ had weakened 5 per cent (2020: 5 per cent) against RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$28,000 higher (2020: HK\$1,365,000 lower), arising mainly as a result of the foreign exchange gain on bank balances denominated in RMB held by the Hong Kong subsidiaries, but partly offset by the foreign exchange loss on trade and bills receivables and bank balances denominated in HK\$ held by the subsidiaries operating in the People's Republic of China (the "PRC") (2020: foreign exchange loss on trade and bills receivables and bank balances denominated in HK\$ held by the subsidiaries operating in the PRC, but partly offset by the foreign exchange gain on bank balances denominated in RMB held by the Hong Kong subsidiaries). If HK\$ had strengthened 5 per cent (2020: 5 per cent) against RMB with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$28,000 lower (2020: HK\$1,365,000 higher), arising mainly as a result of the foreign exchange loss on bank balances denominated in RMB held by the Hong Kong subsidiaries, but partly offset by the foreign exchange gain on trade and bills receivables and bank balances denominated in HK\$ held by the subsidiaries operating in the PRC (2020: foreign exchange gain on trade and bills receivables and bank balances denominated in HK\$ held by the subsidiaries operating in the PRC, but partly offset by the foreign exchange loss on bank balances denominated in RMB held by the Hong Kong subsidiaries).

6. 財務風險管理(續)

(a) 外匯風險(續)

於二零二一年十二月三十一日，倘港元兌人民幣貶值5%（二零二零年：5%），而其他所有變數維持不變，則年內除稅後綜合溢利將增加約28,000港元（二零二零年：減少1,365,000港元），主要由於於香港營運之附屬公司以人民幣計值之銀行結餘產生之外匯收益所致，惟部份影響被於中華人民共和國（「中國」）營運之附屬公司以港元計值之貿易及票據應收款項及銀行結餘產生外匯虧損所抵銷（二零二零年：於中國營運之附屬公司以港元計值之貿易及票據應收款項及銀行結餘產生外匯虧損，惟部份影響被於香港營運之附屬公司以人民幣計值之銀行結餘產生之外匯收益所抵銷）。倘港元兌人民幣升值5%（二零二零年：5%），而其他所有變數維持不變，則年內除稅後綜合溢利將減少約28,000港元（二零二零年：增加1,365,000港元），主要由於於香港營運之附屬公司以人民幣計值之銀行結餘產生之外匯虧損所致，惟部份影響被於中國營運之附屬公司以港元計值之貿易及票據應收款項及銀行結餘產生外匯收益所抵銷（二零二零年：於中國營運之附屬公司以港元計值之貿易及票據應收款項及銀行結餘產生之外匯收益所致，惟部份影響被於香港營運之附屬公司以人民幣計值之銀行結餘產生之外匯虧損所抵銷）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

At 31 December 2021, if RMB had weakened 5 per cent (2020: 5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$667,000 higher (2020: HK\$69,000 lower), arising mainly as a result of the foreign exchange gain on trade and bills receivables and bank balances of the PRC subsidiaries denominated in USD, but partly offset by the foreign exchange loss on trade payables of the PRC subsidiaries denominated in USD. (2020: foreign exchange loss on trade payables of the PRC subsidiaries denominated in USD, but partly offset by the foreign exchange gain on trade and bills receivables and bank balances of the PRC subsidiaries denominated in USD). If RMB had strengthened 5 per cent (2020: 5 per cent) against USD with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$667,000 lower (2020: HK\$69,000 higher), arising mainly as a result of the foreign exchange loss on trade and bills receivables and bank balances of the PRC subsidiaries denominated in USD, but partly offset by the foreign exchange gain on trade payables of the PRC subsidiaries denominated in USD. (2020: foreign exchange gain on trade payables of the PRC subsidiaries denominated in USD, but partly offset by the foreign exchange loss on trade and bills receivables and bank balances of the PRC subsidiaries denominated in USD).

6. 財務風險管理(續)

(a) 外匯風險(續)

於二零二一年十二月三十一日，倘人民幣兌美元貶值5%(二零二零年：5%)，而其他所有變數維持不變，則年內除稅後綜合溢利將增加約667,000港元(二零二零年：減少69,000港元)，主要由於於中國營運之附屬公司以美元計值之貿易及票據應收款項及銀行結餘產生外匯收益所致，惟部份影響被於中國營運之附屬公司以美元計值之貿易應付款項產生外匯虧損所抵銷(二零二零年：於中國營運之附屬公司以美元計值之貿易應付款項產生外匯虧損所致，惟部份影響被中國營運之附屬公司以美元計值之貿易及票據應收款項及銀行結餘產生的外匯收益所抵銷)。倘人民幣兌美元升值5%(二零二零年：5%)，而其他所有變數維持不變，則年內除稅後綜合溢利將減少約667,000港元(二零二零年：增加69,000港元)，主要由於於中國營運之附屬公司以美元計值之貿易及票據應收款項及銀行結餘產生外匯虧損所致，惟部份影響被於中國營運之附屬公司以美元計值之貿易應付款項產生外匯收益所抵銷(二零二零年：於中國營運之附屬公司以美元計值之貿易應付款項產生外匯收益所致，惟部份影響被中國營運之附屬公司以美元計值之貿易及票據應收款項及銀行結餘產生的外匯虧損所抵銷)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and bills receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade and bills receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade and bills receivables are due within 30 to 120 days from the date of billing. Generally, debtors with balances that are more than 30 days past due or exceeding the credit limit granted are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

6. 財務風險管理(續)

(b) 信貸風險

信貸風險為交易對手方不履行金融工具或客戶合約的責任，導致財務損失的風險。本集團面對其經營活動(主要為貿易及票據應收款項)及其融資活動(包括銀行及金融機構存款、外匯交易及其他金融工具)的信貸風險。本集團面對因現金及等同現金項目而產生的信貸風險有限，因為交易對手方為由國際信貸評級機構評定擁有高信貸評級的銀行及金融機構，本集團認為其信貸風險較低。

貿易及票據應收款項及合約資產

客戶信貸風險由各業務單位管理，惟須按照本集團與客戶信貸風險管理有關的既定政策、程序及控制執行。個別信貸評估會對所有需要超過若干金額的信貸的客戶進行。該等評估側重於客戶過往的到期付款記錄及當前的支付能力，並考慮客戶特定及與客戶經營所處經濟環境有關的資料。貿易及票據應收款項於發票日期起計30至120日內到期。一般而言，餘額逾期超過30日或超逾信貸限額的債務人會被要求在獲授任何進一步信貸前結清所有未結餘額。正常來說，本集團不會從客戶獲取抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

The Group measures loss allowances for trade and bills receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance 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 receivables as at 31 December 2021:

6. 財務風險管理(續)

(b) 信貸風險(續)

貿易及票據應收款項及合約資產(續)

本集團按相等於全期預期信貸虧損的金額計量貿易及票據應收款項及合約資產的虧損撥備，並使用撥備矩陣計算。由於本集團的過往信貸虧損經驗並無顯示不同客戶組別的虧損模式存在顯著差異，故基於逾期狀態的虧損撥備並無在本集團的不同客戶群之間進一步劃分。

下表提供有關本集團貿易應收款項於二零二一年十二月三十一日的信貸風險及預期信貸虧損的資料：

| | | 2021 二零二一年 | | |
|-----------------------------|-----------|-------------------------------------|--|--|
| | | Expected loss rate 預期虧損率 % | Gross carrying amount 賬面總值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 |
| | | 百分比 | 千港元 | 千港元 |
| Current (not past due) | 現時(未逾期) | 0.02% | 434,224 | 86 |
| 1-30 days past due | 逾期1至30日 | 0.54% | 8,344 | 45 |
| 31-90 days past due | 逾期31至90日 | 1.83% | 2,078 | 38 |
| 91-180 days past due | 逾期91至180日 | 4.53% | 1,005 | 46 |
| More than 180 days past due | 逾期超過180日 | 20.87% | 663 | 138 |
| | | | 446,314 | 353 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

| | | 2020 二零二零年 | | |
|-----------------------------|-----------|-------------------------------------|--|--|
| | | Expected loss rate 預期虧損率 % | Gross carrying amount 賬面總值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 |
| | | 百分比 | 千港元 | 千港元 |
| Current (not past due) | 現時(未逾期) | 0.03% | 340,782 | 102 |
| 1-30 days past due | 逾期1至30日 | 0.57% | 41,856 | 239 |
| 31-90 days past due | 逾期31至90日 | 1.91% | 8,069 | 154 |
| 91-180 days past due | 逾期91至180日 | 5.49% | 535 | 29 |
| More than 180 days past due | 逾期超過180日 | 28.81% | 229 | 66 |
| | | | 391,471 | 590 |

Expected loss rates are based on actual loss experience over the past 3 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.

Due to economic recovery from the COVID-19 pandemic, the Group has decreased the expected loss rates in the current year as there is a lower risk that recovery from pandemic could led to decreased credit default rates.

6. 財務風險管理(續)

(b) 信貸風險(續)

貿易及票據應收款項及合約資產(續)

預期虧損率乃基於過去3年的實際虧損經驗。該等比率會作調整以反映收集歷史數據期間的經濟狀況、當前狀況與本集團對應收款項預期年期的經濟狀況的看法之間的差異。

由於經濟從新型冠狀病毒疫情中復甦，本集團已調低本年度的預期虧損率，原因為從疫情中復甦可能導致信貸違約率降低的風險減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

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

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| At 1 January | 於一月一日 | 590 | 343 |
| (Reversals of impairment losses)/impairment losses recognised for the year | 年內確認的(減值虧損撥回)/減值虧損 | (242) | 236 |
| Exchange difference | 匯兌差額 | 5 | 11 |
| At 31 December | 於十二月三十一日 | 353 | 590 |

The following changes in the gross carrying amounts of trade and bills receivables and contract assets contributed to the increase in the loss allowance during 2021:

- decrease in the expected loss rate due to a forecast of the future better economic condition, but partly offset by; and
- increase in specific write-off of bad debt happened during the year, which highered the historical loss rate.

Other financial assets at amortised cost

The Group's other financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses.

6. 財務風險管理(續)

(b) 信貸風險(續)

貿易及票據應收款項及合約資產(續)

年內有關貿易及票據應收款項的虧損撥備賬目變動如下：

貿易及票據應收款項及合約資產賬面總值的以下變動導致二零二一年的虧損撥備增加：

- 由於預測未來較好的經濟狀況，預計損失率會降低，但部份抵銷；及
- 年內發生的壞賬特定撇銷增加，從而增加了歷史損失率。

按攤銷成本計算的其他金融資產

本集團按攤銷成本計算的其他金融資產均被視為擁有低信貸風險，因此於期內確認的虧損撥備僅限於12個月預期虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's bank borrowings and other financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates currently at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other financial liabilities is prepared based on the scheduled repayment dates.

6. 財務風險管理(續)

(c) 流動資金風險

本集團之政策為定期監察其流動資金需要、其遵守借款契諾及其與銀行之關係，以確保其維持足以應付短期及較長遠之融資需要之現金儲備及可隨時變現有價證券以及由主要財務機構已承諾之足夠額度。

下表列示按未折現現金流量(包括按合約利率或(如為浮息)按報告期末的現行利率計算的利息金額)及本集團可能須還款的最早日期呈列的本集團於報告期末的銀行借款及其他金融負債的餘下合約期限。

具體而言，對於銀行可全權酌情行使的按要求償還條款的銀行貸款，有關分析按可能須還款的最早期間(即倘貸款人擬行使其無條件權利要求即時償還貸款)呈列現金流量，其他金融負債的到期日分析則按預定還款期編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

| | | 2021 二零二一年 | | | | | |
|-------------------------------------|-------------|---|---------------|--|---|-------------------|----------------------------------|
| | | Maturity Analysis – Undiscounted cash outflows 到期日分析 – 未折現現金流出 | | | | | |
| | | On demand | Within 1 year | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years | Total undiscounted cash outflows |
| | | 按要求 | 一年內 | 一年以上但少於兩年 | 兩年以上但少於五年 | 五年以上 | 未折現現金流出總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Trade payables | 貿易應付款項 | 19,718 | 190,217 | – | – | – | 209,935 |
| Refund liabilities | 退款負債 | 241 | – | – | – | – | 241 |
| Other payables and accruals | 其他應付款項及應計費用 | 3 | 64,466 | – | – | – | 64,469 |
| Bank borrowings | 銀行借款 | 96,858 | 36,773 | 10,596 | – | – | 144,227 |
| Loan from non-controlling interests | 非控股權益貸款 | – | – | – | 1,500 | – | 1,500 |
| Due to an associate | 應付聯營公司款項 | 121 | – | – | – | – | 121 |
| Lease liabilities | 租賃負債 | – | 9,422 | 4,538 | 1,286 | – | 15,246 |
| | | 116,941 | 300,878 | 15,134 | 2,786 | – | 435,739 |

| | | 2020 二零二零年 | | | | | |
|-----------------------------|-------------|---|---------------|--|---|-------------------|----------------------------------|
| | | Maturity Analysis – Undiscounted cash outflows 到期日分析 – 未折現現金流出 | | | | | |
| | | On demand | Within 1 year | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years | Total undiscounted cash outflows |
| | | 按要求 | 一年內 | 一年以上但少於兩年 | 兩年以上但少於五年 | 五年以上 | 未折現現金流出總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Trade payables | 貿易應付款項 | 15,828 | 173,491 | – | – | – | 189,319 |
| Refund liabilities | 退款負債 | 240 | – | – | – | – | 240 |
| Other payables and accruals | 其他應付款項及應計費用 | 3 | 59,860 | – | – | – | 59,863 |
| Bank borrowings | 銀行借款 | 65,961 | 42,637 | 36,855 | 10,596 | – | 156,049 |
| Lease liabilities | 租賃負債 | – | 9,622 | 6,962 | 2,330 | – | 18,914 |
| | | 82,032 | 285,610 | 43,817 | 12,926 | – | 424,385 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

The following table summarises the maturity analysis of bank borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the “on demand” time band in the maturity analysis contained above.

6. 財務風險管理(續)

(c) 流動資金風險(續)

下表概述根據附有按要求償還條款的銀行借款按貸款協議載列的議定還款日期的到期日分析。該等金額包括按合約利率計算的利息款項。因此，該等金額較上文所載到期日分析中「按要求」時間範圍內披露的金額為高。

| | | Maturity Analysis – bank borrowings subject to a repayment on demand clause based on scheduled repayments 到期日分析 – 按預定還款期附有按要求償還條款的銀行借貸 | | | | |
|------------------|------------------|---|--|---|---|--|
| | | On demand or within 1 year 按要求或 一年內 HK\$'000 千港元 | More than 1 year but less than 2 years 一年以上 但少於兩年 HK\$'000 千港元 | More than 2 years but less than 5 years 兩年以上 但少於五年 HK\$'000 千港元 | More than 5 years 五年以上 HK\$'000 千港元 | Total undiscounted cash outflows 未折現 現金流出總額 HK\$'000 千港元 |
| 31 December 2021 | 二零二一年 十二月三十一日 | | | | | |
| Bank borrowings | 銀行借款 | 68,727 | 21,176 | 8,333 | — | 98,236 |
| 31 December 2020 | 二零二零年 十二月三十一日 | | | | | |
| Bank borrowings | 銀行借款 | 40,006 | 18,192 | 10,910 | — | 69,108 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

The liquidity analysis for the Group's derivative financial instruments are prepared on agreed scheduled settlements set out in the agreements as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrative by the yield curves at the end of the reporting period.

6. 財務風險管理(續)

(c) 流動資金風險(續)

本集團衍生金融工具的流動性分析乃根據協議所載經協定的預定結算編製，原因為本集團管理層認為結算日期對理解衍生工具現金流量的時間至關重要。有關列表乃根據按淨額基準結算的衍生工具的未折現合約淨現金流入及流出而編製。倘應付或應收金額並非固定，披露金額乃參考報告期間完結時收益率曲線所示的預測利率而釐定。

| | | Less than 1 year 少於一年 HK\$'000 千港元 | Between 1 and 2 years 一年至兩年 之間 HK\$'000 千港元 | Between 2 and 5 years 兩年至五年 之間 HK\$'000 千港元 | Over 5 years 五年以上 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------------|--|--|--|--|--------------------------------|
| At 31 December 2021 | 於二零二一年 十二月三十一日 | | | | | |
| Derivative – net outflow | 衍生工具 – 淨流出 | | | | | |
| Cross currency interest rate swap | 交叉貨幣利率掉期 | (436) | (583) | – | – | (1,019) |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | | | | | |
| Derivative – net (outflow)/inflow | 衍生工具 – 淨 (流出)/流入 | | | | | |
| Cross currency interest rate swap | 交叉貨幣利率掉期 | (1,557) | (347) | 306 | – | (1,598) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk

The Group's loan from non-controlling interests bear interest at fixed interest rate and therefore are subject to fair value interest rate risks.

The Group's exposure to cash flow interest rate risk arises from its bank deposits, short term and long term borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

The Group used interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows.

At 31 December 2021, if interest rates at that date had been 10 basis points (2020: 10 basis points) lower with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$29,000 (2020: HK\$21,000) lower, arising mainly as a result of lower interest income on bank balances but partly offset by lower interest expenses on bank borrowings (2020: lower interest expenses on bank borrowings but partly offset by lower interest income on bank borrowings). If interest rates had been 100 basis points (2020: 100 basis points) higher, with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$289,000 (2020: HK\$214,000) higher, arising mainly as a result of higher interest income on bank balances but partly offset by higher interest expenses on bank borrowings (2020: higher interest expenses on bank borrowings but partly offset by higher interest income on bank borrowings).

6. 財務風險管理(續)

(d) 利率風險

本集團來自非控股權益的貸款乃按固定利率計息，因此面臨公平值利率風險。

本集團的現金流利率風險來自其銀行存款、短期及長期借款。該等存款及借款按跟隨當時市場狀況而變動的不同利率計息。

本集團利用利率掉期以減低其有關利息現金流浮動的風險。

於二零二一年十二月三十一日，倘利率下跌10個基點(二零二零年：10個基點)，而其他所有變數維持不變，則年內除稅後綜合溢利將減少約29,000港元(二零二零年：21,000港元)，主要由於銀行結餘的利息收入減少所致，惟部份影響會由銀行借款的利息開支減少所抵銷(二零二零年：由於銀行借款的利息開支減少所致，惟部份影響會由銀行借款的利息收入減少所抵銷)。倘利率上升100個基點(二零二零年：100個基點)，而其他所有變數維持不變，則年內除稅後綜合溢利將增加約289,000港元(二零二零年：214,000港元)，主要由於銀行結餘的利息收入增加所致，惟部份影響會由銀行借款的利息開支增加所抵銷(二零二零年：由於銀行借款的利息開支增加所致，惟部份影響會由銀行借款的利息收入增加所抵銷)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

6. 財務風險管理(續)

(e) Categories of financial instruments at 31 December

(e) 於十二月三十一日金融工具之分類

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Financial assets: | 金融資產： | | |
| Financial assets measured at amortised cost | 按攤銷成本計算的金融資產 | 744,756 | 666,444 |
| Financial liabilities: | 金融負債： | | |
| Financial liabilities at FVTPL | 按公平值計入損益的金融負債 | | |
| — Derivative financial instruments | — 衍生金融工具 | 3,486 | 1,341 |
| Financial liabilities at amortised cost | 按攤銷成本計算的金融負債 | 418,927 | 402,880 |

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

本集團之金融資產及金融負債於綜合財務狀況表反映之賬面值概若相等於各自之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. 公平值計量

公平值指市場參與者之間於計量日期在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公平值等級計量的公平值，用作計量公平值的估值方法參數據此分為三個級別：

第1層參數：本集團可於計量日期獲得之相同資產或負債於活躍市場之報價(未經調整)。

第2層參數：第一層所包括於報價以外，資產或負債直接或間接觀察得出之參數。

第3層參數：資產或負債不可觀察之參數。

本集團的政策為確認截至事件或變化日期導致轉讓的任何三個級別轉入及轉出情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy:

| Description | 項目 | Fair value measurement using: 公平值計量利用： | | | Total 總數 |
|---|------------------|---|-----------------------------------|-----------------------------------|----------------------------------|
| | | Level 1 第1層 HK\$'000 千港元 | Level 2 第2層 HK\$'000 千港元 | Level 3 第3層 HK\$'000 千港元 | 2021 二零二一年 HK\$'000 千港元 |
| Recurring fair value measurements: | 經常性公平值計量： | | | | |
| Financial assets | 金融資產 | | | | |
| Leasehold lands: | 租賃土地： | | | | |
| Commercial – Hong Kong | 商業 – 香港 | – | – | 48,880 | 48,880 |
| Commercial – the PRC | 商業 – 中國 | – | – | 182,200 | 182,200 |
| Total | 合計 | – | – | 231,080 | 231,080 |
| Financial liabilities | 金融負債 | | | | |
| Cross currency interest rate swap contracts | 交叉貨幣利率掉期合約 | – | 3,486 | – | 3,486 |

| Description | 項目 | Fair value measurement using: 公平值計量利用： | | | Total 總數 |
|---|------------------|---|-----------------------------------|-----------------------------------|----------------------------------|
| | | Level 1 第1層 HK\$'000 千港元 | Level 2 第2層 HK\$'000 千港元 | Level 3 第3層 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Recurring fair value measurements: | 經常性公平值計量： | | | | |
| Financial assets | 金融資產 | | | | |
| Leasehold lands: | 租賃土地： | | | | |
| Commercial – Hong Kong | 商業 – 香港 | – | – | 53,880 | 53,880 |
| Commercial – the PRC | 商業 – 中國 | – | – | 176,600 | 176,600 |
| Total | 合計 | – | – | 230,480 | 230,480 |
| Financial liabilities | 金融負債 | | | | |
| Cross currency interest rate swap contracts | 交叉貨幣利率掉期合約 | – | 1,341 | – | 1,341 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

7. 公平值計量(續)

(b) Reconciliation of assets measured at fair value based on level 3:

(b) 根據第三層公平值計量的資產對賬：

| | | Properties held for own use — Leasehold lands 持作自用物業 — 租賃土地 HK\$'000 千港元 | |
|--|-------------------------|---|---|
| | | | 2021 Total 二零二一年 總計 HK\$'000 千港元 |
| At beginning of year | 年初 | 230,480 | 230,480 |
| Recognised in profit or loss: | 於損益中確認： | | |
| Depreciation charge for the year recognised in cost of sales and general and administrative expenses | 年內於銷售成本及一般及行政開支中確認之折舊開支 | (7,078) | (7,078) |
| Loss on revaluation of leasehold lands | 租賃土地價值重估之虧損 | (708) | (708) |
| Recognised in other comprehensive income: | 於其他全面收益中確認： | | |
| Exchange differences on translating foreign operations | 換算海外業務產生之匯兌差額 | 3,920 | 3,920 |
| Surplus on revaluation of leasehold lands | 租賃土地價值重估之盈餘 | 4,466 | 4,466 |
| At end of year | 年末 | 231,080 | 231,080 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets measured at fair value based on level 3: (Continued)

| | | Properties held for own use — Leasehold lands 持作自用物業 — 租賃土地 HK\$'000 千港元 | 2020 Total 二零二零年 總計 HK\$'000 千港元 |
|--|-------------------------|---|---|
| At beginning of year | 年初 | 212,610 | 212,610 |
| Recognised in profit or loss: | 於損益中確認： | | |
| Depreciation charge for the year recognised in cost of sales and general and administrative expenses | 年內於銷售成本及一般及行政開支中確認之折舊開支 | (6,495) | (6,495) |
| Loss on revaluation of leasehold lands | 租賃土地價值重估之虧損 | (903) | (903) |
| Recognised in other comprehensive income: | 於其他全面收益中確認： | | |
| Exchange differences on translating foreign operations | 換算海外業務產生之匯兌差額 | 10,188 | 10,188 |
| Surplus on revaluation of leasehold lands | 租賃土地價值重估之盈餘 | 15,080 | 15,080 |
| At end of year | 年末 | 230,480 | 230,480 |

The total gains or losses recognised in other comprehensive income are presented in surplus on revaluation of leasehold lands and exchange differences on translating foreign operations in the consolidated statement of profit or loss and other comprehensive income.

The total gains or losses recognised in profit or loss are presented in cost of sales, general and administrative expenses and other operating expenses and income in the consolidated statement of profit or loss.

All the gains or losses recognised in profit or loss for the year were attributable to the unrealised gain and loss of the leasehold lands held at the end of the reporting period.

7. 公平值計量(續)

(b) 根據第三層公平值計量的資產對賬：(續)

於其他全面收益中確認之總收益或虧損乃於綜合損益及其他全面收益表中之租賃土地價值重估之盈餘及換算海外業務產生之匯兌差額呈列。

於損益內確認之總收益或虧損乃於綜合損益表中之銷售成本、一般及行政開支及其他營運開支及收益呈列。

所有於年內損益內確認的收益或虧損均由於報告期末所持之租賃土地之未實現收益及虧損所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2021:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 2 and Level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

Level 2 fair value measurements:

| Description 項目 | Valuation technique 估值方法 | Inputs 參數 | Liabilities 負債 | |
|--|-----------------------------------|---|----------------------------------|----------------------------------|
| | | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Cross currency interest rate swap contracts 交叉貨幣利率掉期合約 | Discounted cash flows 折現現金流 | Interest rate Discount rate 折現現金流 | 3,486 | 1,341 |

For Level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly adjusted accommodation value/price per square metre/square feet of the PRC and Hong Kong leasehold lands estimated based on recent market transactions.

7. 公平值計量(續)

(c) 於二零二一年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：

本集團的財務總監負責就財務報告進行所需的資產及負債的公平值計量(包括第2及第3層公平值計量)。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次檢討討論估值程序及有關結果。

第二層公平值計量：

就第三層公平值計量而言，本集團一般委聘具備認可專業資格且有近期估值經驗的外聘估值專家。

第三層公平值計量所用主要不可觀察參數主要包括根據最近的市場交易估計中國及香港租賃土地的已調整每平方米樓面價格/每平方米/平方呎價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2021: (Continued) Level 3 fair value measurements

7. 公平值計量(續)

(c) 於二零二一年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

第三層公平值計量

| Description 項目 | Valuation technique 估值方法 | Unobservable inputs 不可觀察的參數 | Range of comparables 可比較範圍 | Effect on fair value for increase/decrease of inputs 參數增加/減少對公平值的影響 | Fair value 公平值 | |
|---|-------------------------------------|---|--|--|----------------------------------|----------------------------------|
| | | | | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Land use rights in Egongling Village, Pinghu Town, Shenzhen City, the PRC 中國深圳市平湖鎮鵝公嶺村的土地使用權 | Direct comparison approach 直接比較法 | Adjusted accommodation value per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整樓面價格 | RMB598/square metre - RMB2,854/square metre (2020: RMB803/square metre - RMB2,296/square metre) 每平方米人民幣598元至每平方米人民幣2,854元(二零二零年: 每平方米人民幣803元至每平方米人民幣2,296元) | Increase 增加 | 13,600 | 13,500 |
| Land use rights in Western District of Daya Bay, Huizhou City, the PRC 中國惠州市大亞灣西區的土地使用權 | Direct comparison approach 直接比較法 | Adjusted price per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整樓面價格 | RMB600/square metre - RMB960/square metre (2020: RMB602/square metre - RMB850/square metre) 每平方米人民幣600元至每平方米人民幣960元(二零二零年: 每平方米人民幣602元至每平方米人民幣850元) | Increase 增加 | 158,000 | 155,300 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2021: (Continued) Level 3 fair value measurements (Continued)

7. 公平值計量(續)

(c) 於二零二一年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量(續)

| Description | Valuation technique | Unobservable inputs | Range of comparables | Effect on fair value for increase/decrease of inputs 參數增加/減少對公平值的影響 | Fair value 公平值 | |
|--|----------------------------|--|---|--|--------------------------|--------------------------|
| | | | | | 2021 | 2020 |
| 項目 | 估值方法 | 不可觀察的參數 | 可比較範圍 | | 二零二一年 HK\$'000 千港元 | 二零二零年 HK\$'000 千港元 |
| Land use rights in Wuhu City, Anhui Province, the PRC | Direct comparison approach | Adjusted price per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate | RMB144/square metre – RMB1,158/square metre (2020: RMB147/square metre – RMB252/square metre) | Increase | 10,600 | 7,800 |
| 中國安徽省蕪湖市的土地使用權 | 直接比較法 | 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整價格 | 每平方米人民幣144元至每平方米人民幣1,158元(二零二零年：每平方米人民幣147元至每平方米人民幣252元) | 增加 | | |
| Land use rights in Billion Centre, Kowloon Bay, Hong Kong | Direct comparison approach | Adjusted price per square feet taking into account the differences from the comparables with respect to location and size | HK\$11,114/square feet – HK\$11,678/square feet (2020: HK\$11,114/square feet – HK\$13,354/square feet) | Decrease | 37,080 | 40,340 |
| 香港九龍灣億京中心的土地使用權 | 直接比較法 | 經可比較土地之地點及面積差異的每平方米經調整價格 | 每平方米11,114港元至每平方米11,678港元(二零二零年：每平方米11,114港元至每平方米13,354港元) | 減少 | | |
| Land use rights in Kinetic Industrial Centre, Kowloon Bay, Hong Kong | Direct comparison approach | Adjusted price per square feet taking into account the differences from the comparables with respect to location and size | HK\$4,928/square feet – HK\$5,170/square feet (2020: HK\$4,895/square feet – HK\$6,057/square feet) | Decrease | 11,800 | 13,540 |
| 香港九龍灣興力工業中心的土地使用權 | 直接比較法 | 經可比較土地之地點及面積差異的每平方米經調整價格 | 每平方米4,928港元至每平方米5,170港元(二零二零年：每平方米4,895港元至每平方米6,057港元) | 減少 | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2021: (Continued)

Level 3 fair value measurements (Continued)

The fair value of leasehold lands held for own use located in the PRC and Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable leasehold lands on an accommodation value per metre or price per square metre/square feet basis, adjusted for a premium or a discount specific to the quality of the Group's leasehold lands compared to the recent sales. Higher premium for higher quality land will result in a higher fair value measurement.

During the two years, there were no changes in the valuation techniques used.

8. REVENUE

(a) Disaggregation of revenue

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components, trading of lighting products, production of smart home products, provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicle power systems.

7. 公平值計量(續)

(c) 於二零二一年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

第三層公平值計量(續)

位於中國及香港持有作自用的租賃土地的公平值乃使用直接比較法釐定，當中已參考可比較租賃土地近期銷售的每平方米樓面價格或每平方米/平方呎價格，並按本集團租賃土地的質量與最近銷售比較所引致的溢價或折讓作出調整。高質量土地可享有較高溢價，並可產生較高的公平值計量數值。

於兩個年度，所使用的估值方法並無變動。

8. 收入

(a) 收入分拆

本集團主要從事生產及銷售鋅、鎂及鋁合金、塑膠產品和零部件、照明產品貿易、生產智能家居產品、提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

8. REVENUE (Continued)

(a) Disaggregation of revenue (Continued)

Disaggregation of revenue derived from the transfer of goods and services over time and at a point in time is as follows:

| Timing of revenue recognition 收入確認時間 | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|-----------|----------------------------------|----------------------------------|
| Products transferred at a point in time | 於某一時點轉移產品 | 1,506,950 | 1,318,378 |
| Products transferred over time | 於一段時間轉移產品 | 207,599 | 150,859 |
| | | 1,714,549 | 1,469,237 |

Disaggregation of revenue from major products are as follows:

來自主要產品之收入分拆如下：

| Types of products | 產品種類 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|----------------------|------|----------------------------------|----------------------------------|
| Die casting products | 壓鑄產品 | 674,263 | 615,084 |
| Plastic products | 塑膠產品 | 851,799 | 660,551 |
| Moulds | 模具 | 140,637 | 149,717 |
| Others | 其他 | 47,850 | 43,885 |
| | | 1,714,549 | 1,469,237 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

8. REVENUE (Continued)

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and the expected timing of recognising revenue are as follows:

| | | Sales of goods 銷售貨品 | |
|--------------------|------|----------------------------------|----------------------------------|
| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Within one year | 一年內 | 1,645 | 4,697 |
| More than one year | 一年以上 | — | 39,578 |
| | | 1,645 | 44,275 |

8. 收入(續)

(b) 分配至客戶合約的剩餘履約責任的交易價格

於二零二一年十二月三十一日分配至剩餘履約責任(未履行或部份未履行)的交易價格及確認收入的預期時間如下:

9. OTHER INCOME

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|----------------------------------|-----------|----------------------------------|----------------------------------|
| Interest income on bank deposits | 銀行存款利息收入 | 1,042 | 816 |
| Rental income | 租金收入 | 1,111 | 586 |
| Reimbursement from customers | 客戶報銷收回 | 6,231 | 4,898 |
| Compensation from suppliers | 供應商補償 | 1,361 | — |
| Sales of scrap materials | 廢料銷售 | 7,748 | 2,401 |
| Sales of raw materials | 原材料銷售 | 103 | 164 |
| Government grants (note) | 政府補助金(附註) | 9,863 | 13,596 |
| Others | 其他 | 2,666 | 2,694 |
| | | 30,125 | 25,155 |

Note:

Government grants mainly comprised unconditional support for subsidising the Group's research and development (2020: approximately HK\$4,989,000).

附註:

政府補助金主要包括無條件支援本集團之研發之資助(二零二零年:約4,989,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

9. OTHER INCOME (Continued)

Note: (Continued)

During the year ended 31 December 2020, the Group recognised government grants of approximately HK\$8,607,000 in respect of COVID-19 related subsidies, of which approximately HK\$5,933,000 relates to Employment Support Scheme provided by the Hong Kong Special Administrative Region Government.

10. SEGMENT INFORMATION

For management purposes, the Group's operation is currently categorised into seven (2020: seven) operating divisions — zinc, magnesium, aluminium alloy, plastic products and components, trading of lighting products, production of smart home products, provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicles power systems. These divisions are the basis of the Group's five reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

The Group's other operating segments include trading of lighting products, production of smart home products, provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicle power systems. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the 'Others' column.

Segment profits or losses do not include interest income, corporate income, share of profits/losses of associates, gain on disposal of a subsidiary, gain on disposal of associates, loss on deregistration of a subsidiary, net fair value loss on derivative financial instruments, corporate expenses, finance costs and income tax expense.

9. 其他收入(續)

附註：(續)

截至二零二零年十二月三十一日止年度，本集團確認有關新型冠狀病毒資助的政府補助金約為8,607,000港元，其中約5,933,000港元為香港特別行政區政府提供的保就業計劃。

10. 分部資料

為方便管理，本集團現時業務分為七個(二零二零年：七個)營運部門 — 鋅、鎂及鋁合金、塑膠產品和零部件、照明產品貿易、生產智能家居產品、提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統。該等部門是本集團五個呈報分部資料的基準。本集團之呈報分部為提供不同產品之的策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。

本集團的其他經營分部包括照明產品貿易、智能家居產品製造、提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統。此等分部均未達到決定可呈報分部的任何量化門檻。其他經營分部的資料載於「其他」一欄。

分部溢利或虧損不包括利息收入、企業收入、攤分聯營公司溢利／損失、出售附屬公司收益、出售聯營公司收益、註銷附屬公司損失、衍生金融工具的公平值淨虧損、企業開支、融資成本及所得稅開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

10. SEGMENT INFORMATION (Continued)

10. 分部資料(續)

Reconciliation of reportable segment revenue, profit or loss:

呈報分部收入、溢利或虧損之對賬：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Revenue | 收入 | | |
| Total revenue of reportable segments | 呈報分部之總收入 | 1,714,549 | 1,469,237 |
| Unallocated amounts | 不分類數目 | — | — |
| Consolidated revenue | 綜合收入 | 1,714,549 | 1,469,237 |
| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Profit or loss | 溢利或虧損 | | |
| Total profit of reportable segments | 呈報分部總溢利 | 167,869 | 171,436 |
| Unallocated amounts: | 不分類數目： | | |
| Share of profits/(losses) of associates | 攤分聯營公司溢利／(損失) | 45 | (872) |
| Gain on disposal of a subsidiary | 出售附屬公司收益 | — | 9 |
| Gain on disposal of associates | 出售聯營公司收益 | — | 350 |
| Loss on deregistration of a subsidiary | 註銷附屬公司損失 | (100) | — |
| Net fair value loss on derivative financial instruments | 衍生金融工具的公平值淨虧損 | (3,665) | (2,128) |
| Interest income | 利息收入 | 1,042 | 816 |
| Finance costs | 融資成本 | (3,259) | (6,840) |
| Income tax expense | 所得稅開支 | (22,835) | (31,295) |
| Corporate income | 企業收入 | — | 144 |
| Corporate expenses | 企業開支 | (11,360) | (8,865) |
| Consolidated profit for the year | 年內綜合溢利 | 127,737 | 122,755 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

10. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, profit or loss: (Continued)

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Other material items – depreciation and amortisation | 其他重大項目 – 折舊及攤銷 | | |
| Total depreciation and amortisation of reportable segments | 呈報分部總折舊及攤銷 | 92,915 | 89,098 |
| Unallocated amounts: | 不分類數目： | | |
| Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets for corporate use | 企業用物業、機器及設備、使用權資產及無形資產攤銷折舊 | 1,970 | 2,314 |
| Consolidated depreciation and amortisation | 綜合折舊及攤銷 | 94,885 | 91,412 |

10. 分部資料(續)

呈報分部收入、溢利或虧損之對賬：(續)

Geographical information:

| | | Revenue 收入 | |
|--------------------------|----------|----------------------------------|----------------------------------|
| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Hong Kong | 香港 | 94,776 | 124,656 |
| The PRC except Hong Kong | 中國(香港除外) | 710,434 | 611,992 |
| Japan | 日本 | 1,566 | 8,763 |
| USA | 美國 | 802,710 | 644,658 |
| Others | 其他 | 105,063 | 79,168 |
| Consolidated total | 綜合總數 | 1,714,549 | 1,469,237 |

地區資料：

In presenting the geographical information, revenue is based on the locations of the customers.

呈列地區資料時，收入是以客戶的地區為基準。

The Group's non-current assets by geographical areas are not presented as the aggregate amount of the geographical segments other than the PRC is less than 10% (2020: less than 10%) of the aggregate amount of all segments.

因為除中國外之地區分部之非流動資產總金額佔所有分部之總額少於10% (二零二零年：少於10%)，所以本集團沒有按地區呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

10. SEGMENT INFORMATION (Continued)

Revenue from major customers:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|-------------------------|-------|----------------------------------|----------------------------------|
| Zinc alloy segment | 鋅合金分部 | | |
| Customer a | 客戶a | 32,666 | 47,744 |
| Customer b | 客戶b | 48,894 | 48,913 |
| Magnesium alloy segment | 鎂合金分部 | | |
| Customer c | 客戶c | 73,193 | 41,285 |
| Customer e | 客戶e | 197,993 | 271,510 |
| Aluminium alloy segment | 鋁合金分部 | | |
| Customer a | 客戶a | 28,862 | 40,245 |
| Customer c | 客戶c | 3,004 | 81 |
| Plastic segment | 塑膠分部 | | |
| Customer b | 客戶b | 66,063 | 51,774 |
| Customer d | 客戶d | 733,600 | 637,751 |

10. 分部資料(續)

來自主要客戶之收入：

11. OTHER OPERATING EXPENSES AND INCOME

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Allowance for inventories, net | 淨存貨撥備 | 14,313 | 4,093 |
| Bad debts written off | 壞賬撇銷 | 1,511 | 64 |
| Reversal of allowance on due from an associate | 應收聯營公司款項撥備回撥 | — | (1,799) |
| Net loss on disposal of property, plant and equipment | 出售物業、機器及設備之淨虧損 | 1,237 | 1,507 |
| Property, plant and equipment written off | 物業、機器及設備撇銷 | 1,178 | 3,309 |
| Loss on revaluation of land | 土地價值重估虧損 | 708 | 903 |
| Net fair value loss on derivative financial instruments | 衍生金融工具的公平值淨虧損 | 3,665 | 2,128 |
| | | 22,612 | 10,205 |

11. 其他經營開支及收入

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

12. FINANCE COSTS

12. 融資成本

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Interest expenses on lease liabilities (note 20) | 租賃負債利息開支 (附註20) | 618 | 651 |
| Interest expenses on bank borrowings | 銀行借款利息開支 | 2,641 | 6,189 |
| | | 3,259 | 6,840 |

13. INCOME TAX EXPENSE

13. 所得稅開支

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Current tax — Hong Kong Profits Tax | 即期稅項 — 香港利得稅 | | |
| Provision for the year | 本年度撥備 | 20,108 | 12,150 |
| Over-provision in prior years | 過往年度超額撥備 | (5,973) | (529) |
| Current tax — Income tax outside Hong Kong | 即期稅項 — 香港以外所得稅 | | |
| Provision for the year | 本年度撥備 | 4,092 | 3,680 |
| Under/(over)-provision in prior years | 過往年度撥備不足/ (超額撥備) | 1,150 | (1,486) |
| Current tax — PRC dividend withholding tax for the year | 即期稅項 — 本年度中國股息預提稅 | 227 | 5,796 |
| Deferred tax (note 35) | 遞延稅項(附註35) | 3,231 | 11,684 |
| Income tax expense | 所得稅開支 | 22,835 | 31,295 |

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%.

在兩級制利得稅制度下，在香港成立的合資格集團實體的首200萬港元溢利按8.25%的稅率徵稅，而超出該金額的溢利將按16.5%的稅率徵稅。不符合兩級制利得稅制度的集團實體的溢利將繼續按16.5%的稅率徵稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

13. INCOME TAX EXPENSE (Continued)

Under the PRC Enterprise Income Tax (the "EIT") Law, the statutory tax rate for the Group's subsidiaries established and operating in Mainland China is 25% (2020: 25%).

Three (2020: Two) of the Group's subsidiaries registered in the PRC are recognised as a High and New-technology Enterprises which have been granted tax concessions by local tax bureau and are entitled to PRC EIT at concessionary rate of 15% during the reporting period.

Income tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing on the overseas countries in which the Group operates.

According to the PRC EIT Law, withholding tax at a rate of 10% would be imposed on dividend payment relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such tax rate may be further reduced by applicable tax treaties or arrangements.

13. 所得稅開支(續)

根據中國企業所得稅法，本集團於中國大陸成立及營運之附屬公司之法定稅率為25% (二零二零年：25%)。

集團在中國註冊的三間(二零二零年：兩間)附屬公司被認定為高新科技企業，獲當地稅務局給予稅務優惠，在報告期內中國企業所得稅享有15%的稅率優惠。

海外溢利之所得稅根據年內估計應課稅溢利以本集團有營運之海外國家之現行稅率計算。

根據中國企業所得稅法，外國投資者由二零零八年起自於中國成立之公司賺取利潤相關之股息支付將被施加10%預提稅。該稅率有可能按適用稅務條例或安排進一步降低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

13. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

13. 所得稅開支(續)

所得稅開支與除稅前溢利乘以香港利得稅稅率計算所得結果的對賬如下：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|-----------------------------------|----------------------------------|----------------------------------|
| Profit before tax | 除稅前溢利 | 150,572 | 154,050 |
| Tax at Hong Kong Profits Tax rate at 16.5% (2020: 16.5%) | 按香港利得稅稅率16.5% (二零二零年：16.5%) 計算的稅項 | 24,844 | 25,418 |
| Tax effect of expenses that are not deductible | 不可扣稅開支的稅務影響 | 7,218 | 4,484 |
| Tax effect of income that is not taxable | 毋須課稅收入的稅務影響 | (3,300) | (5,002) |
| Tax effect of temporary differences not recognised | 未確認暫時差異的稅務影響 | 629 | 1,680 |
| Tax effect of share of loss of associates | 攤分聯營公司虧損之稅務影響 | (7) | 144 |
| Tax effect of recognition of tax losses not previously recognised | 確認早前未確認之稅務虧損之稅務影響 | — | (4,589) |
| Tax loss previously recognised and reversed | 先前確認及撥回之稅務虧損 | 4,874 | — |
| Tax effect of tax losses not recognised | 未確認稅務虧損之稅務影響 | 2,525 | 1,083 |
| Tax effect of utilisation of tax losses not previously recognised | 動用先前未確認之稅項虧損之稅務影響 | (5,400) | (3,643) |
| Over-provision in prior years | 過往年度超額撥備 | (4,823) | (2,015) |
| Under-provision for current year | 本年度撥備不足 | (488) | (233) |
| Tax effect of two-tiered tax rate | 兩級制稅率之稅務影響 | (165) | (165) |
| Tax concession | 稅務優惠 | (4,554) | (4,046) |
| Effect on deferred tax balance resulting from a change in tax rate | 稅率改變對遞延稅項結餘之影響 | — | 6,001 |
| Tax effect of withholding tax arising from dividend payments/ undistributed profits of PRC subsidiaries | 中國附屬公司支付股息/未分派溢利產生之預提稅之稅務影響 | — | 11,532 |
| Tax effect of withholding tax arising from interest payment of a PRC subsidiary | 中國附屬公司支付利息產生之預提稅之稅務影響 | 227 | 216 |
| Tax effect of different tax rates of subsidiaries | 附屬公司不同稅率之稅務影響 | 1,255 | 430 |
| Income tax expense | 所得稅開支 | 22,835 | 31,295 |

In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the Group's leasehold lands during the year has been charged to other comprehensive income.

除在損益表列賬外，於年內本集團之租賃土地重估之有關遞延稅項已在其他全面收益中列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

14. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

14. 年內溢利

本集團年內之溢利已計入/(扣除)下列各項：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|---|----------------------------------|----------------------------------|
| Allowance for inventories, net (note (a)) | 存貨撥備淨值(附註(a)) | 14,313 | 4,093 |
| Auditor's remuneration | 核數師酬金 | 2,080 | 1,917 |
| Bad debts written off (note (a)) | 壞賬撇銷(附註(a)) | 1,511 | 64 |
| Cost of inventories sold (note (b)) | 已售存貨成本(附註(b)) | 1,187,357 | 987,388 |
| Loss on revaluation of land (note (a)) | 土地價值重估虧損(附註(a)) | 708 | 903 |
| Net fair value loss on derivative financial instruments (note (a)) | 衍生金融工具的公平值淨 虧損(附註(a)) | 3,665 | 2,128 |
| Amortisation of intangible assets | 無形資產攤銷 | 25 | — |
| Depreciation of property, plant and equipment | 物業、機器及設備折舊 | 78,156 | 76,152 |
| Depreciation on right-of-use assets | 使用權資產折舊 | 16,704 | 15,260 |
| (Reversals of impairment losses on trade receivables and contract assets)/impairment losses on trade receivables and contract assets | (貿易應收款項及合約資產 減值虧損回撥)/貿易應 收款項及合約資產減值 虧損 | (242) | 236 |
| Net exchange loss | 匯兌淨虧損 | 6,426 | 12,710 |
| Net loss on disposal of property, plant and equipment (note (a)) | 出售物業、機器及設備淨 虧損(附註(a)) | 1,237 | 1,507 |
| Property, plant and equipment written off (note (a)) | 物業、機器及設備撇銷 (附註(a)) | 1,178 | 3,309 |
| Other fees paid to the auditor of the Company | 已付本公司核數師之其他 費用 | 336 | 277 |
| Reversal of allowance on due from an associate (note (a)) | 應收聯營公司款項撥備回撥 (附註(a)) | — | (1,799) |
| Research and development expenditure | 研究及開發支出 | 58,045 | 53,758 |

Notes:

- (a) These amounts are included in other operating expenses and income.
- (b) Cost of inventories sold includes staff costs and depreciation of approximately HK\$377,107,000 (2020: HK\$307,168,000), which are included in the amounts disclosed separately above and in note 15.

附註：

- (a) 該等款項已計入其他營運開支及收入內。
- (b) 已售存貨成本包括員工成本及折舊約377,107,000港元(二零二零年：307,168,000港元)，彼等已各自分別於上文及附註15披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

15. EMPLOYEE BENEFITS EXPENSE

15. 僱員福利開支

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Employee benefits expense (excluding directors' emoluments): | | |
| Salaries, bonuses and allowances | 397,056 | 339,375 |
| Retirement benefit scheme contributions | 31,611 | 14,696 |
| Other benefits | 40,736 | 30,644 |
| | 469,403 | 384,715 |

(a) Pensions – defined contribution plans

The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC and Hong Kong.

Pursuant to the relevant laws and regulations in the People's Republic of China, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the "PRC Retirement Schemes"). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

(a) 退休金定額供款計劃

本集團為中國及香港合資格僱員可享有的定額供款退休金計劃作出供款。

根據中華人民共和國的有關法律及法規，本集團已為僱員參加由當地政府勞動社保當局安排的定額供款退休金計劃（「中國退休金計劃」）。本集團按當地政府機構所規定金額以適用比率向中國退休金計劃供款。於退休後，當地政府勞動社保當局負責向退休僱員支付退休福利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

15. EMPLOYEE BENEFITS EXPENSE (Continued)

(a) Pensions — defined contribution plans (Continued)

The Group operates a Mandatory Provident Fund scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000.

During the years ended 31 December 2020 and 2021, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2020 and 2021 under the PRC Retirement Scheme and MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

15. 僱員福利開支(續)

(a) 退休金定額供款計劃(續)

本集團根據強制性公積金計劃條例(香港法例第485章)為受香港僱傭條例(香港法例第57章)管轄之受僱僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃為一項定額供款退休金計劃，由獨立信託人管理。根據強積金計劃，僱主及僱員各自須按僱員有關收入(有關收入之每月上限為30,000元)之5%向計劃供款。

截至二零二零年及二零二一年十二月三十一日止年度，本集團於中國退休金計劃及強基金計劃項下概無遭沒收供款可供本集團用於降低當前的供款水平。於二零二零年及二零二一年十二月三十一日於中國退休金計劃及強基金計劃項下亦無遭沒收供款可供本集團用於降低未來年度應付的供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

15. EMPLOYEE BENEFITS EXPENSE (Continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2020: two) directors whose emoluments are reflected in the analysis presented in note 16. The emoluments of the remaining two (2020: three) individuals for the year ended 31 December 2021 are set out below:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|----------|----------------------------------|----------------------------------|
| Basic salaries and allowances | 基本薪酬及津貼 | 3,097 | 5,590 |
| Discretionary bonus | 酌情花紅 | 590 | 540 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 18 | 54 |
| | | 3,705 | 6,184 |

The emoluments fell within the following bands:

| | | Number of individuals 人數 | |
|--------------------------------|-----------------------------|-----------------------------|---------------|
| | | 2021 二零二一年 | 2020 二零二零年 |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至 2,000,000港元 | 2 | 2 |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001港元至 3,000,000港元 | — | 1 |

During the year, no emoluments were paid by the Group to any of these highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

15. 僱員福利開支(續)

(b) 五名最高薪酬人士

年內本集團的五名最高薪酬人士包括三名(二零二零年:兩名)董事,有關酬金詳情載於附註16的分析。於截至二零二一年十二月三十一日止年度餘下兩名(二零二零年:三名)最高薪酬人士的酬金如下:

酬金介乎以下範圍:

年內,本集團並無向該等最高薪酬人士支付任何作為加盟本集團時或之後的獎勵或離職的補償之酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

16. 董事及行政總裁福利及利益

(a) Emoluments of directors

The emoluments of each director were as follows:

(a) 董事酬金

各董事的酬金如下：

| Name of director | 董事姓名 | Fees | Salaries and allowances | Discretionary bonus | Retirement benefits scheme contributions | Total |
|--|----------------------|----------|-------------------------|---------------------|--|----------|
| | | 袍金 | 薪金及津貼 | 酌情花紅 | 退休福利計劃供款 | 總計 |
| | | 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 |
| Year ended 31 December 2021 | 截至二零二一年十二月三十一日止年度 | | | | | |
| Executive directors | 執行董事 | | | | | |
| Mr. Lee | 李先生 | — | 3,438 | 923 | 5 | 4,366 |
| Mr. WONG Wing Chuen | 黃永銓先生 | — | 1,914 | 507 | 18 | 2,439 |
| Ms. CHAN So Wah | 陳素華女士 | — | 1,365 | 368 | 18 | 1,751 |
| Mr. CHU Weiman (note (i)) | 初維民先生(附註(i)) | — | 687 | 490 | 6 | 1,183 |
| Independent non-executive directors | 獨立非執行董事 | | | | | |
| Professor SUN Kai Lit, Cliff BBS, JP | 孫啟烈教授BBS, JP | 211 | — | — | — | 211 |
| Ir Dr. LO Wai Kwok SBS, MH, JP | 盧偉國博士工程師·SBS, MH, JP | 211 | — | — | — | 211 |
| Mr. KONG Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) | 江啟銓先生(前稱江道揚) | 212 | — | — | — | 212 |
| Mr. Andrew LOOK | 陸東先生 | 200 | — | — | — | 200 |
| Total for 2021 | 二零二一年總計 | 834 | 7,404 | 2,288 | 47 | 10,573 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

16. 董事及行政總裁福利及利益(續)

(a) Emoluments of directors (Continued)

(a) 董事酬金(續)

| Name of director | 董事姓名 | Fees | Salaries and allowances | Discretionary bonus | Retirement benefits scheme contributions | Total |
|--|--------------------------|------------|-------------------------|---------------------|--|--------------|
| | | 袍金 | 薪金及津貼 | 酌情花紅 | 退休福利計劃供款 | 總計 |
| | | 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 |
| Year ended 31 December 2020 | 截至二零二零年十二月三十一日止年度 | | | | | |
| Executive directors | 執行董事 | | | | | |
| Mr. Lee | 李先生 | — | 3,098 | 820 | 18 | 3,936 |
| Mr. WONG Wing Chuen | 黃永銓先生 | — | 1,665 | 441 | 18 | 2,124 |
| Ms. CHAN So Wah | 陳素華女士 | — | 1,170 | 315 | 18 | 1,503 |
| Independent non-executive directors | 獨立非執行董事 | | | | | |
| Professor SUN Kai Lit, Cliff BBS, JP | 孫啟烈教授BBS, JP | 200 | — | — | — | 200 |
| Ir Dr. LO Wai Kwok SBS, MH, JP | 盧偉國博士工程師·SBS, MH, JP | 200 | — | — | — | 200 |
| Mr. KONG Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) | 江啟銓先生(前稱江道揚) | 200 | — | — | — | 200 |
| Mr. Andrew LOOK | 陸東先生 | 200 | — | — | — | 200 |
| Total for 2020 | 二零二零年總計 | 800 | 5,933 | 1,576 | 54 | 8,363 |

There were no arrangements under which a director waived or agreed to waive any emoluments during the year (2020: Nil).

董事於本年內概無作出放棄或同意放棄任何酬金的安排(二零二零年:無)。

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

年內,本集團並無向任何董事支付任何作為加盟本集團時或之後的獎勵或離職補償的酬金。

Note:

附註:

(i) Appointed on 1 September 2021.

(i) 於二零二一年九月一日獲委任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

(b) Emoluments of chief executive officer

Mr. Chu Weiman ("Mr. Chu") was appointed as the chief executive officer of the Company on 1 February 2021. Mr. Lee has stepped down as the chief executive officer since that date. Mr. Chu was appointed as executive director on 1 September 2021. The remuneration of Mr. Chu for the year ended 31 December 2021 is as follows:

16. 董事及行政總裁福利及利益(續)

(b) 行政總裁酬金

初維民先生(「初先生」)於二零二一年二月一日獲委任為本公司的行政總裁。李先生自該日起不再為行政總裁。初先生於二零二一年九月一日獲委任為執行董事。截至二零二一年十二月三十一日止年度初先生之薪酬如下：

| | | Retirement benefits scheme contributions 退休福利 計劃供款 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-----------------------------|---------------------------|--|--------------------------------|
| Year ended 31 December 2021 | 截至二零二一年 十二月三十一日 止年度 | | |
| Mr. Chu | 初先生 | 840 | 851 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

(b) Emoluments of chief executive officer (Continued)

Mr. Leung King Kwok, Godfrey SBS was the chief executive officer of the Company from 23 July 2019 to 31 December 2020. On 31 December 2020, he resigned from his position as chief executive officer and Mr. Lee will temporarily take up the duties of chief executive officer with support from the existing senior management team of the Group until a suitable candidate is appointed. The remuneration of the chief executive officer for the year ended 31 December 2020 is disclosed as follows:

| | Salaries and allowances | Retirement benefits scheme contributions | Total |
|----------------------------------|-------------------------|--|----------|
| | 薪酬及津貼 | 退休福利計劃供款 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 |
| Year ended 31 December 2020 | | | |
| 截至二零二零年十二月三十一日止年度 | | | |
| Mr. Leung King Kwok, Godfrey SBS | 2,560 | 18 | 2,578 |
| 梁敬國先生SBS | | | |

(c) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities with such directors

During the year ended 31 December 2021, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors (2020: Nil).

16. 董事及行政總裁福利及利益(續)

(b) 行政總裁酬金(續)

梁敬國先生SBS於二零一九年七月二十三日至二零二零年十二月三十一日為本公司行政總裁。於二零二零年十二月三十一日，彼辭任行政總裁及李先生在本集團現時管理層的支援下暫時擔任行政總裁之職務，直至能夠委任合適人選為止。截至二零二零年十二月三十一日止年度行政總裁之薪酬如下：

(c) 有關以董事、受控法人團體及該等董事的關連實體為受益人的貸款、准貸款及其他交易資料

截至二零二一年十二月三十一日止年度，本公司或其附屬公司(如適用)概無訂立以董事為受益人的貸款、准貸款及其他交易(二零二零年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

(d) Directors' material interests in transactions, arrangement or contracts

Save as disclosed in note 43 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. 董事及行政總裁福利及利益(續)

(d) 董事於交易、安排或合約中的重大權益

除載列於綜合財務報表附註43外，於年終或年內任何時間，本公司概無訂立任何與本集團業務有關而本公司董事及其關連人士於當中直接或間接擁有重大權益的重大交易、安排及合約。

17. DIVIDENDS

17. 股息

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| 2021 Interim dividend of HK1.0 cent (2020: 2020 Interim dividend of HK\$1.0 cents) per ordinary share | 8,938 | 8,938 |
| 2020 Final dividend of HK3.0 cents (2020: 2019 Final dividend of HK2.0 cents) per ordinary share | 26,812 | 17,875 |
| | 35,750 | 26,813 |

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2021 of HK3.0 cents per ordinary share totaling approximately HK\$26,812,000 has been proposed by the Board of Directors of the Company and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

於報告期間完結後，本公司董事會建議宣派截至二零二一年十二月三十一日止年度之末期股息每股普通股3.0港仙，共為約26,812,000港元，此股息有待本公司股東於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)

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

18. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following:

18. 每股盈利

每股基本盈利按下列計算：

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Earnings | | |
| Profit attributable to owners of the Company, used in the basic earnings per share calculation | 131,139 | 123,991 |
| | | |
| Number of shares | | |
| Weighted average number of ordinary shares used in basic earnings per share calculation | 893,761,400 | 893,761,400 |

No diluted earnings per share are presented as the Company did not have any dilutive potential shares for the financial years ended 31 December 2021 and 2020.

由於本公司於截至二零二一年及二零二零年十二月三十一日止年度沒有任何攤薄股份，因此沒有呈列每股攤薄盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、機器及設備

| | | Buildings | Leasehold improvements | Plant and machinery | Computer equipment | Furniture, fixtures and office equipment 傢俬、固定裝置及辦公室設備 | Motor vehicles | Construction in progress | Total |
|--|-------------------------|-----------|------------------------|---------------------|--------------------|---|----------------|--------------------------|-----------|
| | | 樓宇 | 租賃物業裝修 | 機器及設備 | 電腦設備 | 及辦公室設備 | 汽車 | 在建工程 | 總計 |
| | | 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 |
| Cost or revaluation | 成本或估值 | | | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 290,437 | 187,984 | 665,064 | 11,741 | 20,656 | 8,097 | 7,200 | 1,191,179 |
| Transfer | 轉移 | — | 66 | 1,941 | — | — | — | (2,007) | — |
| Additions | 添置 | — | 13,604 | 39,700 | 266 | 5,875 | 931 | 1,234 | 61,610 |
| Disposal/write off | 出售/撇銷 | — | (2,991) | (14,196) | (21) | (65) | — | — | (17,273) |
| Exchange differences | 匯兌差額 | 19,473 | 13,385 | 45,290 | 413 | 1,627 | 309 | 486 | 80,983 |
| At 31 December 2020 and 1 January 2021 | 於二零二零年十二月三十一日及二零二一年一月一日 | 309,910 | 212,048 | 737,799 | 12,399 | 28,093 | 9,337 | 6,913 | 1,316,499 |
| Additions | 添置 | — | 16,945 | 74,244 | 54 | 4,697 | 1,691 | 496 | 98,127 |
| Disposal/write off | 出售/撇銷 | — | (1,528) | (16,813) | (424) | (583) | (1,720) | — | (21,068) |
| Exchange differences | 匯兌差額 | 6,908 | 4,997 | 17,451 | 148 | 665 | 115 | 175 | 30,459 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 316,818 | 232,462 | 812,681 | 12,177 | 32,872 | 9,423 | 7,584 | 1,424,017 |
| Accumulated depreciation and impairment | 累計折舊及減值 | | | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 89,958 | 140,152 | 427,019 | 8,492 | 9,208 | 7,199 | 5,097 | 687,125 |
| Charge for the year | 年內扣除 | 12,535 | 19,292 | 39,944 | 1,164 | 2,652 | 565 | — | 76,152 |
| Disposal/write off | 出售/撇銷 | — | (2,803) | (9,028) | (12) | (47) | — | — | (11,890) |
| Exchange differences | 匯兌差額 | 6,825 | 8,893 | 28,055 | 251 | 642 | 254 | 376 | 45,296 |
| At 31 December 2020 and 1 January 2021 | 於二零二零年十二月三十一日及二零二一年一月一日 | 109,318 | 165,534 | 485,990 | 9,895 | 12,455 | 8,018 | 5,473 | 796,683 |
| Charge for the year | 年內扣除 | 13,391 | 16,084 | 43,507 | 1,122 | 3,607 | 445 | — | 78,156 |
| Disposal/write off | 出售/撇銷 | — | (1,525) | (13,273) | (419) | (562) | (1,025) | — | (16,804) |
| Exchange differences | 匯兌差額 | 2,640 | 4,850 | 10,399 | 107 | 283 | 83 | 133 | 18,495 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 125,349 | 184,943 | 526,623 | 10,705 | 15,783 | 7,521 | 5,606 | 876,530 |
| Carrying amount | 賬面值 | | | | | | | | |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 191,469 | 47,519 | 286,058 | 1,472 | 17,089 | 1,902 | 1,978 | 547,487 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 200,592 | 46,514 | 251,809 | 2,504 | 15,638 | 1,319 | 1,440 | 519,816 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

20. RIGHT-OF-USE ASSETS

20. 使用權資產

| | | Leasehold lands 租賃土地 HK\$'000 千港元 | Leased properties 租賃物業 HK\$'000 千港元 | Office equipment 辦公室設備 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------------|---|---|---|--------------------------------|
| At 1 January 2020 | 於二零二零年一月一日 | 212,610 | 11,915 | — | 224,525 |
| Additions | 添置 | — | 13,971 | 131 | 14,102 |
| Adjustment for lease modification | 租賃修改調整 | — | (229) | — | (229) |
| Depreciation | 折舊 | (6,495) | (8,764) | (1) | (15,260) |
| Surplus on revaluation recognised in other comprehensive income | 於其他全面收益確認的重 估盈餘 | 15,080 | — | — | 15,080 |
| Loss on revaluation recognised in profit or loss | 於損益確認的重估虧損 | (903) | — | — | (903) |
| Exchange differences | 匯兌差額 | 10,188 | 711 | — | 10,899 |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 230,480 | 17,604 | 130 | 248,214 |
| Additions | 添置 | — | 4,636 | — | 4,636 |
| Adjustment for lease modification | 租賃修改調整 | — | 894 | — | 894 |
| Depreciation | 折舊 | (7,078) | (9,582) | (44) | (16,704) |
| Surplus on revaluation recognised in other comprehensive income | 於其他全面收益確認的重 估盈餘 | 4,466 | — | — | 4,466 |
| Loss on revaluation recognised in profit or loss | 於損益確認的重估虧損 | (708) | — | — | (708) |
| Exchange differences | 匯兌差額 | 3,920 | 250 | — | 4,170 |
| At 31 December 2021 | 於二零二一年 十二月三十一日 | 231,080 | 13,802 | 86 | 244,968 |

The Group's leasehold lands were revalued on 31 December 2020 and 2021 using the direct comparison approach by reference to market evidence of recent transactions for similar properties by independent surveyors.

本集團之租賃土地乃於二零二零年及二零二一年十二月三十一日由獨立測量師按直接比較法參考市場類似物業之最近交易證據重估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

20. RIGHT-OF-USE ASSETS (Continued)

The carrying amount of the Group's leasehold lands would have been approximately HK\$48,189,000 (2020: HK\$49,168,000) at 31 December 2021 had it been stated at cost less accumulated depreciation and impairment losses.

20. 使用權資產(續)

如按成本減累計折舊及減值虧損列賬，於二零二一年十二月三十一日，本集團租賃土地的賬面值將約為48,189,000港元(二零二零年：49,168,000港元)。

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Depreciation expenses on right-of-use assets 使用權資產折舊開支 | 16,704 | 15,260 |
| Interest expense on lease liabilities (included in finance cost) 租賃負債利息開支(計入融資成本) | 618 | 651 |
| Expenses relating to short-term lease (included in cost of sales and general and administrative expenses) 與短期租賃有關之開支(計入銷售成本及一般及行政開支) | 59 | 86 |

Details of total cash outflow for leases is set out in note 40(f).

租賃的現金流出總額詳情載列於附註40(f)。

For both years, the Group leases various offices premises, factories, warehouses, staff quarters and office equipment for its operations. Lease contracts are entered into for fixed term of 2 months to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於兩個年度，本集團租賃多個辦公室、廠房、倉庫、員工宿舍及辦公室設備用於營運。租賃合約訂立的固定租期為兩個月至五年。租賃條款乃在個別基礎上磋商，包括各種不同條款及條件。於釐定租賃期及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

此外，本集團擁有多項生產設施所位處之工業建築及辦公室建築。本集團為該等物業權益(包括相關租賃土地)之註冊擁有人。本集團已提前作出一次性付款以獲取該等物業權益。僅當所作出款項能夠可靠分配時，才單獨呈列該等自有物業之租賃土地組成部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

21. GOODWILL

21. 商譽

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Cost | 成本 | | |
| At 1 January | 於一月一日 | — | — |
| Arising on acquisition of a subsidiary (note 40(b)) | 收購一間附屬公司產生 (附註40(b)) | 2,654 | — |
| At 31 December | 於十二月三十一日 | 2,654 | — |
| Carrying amount | 賬面值 | | |
| At 31 December | 於十二月三十一日 | 2,654 | — |

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

於業務合併中收購的商譽於收購時獲分配至預期將從業務合併中收益的現金產生單位。商譽的賬面值已分配如下：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Others segment – new energy vehicles power systems: | 其他分部 – 新能源汽車動力系統： | | |
| Green Print Transportation Limited ("GPTL") | 綠圖交通有限公司 ("綠圖交通") | 2,654 | — |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

21. GOODWILL (Continued)

The recoverable amounts of the CGUs have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3% (2020: N/A). These rates do not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the Group's are 20% (2020: N/A).

21. 商譽(續)

現金產生單位的可收回金額乃使用貼現現金流量法基於其使用價值釐定。貼現現金流量法使用的主要假設包括有關貼現率、增長率及預算毛利率以及期內營業額的假設。本集團估計可反映目前市場對貨幣時間價值之評估及現金產生單位之特定風險的貼現率。增長率乃以現金產生單位所經營業務所在地區的長期平均經濟增長率為基準。預算毛利率及營業額乃以過往慣例及對市場發展之預期為基準。

本集團根據獲董事批准且涵蓋未來五年之最近期財政預算，按3%（二零二零年：不適用）的增長率預測剩餘年期而編製現金流量預測。該比率並無超逾相關市場之平均長期增長率。

本集團貼現預測現金流量所用的利率為20%（二零二零年：不適用）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

22. OTHER INTANGIBLE ASSETS

22. 其他無形資產

| | | Technology knowhow 技術訣竅 HK\$'000 千港元 | Customer relationship 客戶關係 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------------------|---|--|--|
| Cost | 成本 | | | |
| At 1 January 2020, 31 December 2020 and 1 January 2021 | 於二零二零年一月一日、二零二零年十二月三十一日及二零二一年一月一日 | — | — | — |
| Acquisition of a subsidiary (note 40(b)) | 收購一間附屬公司 (附註40(b)) | 833 | 3,027 | 3,860 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 833 | 3,027 | 3,860 |
| Accumulated amortisation | 累計攤銷 | | | |
| At 1 January 2020, 31 December 2020 and 1 January 2021 | 於二零二零年一月一日、二零二零年十二月三十一日及二零二一年一月一日 | — | — | — |
| Amortisation for the year | 年內攤銷 | 8 | 17 | 25 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 8 | 17 | 25 |
| Carrying amount | 賬面值 | | | |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 825 | 3,010 | 3,835 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | — | — | — |

Technology knowhow

The technology knowhow represents the manufacturing of engine motors. The remaining amortisation period of the use right is 5.9 years (2020: N/A).

技術訣竅

技術訣竅指發動機的生產。該使用權的剩餘攤銷年期為5.9年(二零二零年：不適用)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

22. OTHER INTANGIBLE ASSETS (Continued)

Customer relationship

The customer relationship represents the present value of the future cash flow attributed to established customer base and other business relationships built up by GPT. The average remaining amortisation period of the customer relationship is 9.9 years (2020: N/A).

22. 其他無形資產(續)

客戶關係

客戶關係指歸屬於綠圖交通所建立的成熟客戶基礎及其他業務關係的未來現金流量現值。客戶關係的剩餘攤銷年期為9.9年(二零二零年：不適用)。

23. CLUB MEMBERSHIP

23. 會所會籍

HK\$'000
千港元

Cost

At 1 January 2020, 31 December 2020,
1 January 2021 and 31 December 2021

成本

於二零二零年一月一日、二零二零年
十二月三十一日、二零二一年一月
一日及二零二一年十二月三十一日

718

The Group's club membership of HK\$718,000 (2020: HK\$718,000) at 31 December 2021 is assessed as having indefinite useful life because there is no time limit that the Group can enjoy the services provided by that club.

本集團於二零二一年十二月三十一日之會所會籍價值為718,000港元(二零二零年：718,000港元)已評定為具無限可使用年期，原因是本集團享用該會所提供服務之時間並無限制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2021 are as follows:

24. 於附屬公司的投資

於二零二一年十二月三十一日，附屬公司之詳情如下：

| Name 名稱 | Place of incorporation/ establishment and operation 註冊成立/成立及經 營地點 | Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本 | Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比 | | Principal activities 主要業務 |
|--|--|--|---|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Ka Shui (Holdings) Company Limited 嘉瑞集團有限公司 | BVI 英屬處女群島 | US\$36,909 36,909美元 | 100% | — | Investment holding 投資控股 |
| Ample Wealth Developments Limited 富豐發展有限公司 | BVI 英屬處女群島 | US\$1 1美元 | — | 100% | Investment holding 投資控股 |
| Ka Fung Metal Manufactory Company Limited 嘉豐金屬製品廠有限公司 | Hong Kong 香港 | HK\$74,487,660 74,487,660港元 | — | 100% | Sale of plastic injection products and components 銷售塑膠注塑產品及零部件 |
| Ka Shui Manufactory Co., Limited 嘉瑞製品有限公司 | Hong Kong 香港 | HK\$10,000 10,000港元 | — | 100% | Sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components 銷售鋅、鎂及鋁合金壓鑄和塑膠注塑產品及零部件 |
| Ka Shui Technology (Huizhou) Company Limited** 嘉瑞科技(惠州)有限公司** | The PRC 中國 | Registered capital HK\$430,000,000 註冊資本 430,000,000港元 | — | 100% | Sale and manufacture of magnesium alloy die casting products and components 銷售及生產鎂合金壓鑄產品及零部件 |
| Elegant Shine Investments Limited 雅輝投資有限公司 | BVI 英屬處女群島 | US\$1 1美元 | — | 100% | Investment holding 投資控股 |
| Ample Wealth Property Developments (Huizhou) Limited** 富豐物業開發(惠州)有限公司** | The PRC 中國 | Registered capital HK\$6,800,000 註冊資本 6,800,000港元 | — | 100% | Inactive 暫無業務 |
| Wing Yu (Far East) Industries Company Limited 永裕(遠東)實業有限公司 | Hong Kong 香港 | HK\$6,900,000 6,900,000港元 | — | 100% | Investment holding 投資控股 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

| Name 名稱 | Place of incorporation/ establishment and operation 註冊成立/成立及經 營地點 | Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本 | Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比 | | Principal activities 主要業務 |
|--|--|--|---|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| Huizhou Wing Yu Metal and Plastic Manufactory Company Limited** | The PRC | Registered capital HK\$4,500,000 | — | 100% | Provision of surface finishing treatment services and sale and manufacture of zinc alloy die casting products and components |
| 惠州市永裕五金塑料製品有限公司** | 中國 | 註冊資本 4,500,000港元 | | | 提供表面處理服務及銷售及生產 鋅合金壓鑄產品及零部件 |
| Ka Yi Technology (Huizhou) Company Limited** | The PRC | Registered capital HK\$20,000,000 | — | 100% | Sale and manufacture of zinc and aluminium alloy die casting products and components |
| 嘉宜科技(惠州)有限公司** | 中國 | 註冊資本 20,000,000港元 | | | 銷售及生產鋅及鋁合金壓鑄產品 及零部件 |
| Ka Fung Industrial Technology (Huizhou) Company Limited** | The PRC | Registered capital HK\$132,000,000 | — | 100% | Sale and manufacture of products and components with plastic contents |
| 嘉豐工業科技(惠州)有限公司** | 中國 | 註冊資本 132,000,000港元 | | | 銷售及生產含塑膠部件之產品及 零部件 |
| Alphalite Company Limited 嘉能照明有限公司 | Hong Kong 香港 | HK\$1 1港元 | — | 100% | Inactive 暫無業務 |
| Ka Shui Metal Manufactory (Shenzhen) Company Limited** | The PRC | Registered capital HK\$40,000,000 | — | 100% | Sale and manufacture of zinc, magnesium and aluminium alloy die casting products and component |
| 嘉瑞金屬製品(深圳)有限公司** | 中國 | 註冊資本 40,000,000港元 | | | 銷售及生產鋅、鎂及鋁合金壓鑄 產品及零部件 |
| Alphalite Incorporation | USA 美國 | US\$100 100美元 | — | 100% | Trading and marketing of LED and plasma lighting products 從事LED及等離子照明產品之貿 易及市場推廣 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

| Name 名稱 | Place of incorporation/ establishment and operation 註冊成立/成立及經 營地點 | Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本 | Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比 | | Principal activities 主要業務 |
|---|--|--|---|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| Ka Shui (USA) Incorporation | USA 美國 | US\$5,000 5,000美元 | — | 100% | Marketing of zinc, magnesium and aluminium alloy die casting and plastic injection products and components, trading of LED and home appliance products 從事鋅、鎂及鋁合金壓鑄及塑膠注塑產品及零部件之市場推廣以及LED及家居器具之貿易 |
| Kalok Technology Investment Limited 嘉樂科技投資有限公司 | BVI 英屬處女群島 | US\$50,000 50,000美元 | — | 100% | Investment holding 投資控股 |
| Wuhu Lenka Technologies Company Limited ("Wuhu Lenka") ^{△*} 蕪湖聯嘉工業科技有限公司(「蕪湖聯嘉」) ^{△*} | The PRC 中國 | Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元 | — | 100% | Sale and manufacture of magnesium alloy die casting products and components 銷售及生產鎂合金壓鑄產品及零部件 |
| Ka Shui Metal Company Limited 嘉瑞金屬有限公司 | Hong Kong 香港 | HK\$100,000 100,000港元 | — | 100% | Sale of magnesium alloy die casting products and components 銷售鎂合金壓鑄產品及零部件 |
| Katchon Precision Holdings Company Limited 嘉昌精密控股有限公司 | BVI 英屬處女群島 | US\$1,000 1,000美元 | — | 70% | Investment holding 投資控股 |
| Ka Shui Plastic Technology Company Limited 嘉瑞塑膠科技有限公司 | Hong Kong 香港 | HK\$1 1港元 | — | 100% | Research and development, trading of germ repellent plastic related product 斥菌塑膠相關產品之研發及銷售 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

| Name 名稱 | Place of incorporation/ establishment and operation 註冊成立/成立及經 營地點 | Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本 | Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比 | | Principal activities 主要業務 |
|--|--|--|---|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| Goodly Precision Industrial Limited 卓研精密工業有限公司 | Hong Kong 香港 | HK\$50,000 50,000港元 | — | 70% | Investment holding 投資控股 |
| Goodly Precision (Suzhou) Industrial Limited ("Goodly Suzhou")** | The PRC | Registered capital US\$5,000,000 | — | 70% | Research, manufacture and sale of plastic injection moulding and components of car-related products |
| 卓研精密工業(蘇州)有限公司 (「卓研蘇州」)** | 中國 | 註冊資本 5,000,000美元 | | | 汽車相關產品之塑膠注塑及零部 件之研發、生產及銷售 |
| Huizhou Ka May New Material Technology Company Limited ^{△*} | The PRC | Registered capital RMB1,000,000 | — | 70% | Inactive |
| 惠州嘉錕新材料科技有限公司 ^{△*} | 中國 | 註冊資本 人民幣1,000,000元 | | | 暫無業務 |
| Ka Shui Aluminium Technology (Shenzhen) Company Limited ^{△*} | The PRC | Registered capital RMB10,000,000 | — | 70% | Research and development and trading of aluminium related products |
| 嘉瑞鋁科技(深圳)有限公司 ^{△*} | 中國 | 註冊資本 人民幣10,000,000元 | | | 鋁相關產品之研發及貿易 |
| Pioneer Lead Global Enterprises Limited 領拓環球企業有限公司 | BVI 英屬處女群島 | US\$1 1美元 | — | 100% | Investment holding 投資控股 |
| Nobel Development Limited 隆邦發展有限公司 | Hong Kong 香港 | HK\$1 1港元 | — | 100% | Investment holding 投資控股 |
| Shuilong Green Transport Company Limited | Hong Kong | HK\$10,000 | — | 70% | Repair and maintenance of motor vehicles for commercial use and sales of special purpose vehicles |
| 瑞龍綠運有限公司 | 香港 | 10,000港元 | | | 維修及保養商用車及銷售特別 種類車輛 |
| Orient World International Limited 凱華國際有限公司 | Hong Kong 香港 | HK\$1 1港元 | — | 100% | Investment holding 投資控股 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

| Name 名稱 | Place of incorporation/ establishment and operation 註冊成立/成立及經 營地點 | Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本 | Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比 | | Principal activities 主要業務 |
|---|--|--|---|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Ka Shui (Malaysia) Sdn. Bhd. 馬來西亞 | Malaysia 馬來西亞 | MYR1 1馬來西亞元 | — | 100% | Inactive 暫無業務 |
| Innoka Trading (Huizhou) Company Limited [△] * 昕樂嘉貿易(惠州)有限公司 [△] * | The PRC 中國 | Registered capital RMB100,000 註冊資本人民幣100,000元 | — | 100% | Trading of healthcare products 健康護理產品貿易 |
| Kamay New Material Technology (Yulin) Company Limited [△] * 嘉錕新材料科技(榆林)有限公司 [△] * | The PRC 中國 | Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元 | — | 100% | Inactive 暫無業務 |
| Good Hero Development Limited 佳濠發展有限公司 | Hong Kong 香港 | HK\$1 1港元 | — | 100% | Investment holding 投資控股 |
| Ka Shui Holdings (Macau) Company Limited 嘉瑞控股(澳門)一人有限公司 | Macau 澳門 | Registered capital MOP25,000 註冊資本25,000澳門元 | — | 100% | Inactive 暫無業務 |
| Capital Link Holdings Limited 嘉盈集團有限公司 | Hong Kong 香港 | HK\$1 1港元 | — | 100% | Investment holding 投資控股 |
| Green Print Transportation Limited 綠圖交通有限公司 | Hong Kong 香港 | HK\$10,000 10,000港元 | — | 70% | Provision of new energy vehicle power systems 提供新能源汽車動力系統 |

Registered as a wholly foreign-owned enterprise under the PRC law.

根據中國法律註冊為外商獨資企業。

△ Registered as a company with limited liability under the PRC law.

△ 根據中國法律註冊為有限責任公司。

* English translation of the name is for identification purpose only.

* 名稱之英文翻譯只供識別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES (Continued)

As at 31 December 2021, the bank and cash balances and restricted bank deposits of the Group's subsidiaries in the PRC denominated in RMB amounted to approximately HK\$65,886,000 (2020: HK\$138,112,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

25. INVESTMENT IN AN ASSOCIATE

The amounts due from/to an associate are unsecured, interest free and repayable on demand.

Details of the Group's associate at 31 December 2021 are as follows:

| Name | Place of incorporation/ registration | Issued and fully paid up share capital/ registered capital | Percentage of ownership interest/voting power/profit sharing | Principal activities |
|---|--------------------------------------|--|--|---|
| 名稱 | 註冊/登記地點 | 已發行及繳足股本/註冊資本 | 應佔權益/投票權/溢利百分比 | 主要業務 |
| Huizhou Intelligent Foundry Industry Light Alloy Innovation Center Company Limited* | The PRC | Registered capital RMB20,000,000 | 46% | Research and development, manufacture and trading of light alloy moulds |
| 惠州共享智能鑄造產業輕合金創新中心有限公司* | 中國 | 註冊資本人民幣20,000,000元 | 46% | 輕合金模具之研發、生產及貿易 |

* English translation of the name is for identification purpose only.

24. 於附屬公司的投資(續)

於二零二一年十二月三十一日，本集團於中國之附屬公司以人民幣計值的銀行及現金結餘及有限制銀行存款為約65,886,000港元(二零二零年：138,112,000港元)。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。

25. 於聯營公司之投資

應收/應付聯營公司款項為無抵押、免息及須在要求時即時償還。

於二零二一年十二月三十一日本集團之聯營公司資料如下：

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|----------------------------|----------------------------------|----------------------------------|
| Unlisted investments 非上市投資 | 8,949 | 8,691 |

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|----------------------------|----------------------------------|----------------------------------|
| Unlisted investments 非上市投資 | 8,949 | 8,691 |

* 名稱之英文翻譯只供識別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

25. INVESTMENT IN AN ASSOCIATE (Continued)

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| At 31 December: | 於十二月三十一日： | | |
| Carrying amounts of interests | 權益賬面值 | 8,949 | 8,691 |
| Year ended 31 December: | 截至十二月三十一日 止年度： | | |
| Profit/(loss) from operations | 經營收益/(虧損) | 45 | (872) |
| Total comprehensive income | 全面收益總額 | 45 | (872) |

As at 31 December 2021, the bank and cash balances of the Group's associate in the PRC denominated in RMB amounted to approximately HK\$1,915,000 (2020: HK\$5,473,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

25. 於聯營公司之投資(續)

下表載列本集團以權益會計法入賬之所有個別非重要聯營公司攤分金額總數：

於二零二一年十二月三十一日，本集團於中國之聯營公司以人民幣計值的銀行及現金結餘為約1,915,000港元(二零二零年：5,473,000港元)。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。

26. DERIVATIVE FINANCIAL LIABILITIES

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|--------------|----------------------------------|----------------------------------|
| Financial liabilities | 金融負債 | | |
| Fair value of cross currency interest rate swaps | 交叉貨幣利率掉期的公平值 | 3,486 | 1,341 |

26. 衍生金融負債

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

26. DERIVATIVE FINANCIAL LIABILITIES (Continued)

The cross currency interest rate swaps are measured at FVTPL. The Group has entered into cross currency interest rate swaps to sell EURO ("EUR") and buy RMB at fixed exchange rate and interest rate. The fair value of the derivatives are determined with reference to the EURIBOR plus a spread and the market forward exchange rate at year end, and the fixed forward rates stated in contracts.

The notional amounts of EUR cross currency interest rate swaps are EUR2,770,000 (2020: EUR2,770,000) and EUR2,570,000 (2020: EUR2,570,000).

26. 衍生金融負債(續)

交叉貨幣利率掉期乃按公平值計入損益計量。本集團已訂立交叉貨幣利率掉期，以固定匯率及利率出售歐元(「歐元」)及買入人民幣。衍生工具的公平值乃參考歐元銀行同業拆息加息差及年末的市場遠期匯率，以及合約列明的固定遠期匯率而釐定。

歐元交叉貨幣利率掉期的名義金額為2,770,000歐元(二零二零年：2,770,000歐元)及2,570,000歐元(二零二零年：2,570,000歐元)。

27. INVENTORIES

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--------------------------------------|-------------|----------------------------------|----------------------------------|
| Raw materials | 原材料 | 77,022 | 56,568 |
| Consumables supplies and spare parts | 消耗品供應及備用零部件 | 11,482 | 13,935 |
| Work in progress | 在製品 | 106,919 | 72,558 |
| Finished goods | 製成品 | 84,553 | 93,493 |
| | | 279,976 | 236,554 |
| Less: Allowance for inventories | 減：存貨撥備 | (70,613) | (55,888) |
| | | 209,363 | 180,666 |

27. 存貨

28. TRADE AND BILLS RECEIVABLES

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|-------------------|--------|----------------------------------|----------------------------------|
| Trade receivables | 貿易應收款項 | 445,961 | 390,881 |
| Bills receivables | 票據應收款項 | 7,121 | 3,395 |
| | | 453,082 | 394,276 |

28. 貿易及票據應收款項

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

28. TRADE AND BILLS RECEIVABLES (Continued)

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days (2020: 30 to 120 days) after the end of the month in which the invoices issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is stated as follows:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|-----------|----------------------------------|----------------------------------|
| 0 to 30 days | 零至30日 | 181,915 | 173,159 |
| 31 to 60 days | 31日至60日 | 135,361 | 108,461 |
| 61 to 90 days | 61日至90日 | 101,984 | 87,624 |
| 91 to 180 days | 91日至180日 | 25,940 | 21,460 |
| Over 180 days | 180日以上 | 1,114 | 767 |
| | | 446,314 | 391,471 |
| Less: Allowance for bad and doubtful debts | 減：壞賬及呆賬撥備 | (353) | (590) |
| | | 445,961 | 390,881 |

As at 31 December 2021, total bills received amounted to approximately HK\$7,121,000 (2020: HK\$3,395,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

At 31 December 2021, an allowance was made for estimated irrecoverable trade and bills receivables of approximately HK\$353,000 (2020: HK\$590,000) (note 6(b)).

28. 貿易及票據應收款項(續)

本集團與客戶之交易主要以信貸形式進行。信貸期一般介乎開票當月結束後30日至120日(二零二零年：30日至120日)。每名客戶有最高信貸限額。本集團致力嚴格控制其未償還應收款項，由董事定期檢討過期未付結餘。貿易應收款項(扣除撥備)按發票日期之賬齡分析如下：

於二零二一年十二月三十一日，本集團持有已收取的票據總額約7,121,000港元(二零二零年：3,395,000港元)以用作未來應收款項的結算。本集團於報告期末繼續確認其全部賬面值。本集團收取的所有票據的到期期限均少於一年。

於二零二一年十二月三十一日，就估計不可收回貿易及票據應收款項作出撥備約353,000港元(二零二零年：590,000港元)(附註6(b))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

28. TRADE AND BILLS RECEIVABLES (Continued)

The carrying amount of the Group's trade receivables are denominated in the following currencies:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| HK\$ | 港元 | 21,896 | 30,663 |
| USD | 美元 | 320,255 | 271,186 |
| RMB | 人民幣 | 103,825 | 88,483 |
| Others | 其他 | 338 | 1,139 |
| | | 446,314 | 391,471 |
| Less: Allowance for bad and doubtful debts | 減：壞賬及呆賬之撥備 | (353) | (590) |
| | | 445,961 | 390,881 |

28. 貿易及票據應收款項(續)

本集團貿易應收款項的賬面值以下列貨幣列值：

29. CONTRACT ASSETS/CONTRACT LIABILITIES

| Contract assets | 合約資產 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Arising from sales of moulds | 由模具銷售所產生 | — | 1,472 |
| Arising from sales of OEM Products | 由原設備製造產品銷售所產生 | 14,132 | 11,126 |
| | | 14,132 | 12,598 |
| Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and bills receivables" | 香港財務報告準則第15號範圍內與客戶之合約之應收款項(已包括在「貿易及票據應收款項」內) | 453,082 | 394,276 |

29. 合約資產／合約負債

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

29. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Amounts relating to contract assets are balances due from customers under sales contracts that arise when the Group's unconditional right to receive payments from customers is not in line with (i) the progress of the OEM Products manufactured under contracts in which the Group has enforceable right to payment; and (ii) when the control of moulds which are billed together with products is passed to customers. Payment for OEM Products and moulds is not due from the customer until the products are delivered to the customer, and therefore a contract asset is recognised (i) over the period in which the OEM Products are manufactured and (ii) when the control of moulds are transferred to the customers to represent the Group's right to consideration for the services transferred to date.

The increase in the contract assets balance in current year is the result of the increase in OEM products manufactured transfer to customers during the reporting period.

None of contract assets that is expected to be recovered after more than one year (2020: approximately HK\$1,414,000).

29. 合約資產／合約負債(續)

與合約資產相關的金額為當本集團之無條件向客戶收取款項之權利與以下不一致(i)按本集團擁有款項強制執行權之合約所生產的原設備製造產品的進度；及(ii)與產品一併發出賬單之模具控制權轉移至客戶時，產生應收客戶銷售合約的結餘。於產品交付客戶後，始收取客戶的原設備製造產品及模具的款項，因此，合約資產於以下情況被確認(i)原設備製造產品生產期間；及(ii)當模具控制權轉移至客戶(即本集團已轉移迄今為止服務的代價權)時。

本年度合約資產結餘增加是由於報告期內生產的原設備製造產品轉移給客戶增加所致。

概無預期將於一年以上收回的合約資產(二零二零年：約1,414,000港元)。

| Contract liabilities | 合約負債 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Billings in advance of performance obligation arising from sales of OEM Products | 銷售原設備製造產品產生履約責任的預收款項 | 7,854 | 14,031 |

Contract liabilities relating to sales of OEM Products and moulds are balances due to customers under contracts with customers. They arise because customers pay deposits for the sales contract which exceed the revenue recognised to date.

與原設備製造產品及模具銷售相關的合約負債為應付客戶合約款項的結餘。該款項乃因客戶支付的銷售合約按金超過迄今已確認的收入。

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29. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

The significant decrease in the contract liabilities balance in current year is mainly due to the decrease in advances received from customers during the reporting period.

Movements in contract liabilities:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|---------------------------|----------------------------------|----------------------------------|
| Balance at 1 January arising from sales of OEM Products | 銷售原設備製造產品於一月一日結餘 | 14,031 | 1,005 |
| Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period | 年內確認收入導致合約負債減少已計入期初的合約負債內 | (14,031) | (1,005) |
| Increase in contract liabilities as a result of billing in advance of sales of OEM products and moulds | 銷售原設備製造產品及模具的預收款項導致合約負債增加 | 7,786 | 13,898 |
| Effect of foreign exchange rate changes | 匯率變動的影響 | 68 | 133 |
| Balance at 31 December | 於十二月三十一日結餘 | 7,854 | 14,031 |

29. 合約資產／合約負債(續)

本年度合約負債結餘大幅減少，主要是由於本報告期收到客戶預收款減少所致。

合約負債變動：

30. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES

The Group's restricted bank balances represent balance of approximately RMB1,664,000 (equivalent to approximately HK\$2,029,000) (2020: RMB1,659,000 (equivalent to approximately HK\$1,975,000)) to guarantee for the use of natural gas in the PRC.

The cash at banks earned interest at floating interest rates ranging from 0.001% to 0.35% per annum (2020: 0.001% to 0.35% per annum).

30. 有限制銀行存款與銀行及現金結餘

本集團的有限制銀行存款指人民幣約1,664,000元(相等於約2,029,000港元)(二零二零年：人民幣1,659,000元(相等於約1,975,000港元))作為於中國使用天然氣之擔保。

銀行存款按每年0.001厘至0.35厘(二零二零年：每年0.001厘至0.35厘)的浮動利率賺取利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

30. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES (Continued)

The carrying amounts of bank and cash balances are denominated in the following currencies:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 37,432 | 27,172 |
| USD | 美元 | 158,458 | 89,714 |
| RMB | 人民幣 | 83,802 | 137,230 |
| EUR | 歐元 | 891 | 2,499 |
| Others | 其他 | 100 | 71 |
| | | 280,683 | 256,686 |

Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

31. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|----------------|---------|----------------------------------|----------------------------------|
| 0 to 30 days | 0至30日 | 72,849 | 80,976 |
| 31 to 60 days | 31至60日 | 58,065 | 53,568 |
| 61 to 90 days | 61至90日 | 40,400 | 31,903 |
| 91 to 180 days | 91至180日 | 32,944 | 14,456 |
| Over 180 days | 180日以上 | 5,677 | 8,416 |
| | | 209,935 | 189,319 |

30. 有限制銀行存款與銀行及現金結餘(續)

銀行及現金結餘之賬面值以下列貨幣為單位：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 37,432 | 27,172 |
| USD | 美元 | 158,458 | 89,714 |
| RMB | 人民幣 | 83,802 | 137,230 |
| EUR | 歐元 | 891 | 2,499 |
| Others | 其他 | 100 | 71 |
| | | 280,683 | 256,686 |

根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》，本集團獲允許可透過獲授權開展外匯業務的銀行以人民幣兌換外幣。

31. 貿易應付款項、其他應付款項及應計費用

貿易應付款項按收貨日期計算的賬齡分析如下：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|----------------|---------|----------------------------------|----------------------------------|
| 0 to 30 days | 0至30日 | 72,849 | 80,976 |
| 31 to 60 days | 31至60日 | 58,065 | 53,568 |
| 61 to 90 days | 61至90日 | 40,400 | 31,903 |
| 91 to 180 days | 91至180日 | 32,944 | 14,456 |
| Over 180 days | 180日以上 | 5,677 | 8,416 |
| | | 209,935 | 189,319 |

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綜合財務報表附註(續)

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31. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

The carrying amount of the Group's trade payables are denominated in the following currencies:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 3,475 | 4,418 |
| USD | 美元 | 29,862 | 28,368 |
| RMB | 人民幣 | 176,598 | 156,533 |
| | | 209,935 | 189,319 |

Other payables and accruals comprise the following:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------------------------|--------|----------------------------------|----------------------------------|
| Accrued wages | 應計工資 | 42,556 | 41,012 |
| Other accrued expenses | 其他應計費用 | 44,885 | 36,924 |
| Other payables | 其他應付款項 | 16,360 | 21,157 |
| | | 103,801 | 99,093 |

The carrying amount of the Group's other payables and accruals is denominated in the following currencies:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 7,873 | 8,400 |
| USD | 美元 | 8,733 | 10,173 |
| RMB | 人民幣 | 87,195 | 80,520 |
| | | 103,801 | 99,093 |

31. 貿易應付款項、其他應付款項及應計費用(續)

本集團貿易應付款項賬面值以下列貨幣為單位：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 3,475 | 4,418 |
| USD | 美元 | 29,862 | 28,368 |
| RMB | 人民幣 | 176,598 | 156,533 |
| | | 209,935 | 189,319 |

其他應付款項及應計費用包括以下各項：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------------------------|--------|----------------------------------|----------------------------------|
| Accrued wages | 應計工資 | 42,556 | 41,012 |
| Other accrued expenses | 其他應計費用 | 44,885 | 36,924 |
| Other payables | 其他應付款項 | 16,360 | 21,157 |
| | | 103,801 | 99,093 |

本集團其他應付款項及應計費用的賬面值按以下貨幣列值：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 7,873 | 8,400 |
| USD | 美元 | 8,733 | 10,173 |
| RMB | 人民幣 | 87,195 | 80,520 |
| | | 103,801 | 99,093 |

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綜合財務報表附註(續)

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

32. BORROWINGS

The analysis of the carrying amount of borrowings is as follows:

32. 借款

借款的賬面值分析如下：

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Current liabilities | | |
| Portion of bank borrowings due for repayment within one year | 36,000 | 40,997 |
| Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause | 96,858 | 65,961 |
| | 132,858 | 106,958 |
| Non-current liabilities | | |
| Portion of bank borrowings due for repayment after one year which do not contain repayment on demand clause | 10,500 | 46,500 |
| Loan from non-controlling interests (note) | 803 | — |
| | 11,303 | 46,500 |

The interest-bearing bank borrowings, including the bank borrowings repayable on demand, are carried at amortised cost. None of the portion of bank borrowings due for repayment after one year which contain a repayment on demand clause that is classified as current liabilities is expected to be settled within one year.

Note:

The loan from non-controlling interests requires the Group to repay according to certain conditions are to be satisfied. Approximately HK\$803,000 represents the estimated fair value of this loan amount at the inception date (note 40(b)). The loan is unsecured and repayable within 3 years. The conditions of repayments to non-controlling interests are based on the accumulated audited profit before tax of GP TL for the three financial years ending 31 December 2024 are set as below:

計息銀行貸款(包括須按要求償還的銀行貸款)乃按攤銷成本列賬。須於一年後到期償還的包含按要求償還條款且分類為流動負債的銀行貸款部份預期毋須於一年內清償。

附註：

非控股權益的貸款要求本集團根據將達成的若干條件進行還款。約803,000港元指該貸款金額於初始日期的估計公平值(附註40(b))。該貸款為無抵押並須於3年內償還。向非控股權益還款的條件乃基於綠圖交通截至二零二四年十二月三十一日止三個財政年度的累計經審核除稅前溢利，載列如下：

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32. BORROWINGS (Continued)

Note: (Continued)

- less than US\$96,500, only HK\$1,500,000 with no interest bearing;
- more than US\$96,500 but less than US\$192,300, only HK\$3,000,000 with no interest bearing; or
- more than US\$192,300, HK\$4,500,000 with interest bearing 3.5% per annum.

At 31 December 2021, interest-bearing bank loans were due for repayment as follows:

32. 借款(續)

附註：(續)

- 低於96,500美元，僅1,500,000港元不計息；
- 超過96,500美元但低於192,300美元，僅3,000,000港元不計息；或
- 超過192,300美元，4,500,000港元按年利率3.5%計息。

於二零二一年十二月三十一日，到期償還的計息銀行貸款如下：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Portion of bank borrowings due for repayment within one year | 須於一年內到期償還的銀行貸款部份 | 36,000 | 40,997 |
| Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause (note (a)): | 須於一年後到期償還的包含按 要求償還條款的銀行貸款 部份(附註(a))： | | |
| After 1 year but within 2 years | 一年之後但兩年之內 | 88,525 | 55,280 |
| After 2 years but within 5 years | 兩年之後但五年之內 | 8,333 | 10,681 |
| | | 96,858 | 65,961 |
| Portion of bank borrowings due for repayment after one year which do not contain a repayment on demand clause: | 須於一年後到期償還的不包 含按 要求償還條款的銀行貸款 部份： | | |
| After 1 year but within 2 years | 一年之後但兩年之內 | 10,500 | 36,000 |
| After 2 years but within 5 years | 兩年之後但五年之內 | — | 10,500 |
| | | 10,500 | 46,500 |
| | | 143,358 | 153,458 |

Note:

- (a) The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

附註：

- (a) 結欠款項乃按貸款協議所載的預定還款期為基準，並無計及任何按
要求償還條款的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

32. BORROWINGS (Continued)

Six (2020: Six) of the bank facilities are subject to the fulfillment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. Should the Group breach the covenants, the drawn down facilities would become repayable on demand. In addition, some of the Group's bank loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants, and is up to date with the scheduled repayments of the bank borrowings. Further details of the Group's management of liquidity risk are set out in note 6(c). There have been no breaches in the financial covenants of any interest-bearing borrowings for the years ended 31 December 2020 and 2021.

The interest rates of the Group's bank borrowings at 31 December were as follow:

Bank loans

銀行貸款

Bank loans are arranged at floating rate, thus exposing the Group to cash flow interest rate risk. Loan from non-controlling interests is arranged at fixed rate and exposed the Group to fair value interest rate risk.

32. 借款(續)

六個(二零二零年:六個)銀行融資額度需符合有關本集團若干財務比率之契諾,該等契諾通常於與金融機構訂立之貸款安排中出現。倘本集團違反有關契諾,則已動用之融資額度須按要求償還。此外,本集團若干銀行貸款協議之條款中給予貸款人全權酌情決定隨時要求即時償還貸款的權利,而無論本集團是否遵守契諾及符合預定償還職責。

本集團定期監控此等契諾之遵守,並根據銀行貸款的預定還款期作出償還。本集團控制流動資金風險的進一步詳情載於附註6(c)。於截至二零二零年及二零二一年十二月三十一日止年度,概無違反任何計息借款之財務契諾。

本集團的銀行借款於十二月三十一日的利率如下:

| | 2021 二零二一年 % | 2020 二零二零年 % |
|------------|--------------------|--------------------|
| | per annum 每年 | per annum 每年 |
| Bank loans | 1.7% to 2.5% | 2.0% to 2.5% |

銀行貸款乃按浮動利率計息,因此使本集團面臨現金流量利率風險。來自非控股權益的貸款乃按固定利率計息,使本集團面臨公平值利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

32. BORROWINGS (Continued)

The carrying amount of the bank borrowings is denominated in the following currencies:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 114,833 | 108,447 |
| EUR | 歐元 | 28,525 | 45,011 |
| | | 143,358 | 153,458 |

33. BANKING FACILITIES

As at 31 December 2021, the Group had available banking facilities of approximately HK\$565,260,000 (2020: HK\$719,755,000), which were utilised to the extent of approximately HK\$143,000,000 (2020: HK\$153,000,000). These banking facilities were secured by corporate guarantees provided by the Company and certain subsidiaries of the Group.

32. 借款(續)

銀行借款賬面值以下列貨幣為計算單位：

33. 銀行信貸

於二零二一年十二月三十一日，本集團可動用的銀行信貸為約565,260,000港元（二零二零年：719,755,000港元），而已動用的數額為約143,000,000港元（二零二零年：153,000,000港元）。此等銀行信貸以本公司及本集團某些附屬公司提供的企業擔保作為抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

34. LEASE LIABILITIES

34. 租賃負債

| | | Minimum lease payments 最低租賃款項 | | Present value of minimum lease payments 最低租賃款項現值 | |
|--|---------------------------|----------------------------------|----------------------------------|--|----------------------------------|
| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Within one year | 一年內 | 9,422 | 9,622 | 8,894 | 9,033 |
| More than one year but not exceeding two years | 一年以上但不超過兩年 | 4,538 | 6,962 | 4,387 | 6,742 |
| More than two years, but not more than five years | 兩年以上但不超過五年 | 1,286 | 2,330 | 1,195 | 2,303 |
| | | 15,246 | 18,914 | 14,476 | 18,078 |
| Less: Future finance charges | 減：未來融資費用 | (770) | (836) | N/A不適用 | N/A不適用 |
| Present value of lease obligations | 租賃承擔現值 | 14,476 | 18,078 | 14,476 | 18,078 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | 減：十二個月內到期償付之款項(列示於流動負債項下) | | | (8,894) | (9,033) |
| Amount due for settlement after 12 months | 十二個月後到期償付之款項 | | | 5,582 | 9,045 |

The weighted average incremental borrowing rates applied to lease liabilities is 5.3% (2020: 4.0%).

應用於租賃負債的加權平均增量借款利率為5.3%(二零二零年：4.0%)。

Lease payables are denominated in following currencies:

應付租賃乃按下列貨幣計值：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 3,666 | 1,464 |
| USD | 美元 | 2,929 | 4,710 |
| RMB | 人民幣 | 7,881 | 11,904 |
| | | 14,476 | 18,078 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

35. DEFERRED TAX ASSETS/LIABILITIES

The following is the deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the year:

Deferred tax liabilities:

35. 遞延稅項資產／負債

以下為本集團於年內已確認的遞延稅項負債及資產與相關變動：

遞延稅項負債：

| | | Undistributed earnings of subsidiaries | Accelerated tax depreciation | Revaluation of leasehold lands | Temporary differences arising from the adoption of HKFRS 15 採納香港財務報告準則第15號產生之暫時差額 | Fair value adjustment on business combination | Others | Total |
|---|--------------------------|--|------------------------------|--------------------------------|---|---|----------|----------|
| | | 附屬公司未分派之盈利 | 加速稅項折舊 | 租賃土地價值重估 | 第15號產生之暫時差額 | 業務合併的公平值調整 | 其他 | 總計 |
| | | 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 |
| At 1 January 2020 | 於二零二零年一月一日 | — | 62 | 36,853 | 1,208 | — | 93 | 38,216 |
| Charge to other comprehensive income for the year | 於年內支賬至其他全面收益 | — | — | 1,389 | — | — | — | 1,389 |
| Effect on deferred tax balances resulting from a change in tax rate in other comprehensive income | 稅率改變對其他全面收益中遞延稅項結餘的影響 | — | — | (12,880) | — | — | — | (12,880) |
| Effect on deferred tax balances resulting from a change in tax rate in profit or loss (note 13) | 稅率改變對損益中遞延稅項結餘的影響 (附註13) | — | — | 1,390 | — | — | — | 1,390 |
| Charge/(credit) to profit or loss for the year (note 13) | 於年內支賬/(入賬)至損益 (附註13) | 5,952 | (62) | (765) | (873) | — | (15) | 4,237 |
| Exchange differences | 匯兌差額 | — | — | 2,220 | 38 | — | — | 2,258 |
| At 31 December 2020 and 1 January 2021 | 於二零二零年十二月三十一日及二零二一年一月一日 | 5,952 | — | 28,207 | 373 | — | 78 | 34,610 |
| Charge to other comprehensive income for the year | 於年內支賬至其他全面收益 | — | — | 943 | — | — | — | 943 |
| Acquisition of a subsidiary | 收購一間附屬公司 | — | — | — | — | 637 | — | 637 |
| Withholding tax paid | 已付預扣稅 | (2,744) | — | — | — | — | — | (2,744) |
| (Credit)/charge to profit or loss for the year (note 13) | 於年內(入賬)/支賬至損益 (附註13) | — | — | (963) | (377) | — | 23 | (1,317) |
| Exchange differences | 匯兌差額 | — | — | 506 | 4 | — | — | 510 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 3,208 | — | 28,693 | — | 637 | 101 | 32,639 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

35. DEFERRED TAX ASSETS/LIABILITIES (Continued)

Deferred tax assets:

| | | Tax losses | Decelerated tax depreciation | Fair value adjustment on business combination | Total |
|---|-------------------------|----------------|------------------------------|---|----------------|
| | | 稅項虧損 | 減速稅項折舊 | 業務合併的公平值調整 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2020 | 於二零二零年一月一日 | 11,364 | — | 149 | 11,513 |
| (Charge)/credit to profit or loss for the year (note 13) | 於年內(支賬)/入賬至損益(附註13) | (1,790) | 381 | (37) | (1,446) |
| Effect of change of tax rate to profit or loss for the year (note 13) | 於年內稅率改變對損益的影響(附註13) | (4,611) | — | — | (4,611) |
| Exchange differences | 匯兌差額 | 463 | — | 9 | 472 |
| At 31 December 2020 and 1 January 2021 | 於二零二零年十二月三十一日及二零二一年一月一日 | 5,426 | 381 | 121 | 5,928 |
| (Charge)/credit to profit or loss for the year (note 13) | 於年內(支賬)/入賬至損益(附註13) | (4,541) | 17 | (24) | (4,548) |
| Exchange differences | 匯兌差額 | 76 | — | 2 | 78 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 961 | 398 | 99 | 1,458 |

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

35. 遞延稅項資產/負債(續)

遞延稅項資產：

就綜合財務狀況表而言，遞延稅項結餘(抵銷後)之分析如下：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Deferred tax liabilities | 遞延稅項負債 | 31,280 | 28,803 |
| Deferred tax assets | 遞延稅項資產 | (99) | (121) |
| | | 31,181 | 28,682 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

35. DEFERRED TAX ASSETS/LIABILITIES (Continued)

At 31 December 2021, the Group had unused tax losses of approximately HK\$250,755,000 (2020: HK\$236,338,000) which are available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$6,408,000 (2020: HK\$36,175,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of approximately HK\$31,061,000 (2020: HK\$23,006,000) which may be carried forward indefinitely. The remaining unrecognised tax losses of approximately HK\$213,286,000 (2020: HK\$177,157,000) will expire as follows:

35. 遞延稅項資產／負債(續)

於二零二一年十二月三十一日，本集團有未動用稅項虧損約250,755,000港元(二零二零年：236,338,000港元)可供抵銷未來溢利。就該等虧損約6,408,000港元(二零二零年：36,175,000港元)確認為遞延稅項資產。概無就該等剩餘稅項虧損確認為遞延稅項資產，因為未能確定未來溢利流入。未確認稅項虧損中包括虧損約31,061,000港元(二零二零年：23,006,000港元)，可無限期結轉。餘下之未確認稅項虧損約213,286,000港元(二零二零年：177,157,000港元)將於下列期間到期：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|-----------|-------|----------------------------------|----------------------------------|
| Year 2022 | 二零二二年 | 1,584 | 12,205 |
| Year 2023 | 二零二三年 | 9,686 | 9,926 |
| Year 2024 | 二零二四年 | 17,676 | 18,163 |
| Year 2025 | 二零二五年 | 2,036 | 2,040 |
| Year 2026 | 二零二六年 | 51,276 | 9,074 |
| Year 2027 | 二零二七年 | 126,176 | 123,172 |
| Year 2029 | 二零二九年 | 845 | 825 |
| Year 2031 | 二零三一年 | 2,244 | — |
| Year 2037 | 二零三七年 | 1,763 | 1,752 |
| | | 213,286 | 177,157 |

At 31 December 2021, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries operated in the PRC is approximately HK\$61,959,000 (2020: HK\$32,835,000). No liability has been recognised in respect of these temporary differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

於二零二一年十二月三十一日，與中國營運之附屬公司之未分派盈利有關之暫時差額總數為約61,959,000港元(二零二零年：32,835,000港元)。本集團並無就暫時差額確認負債，原因為本集團能控制暫時差額的回撥時間，而該差額將不可能於可見未來回撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

36. SHARE CAPITAL

36. 股本

| | | Number of Shares 股份數目 | Amount 金額 HK\$'000 千港元 |
|--|--|-----------------------------|---------------------------------|
| Authorised: | 法定： | | |
| Ordinary shares of HK\$0.1 each | 每股面值0.1港元的普通股 | | |
| At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021 | 於二零二零年一月一日、二零二零年十二月三十一日、二零二一年一月一日及二零二一年十二月三十一日 | 5,000,000,000 | 500,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| Ordinary shares of HK\$0.1 each | 每股面值0.1港元的普通股 | | |
| At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021 | 於二零二零年一月一日、二零二零年十二月三十一日、二零二一年一月一日及二零二一年十二月三十一日 | 893,761,400 | 89,376 |

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 the previous year.

本集團管理其資本以確保本集團內之實體將可持續經營，而持份者亦可透過優化債務及權益結餘取得最大回報。本集團的整體策略與去年無異。

The capital structure of the Group consists of cash and cash equivalents and total equity, comprising issued share capital, reserves, retained earnings and non-controlling interests. The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

本集團的資本架構包括現金及等同現金項目及權益總額，包括已發行股本、儲備、保留盈利及非控股權益。本公司董事每半年檢討一次資本架構。於進行檢討時，董事考慮資本成本及有關各類資本的風險。根據董事的建議，本集團將透過派付股息、發行新股及購回股份以及發行新債項或贖回現有債項，藉以平衡其整體資本架構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

36. SHARE CAPITAL (Continued)

The net debt to equity ratio at the year end is as follows:

36. 股本(續)

於年終的負債淨額與權益比率如下：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--------------------------------|-----------|----------------------------------|----------------------------------|
| Debt (note (a)) | 負債(附註(a)) | 158,637 | 171,536 |
| Less: Restricted bank deposits | 減：有限制銀行存款 | (2,029) | (1,975) |
| Bank and cash balances | 銀行及現金結餘 | (280,683) | (256,686) |
| Net debt | 負債淨額 | (124,075) | (87,125) |
| Equity (note (b)) | 權益(附註(b)) | 1,294,402 | 1,179,308 |
| Net debt to equity ratio | 負債淨額與權益比率 | N/A不適用 | N/A不適用 |

Notes:

- (a) Debt is defined as borrowings and lease liabilities as detailed in notes 32 and 34 to the consolidated financial statements.
- (b) Equity includes all capital and reserves of the Group.

The only externally imposed capital requirements for the Group are (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of its shares, and (ii) to meet financial covenants attached to the interest-bearing borrowings. The Group receives reports from major shareholders and other connected persons on any changes in shares held by them to ensure the continuing compliance with the 25% limit throughout the year. As at 31 December 2021, 34.12% (2020: 34.12%) of the shares were in public hands. There have been no breaches in the financial covenants of any interest-bearing borrowings as at 31 December 2020 and 2021.

附註：

- (a) 負債乃界定為借款及租賃負債，有關詳情載於綜合財務報表附註32及34。
- (b) 權益包括本集團所有資本及儲備。

本集團唯一向外承擔之資本規定為(i)具有不少於25%之公眾持股量以維持於聯交所之上市地位；及(ii)遵守附於計息借款之財務契約。本集團從主要股東及其他關連人士收取有關彼等所持有的股份之任何變動的報告，以確保年內持續遵守25%的限制。於二零二一年十二月三十一日，34.12% (二零二零年：34.12%) 之股份由公眾持有。於截至二零二零年及二零二一年十二月三十一日止年度，概無違反任何計息借款之財務契約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

37. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

37. 本公司財務狀況表及儲備變動

(a) 本公司財務狀況表

| | Note 附註 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Non-current assets | | | |
| Investments in subsidiaries | | 467,040 | 466,940 |
| Current assets | | | |
| Prepayments, deposits and other receivables | | 234 | 226 |
| Bank and cash balances | | 495 | 368 |
| | | 729 | 594 |
| Current liabilities | | | |
| Other payables and accruals | | 14 | 3 |
| Due to subsidiaries | | 165,684 | 164,273 |
| Financial guarantee contracts liabilities | | 3,578 | 5,783 |
| | | 169,276 | 170,059 |
| Net current liabilities | | (168,547) | (169,465) |
| NET ASSETS | | 298,493 | 297,475 |
| Capital and reserves | | | |
| Share capital | | 89,376 | 89,376 |
| Reserves | 37(b) | 209,117 | 208,099 |
| TOTAL EQUITY | | 298,493 | 297,475 |

Approved by the Board of Directors on 19 April 2022 and are signed on its behalf by:

經董事會於二零二二年四月十九日批准，並由以下董事代表簽署：

Lee Yuen Fat
李遠發
Director
董事

Wong Wing Chuen
黃永銓
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

37. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (Continued)

37. 本公司財務狀況表及儲備變動(續)

(b) Reserves movement of the Company

(b) 本公司之儲備變動

| | | Share premium 股份溢價 HK\$'000 千港元 | Retained profits 保留盈利 HK\$'000 千港元 | Total 總數 HK\$'000 千港元 |
|---------------------|-------------------|--|---|--------------------------------|
| At 1 January 2020 | 於二零二零年一月一日 | 204,650 | 22,202 | 226,852 |
| Dividend paid | 已付股息 | — | (26,813) | (26,813) |
| Profit for the year | 年內溢利 | — | 8,060 | 8,060 |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 204,650 | 3,449 | 208,099 |
| At 1 January 2021 | 於二零二一年一月一日 | 204,650 | 3,449 | 208,099 |
| Dividends paid | 已付股息 | — | (35,750) | (35,750) |
| Profit for the year | 年內溢利 | — | 36,768 | 36,768 |
| At 31 December 2021 | 於二零二一年 十二月三十一日 | 204,650 | 4,467 | 209,117 |

38. RESERVES

38. 儲備

(a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statements of changes in equity.

(a) 本集團

本集團的儲備款項及相關變動均於綜合損益及其他全面收益表及綜合權益變動表呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

38. RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Merger reserve

The merger reserve represents the aggregate of (i) the nominal value of the shares issued by Ka Fung Metal Manufactory Company Limited on 18 January 2005 in exchange for the business of Ka Fung Metal Manufactory, an unincorporated partnership established in Hong Kong and controlled by Mr. Lee; and (ii) the nominal value of the shares issued by the Company in exchange for the entire shareholdings of Ka Shui (Holdings) Company Limited.

(iii) Capital reserve

The capital reserve represents (i) the amount of minority interests in Ka Fung Metal Manufactory Company Limited and Ka Fung Metal Manufactory acquired by the Group; (ii) the adjustment of non-controlling interest arising from further acquisition of the equity interest up to 79.7% in Topanga Asia and up to 100% in Wuhu Lenka during the year ended 31 December 2015; and (iii) the adjustment of non-controlling interest arising from the deemed disposal of Topanga Asia.

38. 儲備(續)

(b) 儲備之性質及目的

(i) 股份溢價

股份溢價乃指因按高於每股面值的價格發行股份而產生的溢價。根據開曼群島公司法，本公司的股份溢價賬的資金乃可分派予本公司的股東，惟緊隨股息建議分派之日後，本公司須有能力償還於日常業務過程中到期的債務。

(ii) 合併儲備

合併儲備指以下兩項的總和：(i) 嘉豐金屬製品廠有限公司於二零零五年一月十八日為換取嘉豐金屬製品廠(一間非按公司法註冊成立的合夥，在香港成立，並由李先生控制)之業務而發行的股份面值；及(ii)本公司為換取嘉瑞集團有限公司的全部股權而發行的股份面值。

(iii) 資本儲備

資本儲備指(i)本集團收購嘉豐金屬製品廠有限公司及嘉豐金屬製品廠少數股東權益的款額；(ii)於截至二零一五年十二月三十一日止年度因進一步收購勁亮嘉至79.7%及蕪湖聯嘉至100%股權而產生之非控股權益調整；及(iii)由視作出售勁亮嘉而導致非控股權益之調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

38. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iii) Capital reserve (Continued)

During the year ended 31 December 2020, the adjustment of non-controlling interest arising from further acquisition of the equity interest up to 79.7% in Topanga Asia was transferred to retained earnings upon the disposal of Topanga Asia.

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(d)(iii) to the consolidated financial statements.

(v) Statutory reserve

The statutory reserve comprises the PRC statutory reserve fund which is non-distributable.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the statutory reserve fund reaches 50% of their registered capital. The statutory surplus reserve fund can be used to make up prior year losses or applied in conversion into capital.

38. 儲備(續)

(b) 儲備之性質及目的(續)

(iii) 資本儲備(續)

截至二零二零年十二月三十一日止年度，因進一步收購勁亮嘉至79.7%股權而產生的非控股權益的調整在出售勁亮嘉時轉至保留盈利。

(iv) 匯兌儲備

匯兌儲備包括來自換算海外業務財務報表時產生的所有匯兌差額。該等儲備根據綜合財務報表附註4(d)(iii)所示會計政策處理。

(v) 法定儲備

法定儲備包括不可分派的中國法定儲備基金。

根據中國外商投資企業的相關法律及條例規定，本公司的中國附屬公司須根據中國會計法例及條例計算的除稅後溢利10%轉撥至法定儲備基金，直至累計法定儲備基金總額達到註冊資本的50%為止。法定盈餘儲備基金可用來填補過往年度虧損或撥入資本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

38. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(vi) Land revaluation reserve

The land revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for leasehold lands in note 4(f) to the consolidated financial statements.

(vii) Financial assets at FVTOCI reserve

The financial assets at FVTOCI reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(m) to the consolidated financial statements.

39. SHARE-BASED PAYMENTS

(a) Share Option Scheme

Pursuant to a resolution passed in the annual general meeting of the Company held on 19 May 2017, a new share option scheme ("2017 Scheme") was adopted.

38. 儲備(續)

(b) 儲備之性質及目的(續)

(vi) 土地重估儲備

設立土地重估儲備乃根據綜合財務報表附註4(f)所載有關租賃土地而採納之會計政策。

(vii) 按公平值計入其他全面收益儲備之金融資產

按公平值計入其他全面收益儲備之金融資產包括於報告末期持有的按公平值計入其他全面收益之金融資產之公平值累計淨變動，乃根據綜合財務報表附註4(m)之會計政策處理。

39. 以股份支付之款項

(a) 購股權計劃

根據於二零一七年五月十九日舉行的本公司股東週年大會通過的決議案，新購股權計劃(「二零一七計劃」)已獲採納。

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The purpose of the 2017 Scheme is to (i) motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the Group. Eligible participants of the 2017 Scheme include (i) any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the "Affiliate"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate. The 2017 Scheme became effective on 19 May 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the 2017 Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2017 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

39. 以股份支付之款項(續)

(a) 購股權計劃(續)

二零一七計劃目的在於(i)鼓勵合資格參與者為本集團利益最大程度提升表現及效率；及(ii)吸引並挽留目前、日後或預期對本集團長遠業務發展有裨益的合資格參與者或與彼等保持持續的業務關係。二零一七計劃合資格參與者包括(i)本集團或本集團持有權益公司或該公司之附屬公司(「聯屬人士」)的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商；或(ii)本集團或聯屬人士的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商作為受益人的任何信託或作為全權信託對象的任何全權信託的受託人；或(iii)由本集團或聯屬人士的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商實益擁有的公司。二零一七計劃於二零一七年五月十九日起生效，除非另行註銷或修訂，此購股權計劃將自該日起十年內有效。

根據二零一七計劃，目前允許授予的未行使購股權的最高數目上限等於其行使後的任何時間的本公司已發行股本10%。於任何十二個月期間，可發行予二零一七計劃各合資格參與者的最高股份數目上限不得超過本公司任何時候的已發行股份之1%。任何進一步授予此上限之購股權必須於股東大會上獲股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after meeting certain performance targets or certain vesting period that may be set by the directors, and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the 2017 Scheme, if earlier.

39. 以股份支付之款項(續)

(a) 購股權計劃(續)

向本公司董事、行政總裁或主要股東或彼等各自的任何聯繫人士授出購股權，須待獨立非執行董事事先批准後方可進行。此外，於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等的任何聯繫人士授予的任何購股權，倘超過本公司不時已發行股份的0.1%或總值(按授出日期本公司股份收市價計算)超過5,000,000港元者，須待股東於股東大會上批准後方可進行。

承授人支付合共10港元的象徵式代價後，邀約購股權之日起30日內授出購股權便屬獲得接納。獲授購股權的行使期由董事釐定，並符合由董事釐定的若干表現目標及歸屬期後開始，而屆滿日期不得遲於提出購股權繳約日期起計10年或二零一七計劃屆滿日期(以較早者為準)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer, when applicable.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

No share options have been granted under the 2017 Scheme since its adoption.

(b) Share Award Scheme

The Company adopted a share award scheme (the "Share Award Scheme") on 10 January 2013 ("Adoption Date") for a period of 10 years. The purpose and objective of the Share Award Scheme are to recognise the contributions by certain employees and persons of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Company has set up a Share Award Scheme Trust. Pursuant to the Share Award Scheme, new awarded shares may be allotted and issued to the independent trustee under general mandates granted or to be granted by the shareholders at general meetings of the Company from time to time and be held in trust for relevant participants until such shares are vested with the relevant participants in accordance with the provisions of the Share Award Scheme.

39. 以股份支付之款項(續)

(a) 購股權計劃(續)

購股權的行使價由董事釐定，惟不得低於以下最高者：(i)本公司股份於購股權授出日期在聯交所的收市價；(ii)股份於購股權授出日期前五個交易日在聯交所的平均收市價；及(iii)本公司股份於授出日期的面值。

購股權持有人無權獲派股息或於股東大會上投票。

自採納二零一七計劃後，概無根據該計劃授出購股權。

(b) 股份獎勵計劃

本公司於二零一三年一月十日(「採納日期」)採納股份獎勵計劃(「股份獎勵計劃」)，為期十年。股份獎勵計劃之目的及目標在表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。本公司已設立一個股份獎勵計劃信託。根據股份獎勵計劃，可根據股東於本公司之股東大會上已授出或不時授出之一般授權向獨立受託人配發及發行新獎勵股份，並以信託形式代有關參與者持有，直至有關股份根據股份獎勵計劃的條文歸屬於有關參與者為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

Subject to any early termination as may be determined by the Board of the Company, the Share Award Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date.

The maximum number of shares awarded under the Share Award Scheme shall not exceed 5% of the issued share capital of the Company as at the Adoption Date.

The maximum number of shares which may be awarded to a selected person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

As at 31 December 2021, the number of awarded shares available to grant under the Share Award Scheme was 44,311,770 (2020: 44,311,770). For the year ended 31 December 2021, no awarded shares were granted pursuant to the Share Award Scheme (2020: Nil).

39. 以股份支付之款項(續)

(b) 股份獎勵計劃(續)

在本公司董事會可決定提早終止的規限下，股份獎勵計劃將由採納日期起十年期間有效及生效。

根據股份獎勵計劃授出的股份最高數目不得超過於採納日期本公司已發行股本的5%。

根據股份獎勵計劃向一名經甄選人士可能授出的股份最高數目不得超過於採納日期本公司已發行股本的1%。

於二零二一年十二月三十一日，按股份獎勵計劃可授出之獎勵股份為44,311,770股股份(二零二零年：44,311,770股股份)。於截至二零二一年十二月三十一日止年度，概無按股份獎勵計劃授出獎勵股份(二零二零年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

40. 綜合現金流量表附註

(a) Cash flows from operating activities

(a) 經營業務之現金流量

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|-------------------------------------|----------------------------------|----------------------------------|
| Profit from operations | 經營溢利 | 153,886 | 161,403 |
| Adjustments for: | 已作出下列調整： | | |
| Interest income | 利息收入 | (1,042) | (816) |
| (Reversals of impairment losses on trade receivables and contract assets)/impairment losses on trade receivables and contract assets | (貿易應收款項及合約資產減值虧損回撥)/貿易應收款項及合約資產減值虧損 | (242) | 236 |
| Bad debt written off | 壞賬撇銷 | 1,511 | 64 |
| Reversal of allowance on due from an associate | 應收聯營公司款項撥備回撥 | — | (1,799) |
| Allowance for inventories, net | 存貨撥備淨值 | 14,313 | 4,093 |
| Net loss on disposal of property, plant and equipment | 出售物業、機器及設備之淨虧損 | 1,237 | 1,507 |
| Property, plant and equipment written off | 物業、機器及設備撇銷 | 1,178 | 3,309 |
| Loss on deregistration of a subsidiary | 註銷一間附屬公司的虧損 | 100 | — |
| Loss on revaluation of land | 土地價值重估虧損 | 708 | 903 |
| Net fair value loss on derivative financial instruments | 衍生金融工具公平值淨虧損 | 3,665 | 2,128 |
| Amortisation of intangible assets | 無形資產攤銷 | 25 | — |
| Depreciation of property, plant and equipment | 物業、機器及設備折舊 | 78,156 | 76,152 |
| Depreciation on right-of-use assets | 使用權資產折舊 | 16,704 | 15,260 |
| Operating profit before movements in working capital | 未計營運資金變動前的經營溢利 | 270,199 | 262,440 |
| (Increase)/decrease in inventories | 存貨(增加)/減少 | (39,042) | 41,261 |
| Decrease in right of return assets | 退貨權資產減少 | 40 | 16 |
| Increase in restricted bank balances | 有限制銀行存款增加 | (6) | (4) |
| Increase in trade and bills receivables | 貿易及票據應收款項增加 | (55,401) | (46,174) |
| (Increase)/decrease in contract assets | 合約資產(增加)/減少 | (2,860) | 5,631 |
| (Increase)/decrease in prepayments, deposits and other receivables | 預付款項、按金及其他應收款項(增加)/減少 | (837) | 3,142 |
| Decrease in due from an associate | 應收聯營公司款項減少 | 53 | — |
| Increase/(decrease) in trade payables | 貿易應付款項增加/(減少) | 15,853 | (32,993) |
| (Decrease)/increase in contract liabilities | 合約負債(減少)/增加 | (6,244) | 12,893 |
| Increase in other payables and accruals | 其他應付款項及應計費用增加 | 2,690 | 11,609 |
| Increase in due to an associate | 應付聯營公司款項增加 | 119 | — |
| Change in fair value on derivative financial instruments | 衍生金融工具公平值變更 | (1,579) | (861) |
| Cash generated from operations | 經營所得現金 | 182,985 | 256,960 |
| Income tax paid | 已付所得稅 | (7,665) | (45,293) |
| Interest paid on bank borrowings | 已付銀行借款利息 | (2,641) | (6,189) |
| Interest paid on lease liabilities | 已付租賃負債利息 | (618) | (651) |
| Net cash generated from operating activities | 經營業務所得現金淨額 | 172,061 | 204,827 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of a subsidiary

In 10 December 2021, the Group (through Capital Link Holdings Limited (“CLHT”), a wholly owned subsidiary) acquired 70% of the registered capital of GPTL for a total consideration of HK\$7,700,000. GPTL was engaged in trading of building materials and engine motors during the year. The acquisition is for the purpose of matching the Group's strategies to broaden its product portfolio to engine motors.

The fair value of the identifiable assets and liabilities of GPTL acquired as at the date of acquisition are as follows:

40. 綜合現金流量表附註(續)

(b) 收購附屬公司

於二零二一年十二月十日，本集團(透過一間全資附屬公司嘉盈集團有限公司(「嘉盈集團」))收購綠圖交通註冊資本的70%，總代價為7,700,000港元。綠圖交通於年內從事建築材料及發動機貿易。收購目的乃為配合本集團將其產品組合擴展至發動機的策略。

所購綠圖交通的可識別資產及負債於收購日期的公平值如下：

| | | HK\$'000 千港元 |
|--|----------------------|-----------------|
| Net assets acquired: | 所購淨資產： | |
| Intangible assets | 無形資產 | 3,860 |
| Due from CLHT | 應收嘉盈集團款項 | 10,500 |
| Due from non-controlling interests | 應收非控股權益款項 | 4,511 |
| Other receivables | 其他應收款項 | 13 |
| Bank and cash balances | 銀行及現金結餘 | 268 |
| Tax payables | 應付稅項 | (3) |
| Loan from CLHT | 來自嘉盈集團的貸款 | (10,500) |
| Loan from non-controlling interest (note 32) | 來自非控股權益的貸款 (附註32) | (803) |
| Deferred tax liabilities | 遞延稅項負債 | (637) |
| | | 7,209 |
| Non-controlling interests | 非控股權益 | (2,163) |
| Goodwill (note 21) | 商譽(附註21) | 2,654 |
| | | 7,700 |
| Satisfied by: | 以下列方式支付 | |
| Cash consideration paid | 已付現金代價 | 7,700 |
| Net cash outflow arising on acquisition: | 收購時產生之淨現金流出： | |
| Cash consideration paid | 已付現金代價 | (7,700) |
| Cash and cash equivalents acquired | 所購現金及等同現金項目 | 268 |
| | | (7,432) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of a subsidiary (Continued)

The fair value of the loan from non-controlling interests of approximately HK\$803,000 was estimated by applying the income approach. The fair value estimates are based on an assumed discount rate 20%.

Acquisition-related costs of approximately HK\$135,000 have been charged to general and administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2021.

The goodwill arising on the acquisition of GPTL is attributable to the anticipated future operating synergies from the combination.

GPTL contributed approximately HK\$Nil and HK\$208,000 to the Group's revenue and loss for the year between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2021, total Group revenue for the year would have been approximately HK\$1,715,725,000, and profit for the year would have been approximately HK\$127,823,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is intended to be a projection of future results.

40. 綜合現金流量表附註(續)

(b) 收購附屬公司(續)

來自非控股權益的貸款的公平值約803,000港元乃使用收入法估計。公平值估計乃基於假定貼現率20%計算。

收購相關成本約135,000港元已計入截至二零二一年十二月三十一日止年度的綜合損益表內的一般及行政開支中。

收購綠圖交通時產生之商譽歸屬於合併後的預期未來經營協同效應。

自收購日期起至報告期末，綠圖交通為本集團的年內收入及虧損分別貢獻約零港元及208,000港元。

倘收購已於二零二一年一月一日完成，本集團的年內總收入將為約1,715,725,000港元，而年內溢利將為約127,823,000港元。備考資料僅供說明用途，未必為倘收購已於二零二一年一月一日完成時本集團實際將實現的收入及經營業績的指標，亦非對未來業績的預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Disposal of a subsidiary

On 1 September 2020, the Group entered into an equity transfer agreement with an independent third party to dispose of the Group's 100% entire equity interest in Infinite Fortune Investments Limited ("Infinite Fortune"). Infinite Fortune was an investment holding company. The disposal was completed on 27 October 2020.

Net assets at the date of disposal were as follows:

40. 綜合現金流量表附註(續)

(c) 出售附屬公司

於二零二零年九月一日，本集團與獨立第三方訂立股權轉讓協議，以出售本集團於達騰投資有限公司(「達騰投資」)100%全部股權。達騰投資是一家投資控股公司。出售於二零二零年十月二十七日完成。

於出售日期的淨資產如下：

| | | HK\$'000 千港元 |
|--|--------------|-----------------|
| Due to a fellow subsidiary | 應付同系附屬公司 | (9) |
| Net liabilities disposed of | 出售淨負債 | (9) |
| Gain on disposal of a subsidiary | 出售附屬公司收益 | 9 |
| Total consideration | 總代價 | * |
| Consideration satisfied by | 以下列方式支付 | |
| Cash | 現金 | * |
| | | * |
| Net cash inflow arising from disposal: | 由出售產生之淨現金流入： | |
| Cash consideration received | 已收現金代價 | * |
| Cash and cash equivalents disposed of | 出售現金及等同現金項目 | — |
| | | * |

* Less than HK\$1,000

* 少於1,000港元

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Major non-cash transaction

Included in the additions of property, plant and equipment was an amount of approximately HK\$13,728,000 (2020: HK\$3,511,000) which was transferred from deposits paid for acquisition of property, plant and equipment.

Additions of right-of-use assets during the year of approximately HK\$4,636,000 (2020: HK\$14,102,000) were financed by lease liabilities.

(e) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

40. 綜合現金流量表附註(續)

(d) 主要非現金交易

計入添置物業、機器及設備為約13,728,000港元(二零二零年: 3,511,000港元), 乃由預付購買物業、機器及設備的按金所轉入。

年內使用權資產增加約4,636,000港元(二零二零年: 14,102,000港元), 由租賃負債撥付。

(e) 融資活動產生的負債對賬

下表詳述本集團融資活動所產生的負債變動(包括現金及非現金變動)。融資活動所產生的負債已經或將會於本集團綜合現金流量表內分類為融資活動現金流量。

| | 1 January 2021 | Addition of leases | Lease modification | Cash Flows, net (Note) | Interest expenses | Exchange difference | Fair value adjustment on business combination | 31 December 2021 |
|---|----------------|--------------------|--------------------|------------------------|-------------------|---------------------|---|------------------|
| | 二零二一年一月一日 | 新增租賃 | 租賃修改 | 淨現金流 (附註) | 利息開支 | 匯兌差額 | 業務合併的公平值調整 | 二零二一年十二月三十一日 |
| | 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 |
| Bank borrowings (note 32) | 153,458 | - | - | (13,624) | 2,641 | 883 | - | 143,358 |
| Loan from non-controlling interests (note 32) | - | - | - | 4,500 | - | - | (3,697) | 803 |
| Lease liabilities (note 34) | 18,078 | 4,636 | 894 | (10,006) | 618 | 256 | - | 14,476 |
| | 171,536 | 4,636 | 894 | (19,130) | 3,259 | 1,139 | (3,697) | 158,637 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

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

| | 1 January 2020 | Addition of leases | Lease modification | Cash Flows, net (Note) | Interest expenses | Exchange difference | Reclassify upon disposal | 31 December 2020 |
|--|-------------------|-----------------------|-----------------------|---------------------------|----------------------|------------------------|-----------------------------|----------------------|
| | 於二零二零年 一月一日 | 新增租賃 | 租賃修改 | 淨現金流 (附註) | 利息開支 | 匯兌差額 | 於出售時 重新分類 | 二零二零年 十二月 三十一日 |
| | 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 |
| Bank borrowings (note 32) 銀行借款(附註32) | 259,046 | — | — | (114,273) | 6,189 | 2,496 | — | 153,458 |
| Lease liabilities (note 34) 租賃負債(附註34) | 11,589 | 14,102 | (229) | (8,744) | 651 | 709 | — | 18,078 |
| Due to associates 應付聯營公司款項 | 1,305 | — | — | (1,799) | — | 9 | 485 | — |
| | 271,940 | 14,102 | (229) | (124,816) | 6,840 | 3,214 | 485 | 171,536 |

Note: Included in cash flows was interest paid which was included in cash flows from operating activities.

附註：計入現金流量包含計入經營活動現金流量的已付利息。

(f) Total cash outflow for leases

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

(f) 租賃現金流量總額

計入現金流量表的租賃包括下列金額：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---------------------------------------|--|----------------------------------|----------------------------------|
| Within operating cash flows 在經營現金流量之內 | | 677 | 737 |
| Within financing cash flows 在融資現金流量之內 | | 9,388 | 8,093 |
| | | 10,065 | 8,830 |

These amounts relate to the following:

此等金額與下列各項有關：

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|------------------------|--|----------------------------------|----------------------------------|
| Lease rental paid 已付租金 | | 10,065 | 8,830 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

41. OPERATING LEASE COMMITMENTS

The Group as lessor

The Group leases its property under operating lease arrangements, with leases negotiated for a term of one to five years (2020: one to five years). The terms of the leases generally provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2021, minimum lease payments receivable on leases are as follows:

| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--------------------|-----|----------------------------------|----------------------------------|
| Within one year | 一年內 | 122 | 120 |
| In the second year | 第二年 | 72 | 120 |
| In the third year | 第三年 | — | 70 |
| | | 194 | 310 |

Operating leases relate to factory owned by the Group leased to a retailer with lease terms of 5 years (2020: 5 years). The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group as lessee

The Group regularly entered into short-term leases for warehouses, staff quarters and factories. As at 31 December 2021, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 20. As at 31 December 2021, the outstanding lease commitments relating to these warehouses, offices and factories is approximately HK\$11,000 (2020:HK\$11,000).

41. 經營租賃承擔

本集團作為出租人

本集團按經營租賃安排出租其物業，租期為一年至五年(二零二零年：一年至五年)。租賃提供一般以現行市場情況作定期租金調整之條款。

於二零二一年十二月三十一日，本集團應收最低租賃款項總額如下：

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--------------------|----------------------------------|----------------------------------|
| Within one year | 122 | 120 |
| In the second year | 72 | 120 |
| In the third year | — | 70 |
| | 194 | 310 |

關於本集團擁有的工廠租賃予零售商之經營租賃，租賃期為五年(二零二零年：五年)。承租人無權在租賃期屆滿時購買該物業。

本集團作為承租人

本集團定期訂立倉庫、員工宿舍和工廠短期租賃。於二零二一年十二月三十一日，短期租賃投資組合為與附註20中披露的短期租賃支出相似的短期租賃投資組合。於二零二一年十二月三十一日，與該等倉庫、辦公室和工廠有關之剩餘租賃承諾為約11,000港元(二零二零年：11,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

42. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Commitment in respect of acquisition of property, plant and equipment (note) | 49,622 | 44,222 |

Note: The amount represents the unpaid contractual commitment for the acquisition of property, plant and equipment after netting off with the deposits paid for acquisition of property, plant and equipment included in the consolidated statement of financial position.

42. 資本承擔

於報告期間完結日，本集團的資本承擔如下：

附註： 該款項為收購物業、機器及設備的未付合約承擔，並經扣除已計入綜合財務狀況表中就收購物業、機器及設備的已付按金。

43. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

| | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
|---------------------------------|----------------------------------|----------------------------------|
| Rental income from an associate | 473 | — |
| Purchase from an associate | 193 | — |

(b) The above transactions were entered with the related parties on terms mutually agreed by individual parties. In the opinion of the directors of the Group, these related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

43. 關聯方交易

(a) 除於綜合財務報表其他部份所披露的關聯人士交易及結餘外，年內本集團曾與關聯方進行以下交易：

(b) 上述交易均與關聯方按照各方互相協定的條款進行。本集團董事認為，該等關聯方交易乃根據一般商業條款於本集團日常業務的一般過程中進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

43. RELATED PARTY TRANSACTIONS (Continued)

- (c) During the year, compensation paid by the Group to the key management personnel, which were the directors and chief executive officer of the Company, was disclosed in note 16 to the consolidated financial statements.

43. 關聯方交易(續)

- (c) 年內，本集團已付主要管理人員(為本公司董事及行政總裁)酬金乃於綜合財務報表附註16中披露。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

| | | Year ended 31 December 截至十二月三十一日止年度 | | | | | |
|-------------------------------|--------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--|
| | | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 | 2021 二零二一年 HK\$'000 千港元 | |
| RESULTS | 業績 | | | | | | |
| Revenue | 收入 | 1,738,738 | 1,852,329 | 1,554,364 | 1,469,237 | 1,714,549 | |
| Profit before tax | 除稅前溢利 | 81,993 | 125,907 | 101,331 | 154,050 | 150,572 | |
| Income tax expense | 所得稅開支 | (45,862) | (12,505) | (14,569) | (31,295) | (22,835) | |
| Profit for the year | 年內溢利 | 36,131 | 113,402 | 86,762 | 122,755 | 127,737 | |
| Attributable to: | 以下人士應佔權益: | | | | | | |
| — Owners of the Company | — 本公司權益持有人 | 33,998 | 113,556 | 88,705 | 123,991 | 131,139 | |
| — Non-controlling interests | — 非控股權益 | 2,133 | (154) | (1,943) | (1,236) | (3,402) | |
| | | 36,131 | 113,402 | 86,762 | 122,755 | 127,737 | |
| | | As at 31 December 於十二月三十一日 | | | | | |
| | | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 | 2021 二零二一年 HK\$'000 千港元 | |
| ASSETS AND LIABILITIES | 資產及負債 | | | | | | |
| Total assets | 總資產 | 1,768,096 | 1,719,695 | 1,635,386 | 1,697,045 | 1,832,693 | |
| Total liabilities | 總負債 | (901,453) | (761,835) | (627,431) | (517,737) | (538,291) | |
| Net assets | 淨資產 | 866,643 | 957,860 | 1,007,955 | 1,179,308 | 1,294,402 | |



KaShui¹⁹⁸⁰

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