



葉氏化工集團有限公司
Yip's Chemical Holdings Limited

於開曼群島註冊成立之有限公司
Incorporated in the Cayman Islands with limited liability
股份代號 Stock Code: 408



增添生活姿彩
BRIGHTENING HOMES
and LIVES FOR

2021
ANNUAL REPORT 年報

年 YEARS

集團宏圖

CORPORATE VISION





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概要
Highlights

本公司股東應佔純利
Profit attributable to owners
of the Company

406,280,000

港元HK\$

▲ **34%**

營業額
Revenue

17,805,397,000

港元HK\$

▲ **65%**





每股盈利
Earnings per share

72.8

港仙HK CENTS

▲ **35%**

全年股息⁺
Dividend for the year⁺

40

港仙HK CENTS

▲ **82%**

銷售量
Sales volume

1,559,000

噸METRIC TONS

▲ **5%**

借貸比率*
Gearing ratio*

36.6%

▲ **5.5** 個百分點
% points

⁺ 包括集團成立五十周年特別股息每股10港仙
⁺ Included the Group's 50th anniversary special dividend of HK10 cents per share

* 淨銀行借貸佔本公司股東應佔權益的百分比為計算基準
* Measured by net bank borrowings as a percentage of equity attributable to owners of the Company

截至2021年12月31日止年度(經審核)
For the year ended 31 December 2021 (audited)



公司資料 Corporate Information

於二零二二年三月二十四日 As at 24 March 2022

董事會

非執行董事

葉志成先生(主席)
王旭先生*
何百川先生*
古以道先生*

* 獨立非執行董事

執行董事

葉子軒先生(副主席兼行政總裁)
葉鈞先生(副行政總裁)
何世豪先生(財務總裁)

高層領導團隊

葉子軒先生
葉鈞先生
何世豪先生
謝憶珠女士

審核委員會

古以道先生(委員會主席)
王旭先生
何百川先生

薪酬委員會

何百川先生(委員會主席)
王旭先生

Board of Directors

Non-executive Directors

Mr. Ip Chi Shing (Chairman)
Mr. Wong Yuk *
Mr. Ho Pak Chuen, Patrick *
Mr. Ku Yee Dao, Lawrence *

* Independent Non-executive Directors

Executive Directors

Mr. Yip Tsz Hin (Deputy Chairman and Chief Executive Officer)
Mr. Ip Kwan (Deputy Chief Executive Officer)
Mr. Ho Sai Hou (Chief Financial Officer)

Senior Leadership Team

Mr. Yip Tsz Hin
Mr. Ip Kwan
Mr. Ho Sai Hou
Ms. Tse Yik Chu

Audit Committee

Mr. Ku Yee Dao, Lawrence (Chairman of the committee)
Mr. Wong Yuk
Mr. Ho Pak Chuen, Patrick

Remuneration Committee

Mr. Ho Pak Chuen, Patrick (Chairman of the committee)
Mr. Wong Yuk

於二零二二年三月二十四日 As at 24 March 2022

提名委員會

葉志成先生(委員會主席)
王旭先生
何百川先生

安全健康環保委員會

王旭先生(委員會主席)
何百川先生

公司秘書

何世豪先生

核數師

德勤•關黃陳方會計師行
香港執業會計師
註冊公眾利益實體核數師
香港金鐘道八十八號
太古廣場一座三十五樓

律師

香港：
唐匯棟律師行
香港灣道三十號新鴻基中心
五樓五零一室

開曼群島：
Maples and Calder
PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Nomination Committee

Mr. Ip Chi Shing (Chairman of the committee)
Mr. Wong Yuk
Mr. Ho Pak Chuen, Patrick

Health, Safety and Environment Committee

Mr. Wong Yuk (Chairman of the committee)
Mr. Ho Pak Chuen, Patrick

Company Secretary

Mr. Ho Sai Hou

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors
35/F., One Pacific Place
88 Queensway, Hong Kong

Legal Advisers

as to Hong Kong law:
Ronald Tong & Co
Room 501, 5/F., Sun Hung Kai Centre
30 Harbour Road, Hong Kong

as to the Cayman Islands law:
Maples and Calder
PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

公司資料 Corporate Information

於二零二二年三月二十四日 As at 24 March 2022

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

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

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東一八三號
合和中心五十四樓

Hong Kong Branch Share Registrar and Transfer Office

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

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司
中國銀行股份有限公司
法國巴黎銀行
三菱UFJ銀行
星展銀行
中國建設銀行
中國工商銀行
東亞銀行有限公司
中國農業銀行股份有限公司

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China Limited
BNP Paribas
MUFG Bank, Ltd.
DBS Bank Ltd
China Construction Bank
Industrial and Commercial Bank of China
The Bank of East Asia Limited
Agricultural Bank of China

註冊辦事處

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

Registered Office

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

公司資料
Corporate Information

於二零二二年三月二十四日 As at 24 March 2022

香港辦事處及主要營業地點

香港灣仔
告士打道七十七至七十九號
富通大廈二十七樓

電話：(852) 2675 2288
圖文傳真：(852) 2675 2345
國際互聯網網址：
<http://www.yipschemical.com>

股份代號

408

Head Office and Principal Place of Business in Hong Kong

27/F., Fortis Tower
Nos. 77-79 Gloucester Road
Wanchai, Hong Kong

Tel: (852) 2675 2288
Fax: (852) 2675 2345
Internet homepage:
<http://www.yipschemical.com>

Stock Code

408

主席報告 — 回顧與展望 Chairman's Statement — Review and Outlook



主席 | 葉志成先生
Chairman | Mr. Ip Chi Shing



回顧

本人欣然向葉氏化工集團有限公司（「本公司」）及其附屬公司（統稱「葉氏化工」或「集團」或「本集團」）全體股東們（「股東」）呈報集團截至二零二一年十二月三十一日止的全年（「回顧年度」）業績概況。回顧年度絕對是非常令人難忘和充滿挑戰性的一年。年內集團的整體業務表現主要受三大因素所影響：（一）中美間的多項矛盾並未隨著美國政府的換屆，總統易人而有所舒緩，反之更積極地拉攏多國結盟，對中國施行全方位的打壓導致衝突升溫。另一方面國內的新型冠狀病毒肺炎（「新冠肺炎」）疫情控制取得的成效雖獲世人讚賞，但各地仍時有小型爆發。嚴謹的防控措施施行，對經濟活動也無可避免地帶來了一定的制約。中國全年的經濟增長指標雖符合預期，但下行壓力頗大。（二）世界各國於回顧年內受新冠肺炎疫情的困擾和折騰實遠較二零二零年嚴重，導致全球的供應鏈運作頓然失序，化工業界的各種原材料價格繼回顧年內初期大幅急漲後，基本上整個回顧年內偶有小回，但漲勢

Review

It is my pleasure to present to all shareholders (the "Shareholders") of Yip's Chemical Holdings Limited (the "Company") and its subsidiaries (collectively "Yip's Chemical" or the "Group") an overview of the Group's performance for the year ended 31 December 2021 (the "year under review"). The year under review is the most unforgettable and challenging one in the Group's history. During the year under review, the Group's performance was mainly affected by three factors. First, existing conflicts between China and the United States of America ("US") did not subside with changes in the administration and presidency in the US. Contrarily, the US was even more aggressive in garnering support from other countries to form alliance to suppress China on a comprehensive scale, escalating the Sino-US conflicts. Meanwhile, although China's success in containing Coronavirus Disease 2019 ("COVID-19") had won worldwide praise, minor outbreaks still took place sporadically across the country. The implementation of strict containment measures had inevitably constrained economic activities to a certain extent. Hence, even as China's annual economic growth indicators were in line with expectations, the downward pressure was considerable. Second, as the impacts of the pandemic on other countries around the world during the year under review were far more serious than those in 2020, the global supply chain was thrown into disarray. After prices of raw materials used in the chemical industry surged

主席報告 — 回顧與展望 Chairman's Statement — Review and Outlook

未止，全年都處於歷史性高位。化工業界同業又礙於市況疲弱，競爭更趨激烈，產品成本的上升難以向客戶即時和全部轉嫁，集團的各項核心業務，因市場不同；競爭對手有異，因而分類業績的反映，挑戰、受挫者有之；機遇、亮麗者有之，差異之大，從所未見（參看行政總裁報告）。（三）於回顧年內下半年開始，國內的一眾中大型地產發展商在中央政府決心大力推行整頓政策下，陸續出現債務違約，銷售按年大跌，資金鏈斷裂、陷入困境的同時，對房地產的相關行業也頓時帶來了很大的衝擊。集團內的塗料相關業務自是難以獨善其身，雖已迅速作出反應，調整策略，務求將挫損降至最低，回顧年內集團已採取較為審慎的態度，對相關可能出現的債務違約和呆壞帳在本年度作出了一次性的撥備及減值，對集團下半年的業績呈現構成重大影響。

概括而言，本人對集團於回顧年內的整體業績表現仍是感到滿意和充滿期待的。集團的銷售額和股東應佔純利都同時錄得創辦五十周年以來的歷史新高。銷售額為港幣178億元，較去年大幅增長65%。銷售量錄得156萬噸，較去年增長5%。股東應佔純利方面，則錄得港幣4.06億元，較去年增長34%。

在財務表現方面，集團也有不錯的呈報。回顧年內有重要閒置固定資產出售與新廠房投資相抵銷。另因原材料價格大幅上升，引致應收帳款和庫存金額不同幅度的提升，但兩者週轉天數均在可控的正常範圍內。集團借貸比率繼續保持良好，錄得36.6%，較去年同期增加5.5個百分點，但較本公司截至二零二一年六月三十日止六個月的中期報告所披露的改善了15.1個百分點。

sharply at the beginning of the year under review, the upward trend of the prices had sustained throughout the year under review except for occasional downward corrections and numerous historical highs were recorded. Amid the weakening market economy, the competition became fiercer, and peers in the chemical industry found it difficult to pass on the rising costs to their customers entirely and immediately. Since the Group's core businesses were coping with different markets and different competitors, their performance responded quite differently: some had encountered great challenges and fell behind while others had been presented with opportunities and performed outstandingly. The subsequent huge disparity in performance was unprecedented (please refer to the Report of the Chief Executive Officer). Third, after the central government rolled out a series of policies to rectify the problems in the property market in the second half of the year under review, medium and large developers in Mainland China defaulted on their debts as their sales slumped and their capital chain ruptured. Simultaneously, real estate-related industries also suffered immense impacts. Under such circumstances, the Group's coatings-related business could hardly stay unaffected. Although the coatings business had responded quickly to the occasion by adjusting its strategies to mitigate whatever damages that came its way, the Group also acted prudently during the year under review by making a one-time provision and impairment for possible defaults and bad debts. This provision substantially affected the Group's performance in the second half of 2021.

In general, I have high expectations of and am satisfied with the overall results of the Group in the year under review. Sales revenue and profit attributable to owners of the Group both registered a record high in the Group's 50 years of history. The sales revenue of HK\$17.8 billion represented a substantial growth of 65% year-on-year, while the sales volume of 1.56 million tonnes represented a growth of 5% year-on-year. Profit attributable to owners was HK\$406 million, representing a growth of 34% year-on-year.

The Group would also like to report on its robust financial performance. During the year under review, the Group managed to offset the investment for a new plant by selling some key idle fixed assets. Also, due to the soaring raw material prices, trade receivables and amount in inventories showed varied increase, but the turnover days of both were still within the controllable normal range. The Group managed to maintain a satisfactory gearing ratio of 36.6%, which was up 5.5 percentage points from the corresponding period last year but represented an improvement of 15.1 percentage points when compared to that disclosed in the Company's interim report for the six months ended 30 June 2021.

主席報告 — 回顧與展望 Chairman's Statement — Review and Outlook

在綜合各種因素的評估和貫徹集團一向審慎理財和積極回饋股東的政策後，本公司董事（「董事」）會（「董事會」）建議向集團全體股東們派發期末股息每股本公司普通股股份（「股份」）18港仙，連同已派發中期股息每股12港仙，以及於宣佈派發中期股息時增派的五十周年特別股息每股10港仙，回顧年度全年合共派發股息每股40港仙，較二零二零年的每股22港仙增長82%（若撇除特別股息則增長36%）。股東可選擇部份或全部以本公司發行的已繳足新股份以代替現金收取中期股息及特別股息。

展望

本年度的環球經濟大環境預期將深受包括烏克蘭和台海的地緣政治緊張所困擾，如管控失當，極有可能引發美俄和中美間的大國衝突，實是近年兩隻最令人擔心出現的「黑天鵝」事件。另一方面，經歷了長達兩年的抗疫疲勞後，世界主要的經濟體除中國外，都基本是採取了與病毒共存的應對策略，以此謀求經濟逐步復甦，然而其成效需時和仍有待觀察，對全球的供應鏈有序正常化存在極大的不確定性，加上二零二二年初油價不斷攀升，因此預期於二零二二年內原材料價格難以大幅回落，可能只是波幅程度稍減。國內方面，雖然經歷了多時的疫情困擾和西方國家陣營的連番打壓，但因推出一系列的應對措施及時與得宜，其經濟活動很快地走出低迷，達致預期的增長，從而充份體現了其經濟發展模式的獨特韌性和持久性。同時「穩增長」，相信仍是國家年內的政策主軸。預期中央政府將繼續推出更多的措施，通過不斷地擴大和優化內需市場，以內循環為主導，帶動外循環的雙軌並行，以確保全年經濟平穩，持續的發展，從而完成全年的經濟增長指標，是教人可期盼的。綜觀集團各項核心業務均扎根國內多年，必將有幸受惠於既定

Upon assessments of various factors and giving due consideration to the Group's long-standing policy of prudent financial management and rewarding Shareholders, the board of directors (the "Directors") of the Company (the "Board") recommended to pay a final dividend of HK18 cents per ordinary share of the Company (the "Share(s)") which, together with the interim dividend of HK12 cents per Share and 50th anniversary special dividend of HK10 cents per Share at the time of declaration of the interim dividend, total dividend for the year under review amounted to HK40 cents per Share, up by 82% year-on-year from HK22 cents per Share for year 2020 (increased by 36% on the year if excluding the special dividend). Shareholders were entitled to opt to receive the interim dividend and the special dividend wholly or partly in the form of allotment of new Shares in lieu of cash.

Outlook

It is expected that the global macroeconomic environment this year will be perturbed by geopolitical tensions in Ukraine and the Taiwan Strait. If not properly managed, these tensions could easily lead to clashes between major powers, the US and Russia or China and the US — two worrisome "black swans" in recent years. On another front, after experiencing two-year pandemic fatigue, most major economies except China are adopting the strategy of "co-existing with the virus" to seek the gradual revival of the economy, although the effectiveness of this strategy remains to be seen. Thus, there is much uncertainty over the recovery and normalisation of the global supply chain. Further, since oil prices have been rising steadily in early 2022, raw material prices are unlikely to drop significantly within 2022, but may only be less volatile. Domestically, although China has been affected by the pandemic for a period of time and a series of attacks from the western camp, but because of the series of effective and timely measures it has rolled out, its economy has rebounded and achieved the expected growth, fully demonstrating the unique resilience and tenacity of the country's economic development model. "Maintaining steady growth" should still be the fundamental of the country's policies. It is expected that the central government will continue to introduce more measures to expand and optimise the domestic market so that the economy can run on a dual circulation which is based primarily on the domestic economic cycle that drives the international economic cycle. These measures can ensure economic stability for the whole year so that the yearly economic

主席報告 — 回顧與展望 Chairman's Statement — Review and Outlook

的國策，並憑藉本身雄厚的實力、敏銳的市場觸覺，有信心在多變的時局中，不斷地捕捉更多；更快的發展機遇！

集團創辦五十年以來，一直奉守「略帶輕狂，早定目標，充份準備，砥礪奮進」為經營理念，得以成就了今日的小康之局。新的五十年，本年即始，集團將不忘初心，一如既往，在專注整固基業的同時，充份藉著多年累積的穩固基礎，良好聲譽，不斷地致力探索業務多元化。年內並計劃透過把成熟子公司業務獨立分拆上市，以及優質業務和資產的更合理重置等措施，好讓集團股東價值得以最大化體現；也好讓集團的經營願景—「為員工多謀福祉；為股東多創價值；為社會多做公益」不斷地得以落實和深化。

藉此謹代表董事會向過去五十年，曾服務和現職的全體員工們特別致以深切的感激，同時也對股東們多年來的大力支持、指導，歷屆董事會和高層領導團隊，卓越領導，精誠團結，致以衷心的感謝！

葉志成
主席

香港，二零二二年三月二十四日

growth target is achievable. With the Group's core businesses deep-rooted in the domestic Mainland market, they will certainly benefit from the existing national policies. We are confident of capturing more development opportunities at a faster pace in these ever-changing times by capitalising on our strong capabilities and acute market sense.

Since the Group was founded 50 years ago, by upholding the business philosophy of "Be Daring, Set Goals Early, Be Prepared Early, Forge Ahead with Courage", it has become a well-established corporation today. At the beginning of the next 50 years, the Group will stay true to its original aspiration. Leveraging on the solid foundation and sound reputation it has built up over the years, the Group will focus on the consolidation of its core business while continuing to explore ways of diversifying into other business areas. In the coming year, the Group plans to spin off a mature subsidiary for separate listing and seek appropriate reorganisation of its businesses and assets. This will not only maximise shareholder values but will also help realise and deepen the Group's vision of "seeking benefits for employees, creating values for Shareholders and contributing to social welfare".

At this juncture, I would like to convey our deepest gratitude on behalf of the Board to all past and present employees in the past 50 years. I would also like to extend our heartfelt thanks to our Shareholders for their support and guidance; to all members of the Board and Senior Leadership Team which have served over the years for their outstanding leadership and solidarity.

Ip Chi Shing
Chairman

Hong Kong, 24 March 2022

行政總裁報告

Report of the Chief Executive Officer



行政總裁 | 葉子軒先生
Chief Executive Officer | Mr. Yip Tsz Hin



集團截至二零二一年十二月三十一日止年度的業績要項包括：

- 一. 受惠於原材料價格大升及銷售團隊的努力，四大主業（溶劑、塗料、油墨和潤滑油）的銷售額都大幅抽升。集團銷售總金額達178億港元，而銷量共156萬噸，比對去年同期分別增長65%及5%；
- 二. 受惠於原材料價格抽升，溶劑業務的管理團隊把握機會，配合強勁的出口業務增長，令經營溢利大破歷史紀錄達8.3億港元，同比增長76%；
- 三. 受損於高價原材料成本未能及時向用戶轉移，導致了油墨、塗料兩業務毛利率明顯下跌，其中油墨業務錄得經營溢利4,700萬港元，比對去年同期下跌22%；

Highlights of the Group's results for the year ended 31 December 2021 are as follows:

1. With the drastic rise in raw material prices and the relentless efforts of the sales teams, sales revenue for all four of our core businesses (solvents, coatings, inks and lubricants) soared. The Group's total sales revenue reached HK\$17.8 billion while sales volume was 1.56 million metric tons, up by 65% and 5% respectively from the corresponding period of the preceding year;
2. Benefitting from the surge in raw material prices which the solvents team leveraged on and succeeded in capturing such market opportunity, and the boom in its export business, the solvents business achieved a record-breaking operating profit of HK\$830 million, which represented a growth of 76% year-on-year;
3. Since the inks and coatings businesses were unable to shift the high raw material prices to users in time, both sustained a notable drop in gross profit margin. In particular, the inks business recorded an operating profit of HK\$47 million, which represented a decline of 22% from the corresponding period of the preceding year;

行政總裁報告
Report of the Chief Executive Officer

- 四. 回顧年內，塗料業務出現經營虧損達1.24億港元。一是營運出現虧損。二是因國內房地產市場資金鏈問題，本公司為主要包括個別國內房地產商的業務作出一次性的特別計提及減值。本公司研判，撥備的追收機會或於二零二二年下半年較為明朗；
- 五. 回顧年內出售位於香港粉嶺的葉氏化工大廈，共獲利(包括重估增值及出售利潤)6,900萬港元；
- 六. 綜合上述因素：回顧年內本公司股東應佔純利錄得4.06億港元，同比大增34%；
- 七. 由於回顧年內的銷售額大增，導致集團的營運資金顯著增加，加上溶劑業務珠海新廠落成投產，令借貸比率輕微上升至36.6%；及
- 八. 洋紫荊油墨股份有限公司(於國內成立的公司及本公司旗下子公司，「洋紫荊油墨」)於深圳證券交易所(「深交所」)分拆及獨立上市的申請工作，已完成了兩輪深交所提問的回覆，有望加快進程，具體上市時間待深交所批准及中國證監會同意註冊後確定。
4. Coatings business recorded an operating loss of HK\$124 million for the year under review. One reason was the loss sustained in its operation. The second reason was that, in the face of disruptions in the capital chain in the Mainland real estate market, the Company had made a one-time special provision and impairment for the business with several Mainland real estate developers involved. It is the Company's judgment that the chance of recovering the provisions should be more apparent in the second half of year 2022;
5. In the year under review, the sales of Yip's Chemical Building in Fanling, Hong Kong resulted in a profit of HK\$69 million (inclusive of revaluation appreciation and sales profits);
6. The overall effect of the above factors is that, in the year under review, profit attributable to owners of the Company of HK\$406 million was recorded, representing a jump of 34% year-on-year;
7. Since the sales revenue sharply increased in the year under review, the Group's working capital rose considerably. Moreover, the new solvents plant in Zhuhai was completed and commenced operation, causing the Group's gearing ratio to slightly increase to 36.6%; and
8. The application for the spin-off and separate listing of Bauhinia Ink Company Limited (a company established in the PRC and a subsidiary of the Company, "Bauhinia Ink") on the Shenzhen Stock Exchange is still in progress. So far, we have given our replies to two rounds of queries raised by the Shenzhen Stock Exchange in the hope that the process could be sped up. The listing time will be determined after the approval of the Shenzhen Stock Exchange and the endorsement of the China Securities Regulatory Commission to conduct the registration are obtained.

行政總裁報告 Report of the Chief Executive Officer

集團主要業務檢視及分析如下：

溶劑

回顧年內銷量同比增長2%，銷售額同比大增78%至140億港元。受惠於原材料價格抽升，市場部把握先機，配合出口總量破紀錄接近40萬噸，導致回顧年內經營溢利創出8.3億港元的高位。

回顧這兩年，管理層在整固本地市場佔比，大增出口比例，充分發揮集團泰興廠新增產能的優勢。同時，成立兩年的市場委員會發揮效應，在把控、調節採購、銷售，特別在租船出口，協調生產等等，運作日趨成熟，為本業帶來顯著效益。

建設兩年的珠海新廠趕及於二零二一年底前順利投產。特別是醋酸乙酯首次採用高壓法新技術一次性投產成功，向集團的節能降耗目標再邁進一大步。同時江門舊廠完成歷史使命，完美收桿。完成了江門、珠海兩廠的無縫對接。

本業務的重點工作，首要做好日常操作工作，管理層研判：原材料價格下滑或對集團短線獲利有所影響。集團仍堅持整固及增加本銷、出口數量，以消化珠海廠新增的產能；深化研究珠海的新工藝經驗或能引入泰興廠的成功經驗，進一步優化我們的產能、物耗、能耗。而更為重要的是：董事會展示了對該業務的信心、野心，橫擴產品系列及垂直自產材料是兩條積極的發展路線，也是新一年的重點工作。

Review and analysis of the Group's major business segments are as follows:

Solvents

In the year under review, sales volume grew by 2% year-on-year while sales revenue surged by 78% year-on-year to HK\$14 billion. Due to an upsurge in raw material prices which the marketing department could leverage on to capture such market opportunity, and a strong growth in export volume to a historical high of nearly 400,000 metric tons, a record-high operating profit of HK\$830 million was achieved in the year under review.

In the last two years, our management team has consolidated our market share of sales to the domestic market and raised substantially the share of exports by capitalising on the newly added production capacity of the Group's Taixing plant. Meanwhile, the marketing committee, which has been set up for two years, has become more sophisticated and efficient in the control and coordination of procurement and sales, particularly in the areas of chartering vessels for exports and coordinating production. As a result, significant benefits have been brought to the business.

The new Zhuhai plant that had been undergoing construction for two years was successfully put into operation by 2021 year-end. The successful adoption of a new high-pressure technology to produce ethyl acetate on its first run signified that the Group had taken a big step towards energy saving. Furthermore, the old plant in Jiangmen, having completed its historic mission, was shut down, marking the seamless transition between the two plants in Jiangmen and Zhuhai.

The main task of this business segment is to ensure that all daily operations run smoothly. The management team believes that declines in raw material prices would probably affect the short-term profitability of the Group. The Group is still determined to consolidate and boost domestic and export sales volumes to utilise the newly added capacity introduced by the Zhuhai plant. We will continue to study the possibility of applying new production processes to Zhuhai plant or draw reference from the successful experience of Taixing plant to further optimise our production capacity as well as consumption of raw materials and energy. What is more important is that the Board is fully confident of and harbours ambition in the solvents business. The focus of this business segment in the coming year is to broaden its product range and implement vertical integration in self-produced raw materials.

行政總裁報告 Report of the Chief Executive Officer

塗料

回顧年內，塗料業務拓展策略具備成效，銷售金額達到20.4億港元，對比去年同期增長41%，但因為主要原材料價格大幅上升，而未能夠往下游客戶轉嫁，毛利率達到21.3%，對比去年同期下滑8.1個百分點。

再者，在二零二一年下半年開始，受制於國內對於房地產商的整頓政策，和本業務長期合作的房地產商出現經營上及資金上的問題，雖然管理團隊已經迅速調整策略，盡可能保障應收款項安全，但整體應收賬及相關跟投債券風險大幅提升，因此塗料業務在回顧年內進行了一次性1.1億港元的特別計提及減值。

二零二一年為塗料業務充滿挑戰的一年。儘管銷售額有可觀的增長，但原材料價格的大幅上升以及國內房地產的密集式「爆雷」，導致整體業務在二零二一年虧損1.24億港元。在二零二二年，管理團隊將致力改善盈利情況。考慮到國內房地產產業的情況，我們將謹慎管理和控制與房地產商相關的業務。我們將目光更加聚焦於發展以「紫荊花」及「駱駝」品牌為主的水性塗料產品零售網絡，加大在國內各省市的商店覆蓋。同時我們將加大投入在技術和服務門檻較高的工業塗料及「大昌」樹脂業務，特別是處於市場領導地位的「恒昌」塑料塗料產品。最後，管理團隊已經開始運營優化的工作，降低供應鏈及銷售費用，提升經營利潤。

油墨

回顧年內，整體銷售上升至接近15億港元，同比增長20%。受損於產品價格調整與原材料成本上升幅度不同步，經營溢利下跌22%至4,700萬港元。

Coatings

In the year under review, the expansion strategy of the coatings business was bearing fruit. Its sales revenue rose by 41% year-on-year to HK\$2.04 billion. Unfortunately, as the hefty rise in raw material prices could not be passed on to downstream customers, gross profit margin slipped by 8.1 percentage points comparing to that in the corresponding period of the preceding year to 21.3%.

Furthermore, since the second half of 2021, hampered by the tightening regulatory policies imposed on Mainland real estate developers, developers with long-term cooperation with our coatings business segment have been experiencing operational and financial problems. In response, the management team adjusted strategies immediately to safeguard receivables as much as possible. Nevertheless, because of the substantial increase in risk for overall receivables and related bond investment, the coatings business made a one-time special provision and impairment of HK\$110 million in the year under review.

The year 2021 was a challenging one for the coatings business. Although there was growth in sales revenue, the surge in raw material prices and the successive debt crises of Mainland real estate developers had led to an overall loss of HK\$124 million of the business in 2021. The management team will make every effort to improve the profitability situation in 2022. Considering the challenging environment in China real estate market, we will be cautious in our management and control of our project business with developers. We will focus more on expanding the retail network revolving around our core Bauhinia and Camel brands to increase the outlet coverage and sales of our water-based products in various Mainland provinces and cities. We will also step up our efforts in promoting our industrial coatings and Da Chang resins business, which have a higher technological and service barrier of entry, especially the market-leading coating products for plastics under the Hang Cheung brand. Lastly, the management team has already started optimising operations and lowering supply chain and sales expenses in its endeavour to increase operating profit.

Inks

Overall sales grew by 20% year-on-year to almost HK\$1.5 billion in the year under review. Since the product price adjustments were not on par with the raw material costs increase, operating profits slipped by 22% to HK\$47 million.

行政總裁報告 Report of the Chief Executive Officer

回顧年內，業務運作大致暢順，原材料價格急升，用戶難以分擔材料價格上漲，集團採取以客為先，細緻商討調價，短線利潤稍為受損，長線更整固與用戶共渡時艱的良好效果。回顧年內，桐鄉廠完成新車間的全自動化、數碼化順利推進。新車間將為前線增量銷售，提供更充裕的產能保障，為中山、桐鄉兩廠進一步改造新車間、新生產線提供了良好樣板。

順應環保大潮，也順應國家節能減排環保政策，技術團隊加大水性油墨的研發，銷售團隊承諾於二零二二年倍增水性產品銷售。於二零二一年年底，油墨業務一是從集團抽調精英，二是外聘外國專家加盟，勢要於二零二二年力增銷售，達至水性產品及其他環保產品力增的良好效果。

潤滑油

回顧年內，潤滑油業務對比去年同期銷售額大幅增長51%至3.3億港元。雖然二零二一年整年的油價以及添加劑等原材料價格持續上漲的趨勢，但管理團隊透過銷售量的增長、適當的原材料備貨以及製造效率的提升，毛利率達到24.4%，經營溢利錄得2,000萬港元，比去年同期分別下滑2.1個百分點及上升160%。

潤滑油業務目前在健康的軌道發展，展望二零二二年，管理團隊將繼續聚焦在「力士」品牌的車用油以及工業潤滑油，透過自身銷售渠道的擴張及適當的OEM業務，支持盈利增長。

In the year under review, operations largely ran smoothly. As raw material prices surged and users could hardly bear the rising prices, the Group took a customer-centric approach and had a detailed dialogue with them about price adjustments. This might have hurt profitability in the short term, but will achieve the beneficial effect of building rapport with our customers in the long term. In the year under review, the Tongxiang plant completed the automation of its new production lines as well as accelerated its digitisation. The new production lines could provide sufficient production capacity to cope with the sales growth and serve as a good example for the plants in Zhongshan and Tongxiang to further renovate and upgrade their production lines.

In response to the global trend on environmental protection and to comply with the national energy conservation and emission reduction policies, the technical team has ramped up the R&D of water-based inks while the sales team has also committed to doubling the sales of water-based products in year 2022. At the end of the year 2021, elite personnel were transferred from other teams of the Group to the inks business segment and the inks business segment also recruited foreign experts to join its team. These measures are to ensure increase in sales in year 2022, particularly for water-based products and other eco-friendly products.

Lubricants

In the year under review, the lubricants business achieved marked growth in sales revenue of 51% year-on-year to HK\$330 million. Although price in raw materials including oil and additives were on a rising trend throughout 2021, management team succeeded in boosting sales volume, stocking up an appropriate amount of raw materials and raising production efficiency. As a result, the gross profit margin was 24.4% while operating profit was HK\$20 million, down by 2.1 percentage points and up by 160% from the corresponding period of the preceding year respectively.

The lubricants business is now developing on a healthy track. In 2022, the management team will continue to focus efforts on promoting the automobile engine oils and industrial lubricants under the Hercules brand. It will seek profit growth by expanding its own sales channels and by suitable OEM business.

行政總裁報告 Report of the Chief Executive Officer

其他業務

集團不斷往「環保化」、「終端化」及「服務化」發展，積極開拓和「家」及「車」相關的商機。集團在回顧年內繼續推動「大嘜養車」為中國汽車後市場直控型連鎖的第一品牌，為國內龐大的終端車主提供專業、便捷及高性價比的養車服務體驗。回顧年內，雖然商店開發速度受疫情影響，大嘜養車也繼續在擴展養車服務店。除了立足在山東、廣東、河北、湖南及江蘇，大嘜養車於二零二一年年底前在貴州成功開拓8間新的門店。截至二零二一年十二月三十一日的門店數量達到124家，並於年內服務超過26.6萬輛車，對比去年增加24.7%。管理層認為標準化、高性價比的養車服務體驗符合未來中國中產階層的消費習慣，短期內將聚焦投入開拓商店網絡，確保短期內能夠實現200店的平台。

物業分類方面，出租上海研發中心的租金收入令營業額增加14%至1,000萬港元。回顧年內出售粉嶺葉氏化工大廈，經營溢利因此大升至6,800萬港元。

展望

集團的溶劑業務已創出獨有的運營模式，董事會對該業務能持續獲利甚具信心，正積極尋求進一步重大發展的機會。塗料業務受國內地產「爆雷」影響而受挫，已積極尋求業務模式的突破，聚焦發展有優勢的品牌和產品，以提升本業務的長遠盈利能力。油墨業務專注推動發展新型環保油墨，順應環保大趨勢，有條不紊推進油墨業務分拆作獨立上市進程，可全面策劃一個嶄新的發展未來。

葉子軒
行政總裁

二零二二年三月二十四日

Other Businesses

The Group is continuously seeking environmentally friendly, end-user-oriented and service-oriented development and is actively pursuing business opportunities related to “household” and “automobile”. During the year under review, the Group has been promoting Damai as the top self-operated car maintenance chain in the automobile aftermarket to offer China’s millions of end-user car owners with professional, convenient and highly cost-effective car maintenance services. In the year under review, although its speed of opening new outlets was affected by the pandemic, Damai continued with its expansion plan. In addition to making a presence in Shandong, Guangdong, Hebei, Hunan and Jiangsu, Damai managed to open eight outlets in Guizhou by 2021 year-end. As of 31 December 2021, the number of outlets reached 124, altogether serving more than 266,000 cars during the year under review, up by 24.7% year-on-year. The management believes that car maintenance services that are standardised and highly cost-effective are in line with the consumption habits of China’s middle class. In the short term, Damai will keep focusing on expanding its service network to become a platform with 200 outlets.

For the properties segment, the rental income from leasing the R&D centre in Shanghai has boosted the revenue by 14% to HK\$10 million. In the year under review, the sale of Yip’s Chemical Building in Fanling has propelled operating profit to HK\$68 million.

Outlook

As the Group’s solvents business has succeeded in establishing its unique operating model, the Board is fully confident that the business can generate profit continuously and is actively looking for opportunities for the next major development. The coatings business has been hit hard by the Mainland’s real estate crises, and is now proactively seeking a breakthrough in its business model, with a focus on our strong brands and products, to increase the long-term profitability of the coatings business. The inks business is now focusing on developing new environmentally friendly inks in order to adapt to the global trend of environmental protection, and advancing the process of spin-off and separate listing in an orderly manner, so as to plan for a brand new development direction for the future.

Yip Tsz Hin
Chief Executive Officer

24 March 2022

集團主要物業 Group's Major Properties



位於香港灣仔的集團總部
The Group's headquarters in
Wanchai, Hong Kong



位於江蘇泰興的溶劑廠房
The solvents plant in
Taixing, Jiangsu



位於廣東珠海的溶劑廠房
The solvents plant in
Zhuhai, Guangdong



位於廣東江門的溶劑廠房
The solvents plant in
Jiangmen, Guangdong



位於上海金山的塗料廠房
The coatings plant in
Jinshan, Shanghai



位於四川成都的塗料廠房
The coatings plant in
Chengdu, Sichuan



位於廣東惠州的塗料廠房
The coatings plant in
Huizhou, Guangdong



位於廣東中山的油墨廠房
The inks plant in
Zhongshan, Guangdong



位於浙江桐鄉的油墨廠房
The inks plant in
Tongxiang, Zhejiang



位於廣東東莞的潤滑油廠房
The lubricants plant in
Dongguan, Guangdong

集團主要物業 Group's Major Properties

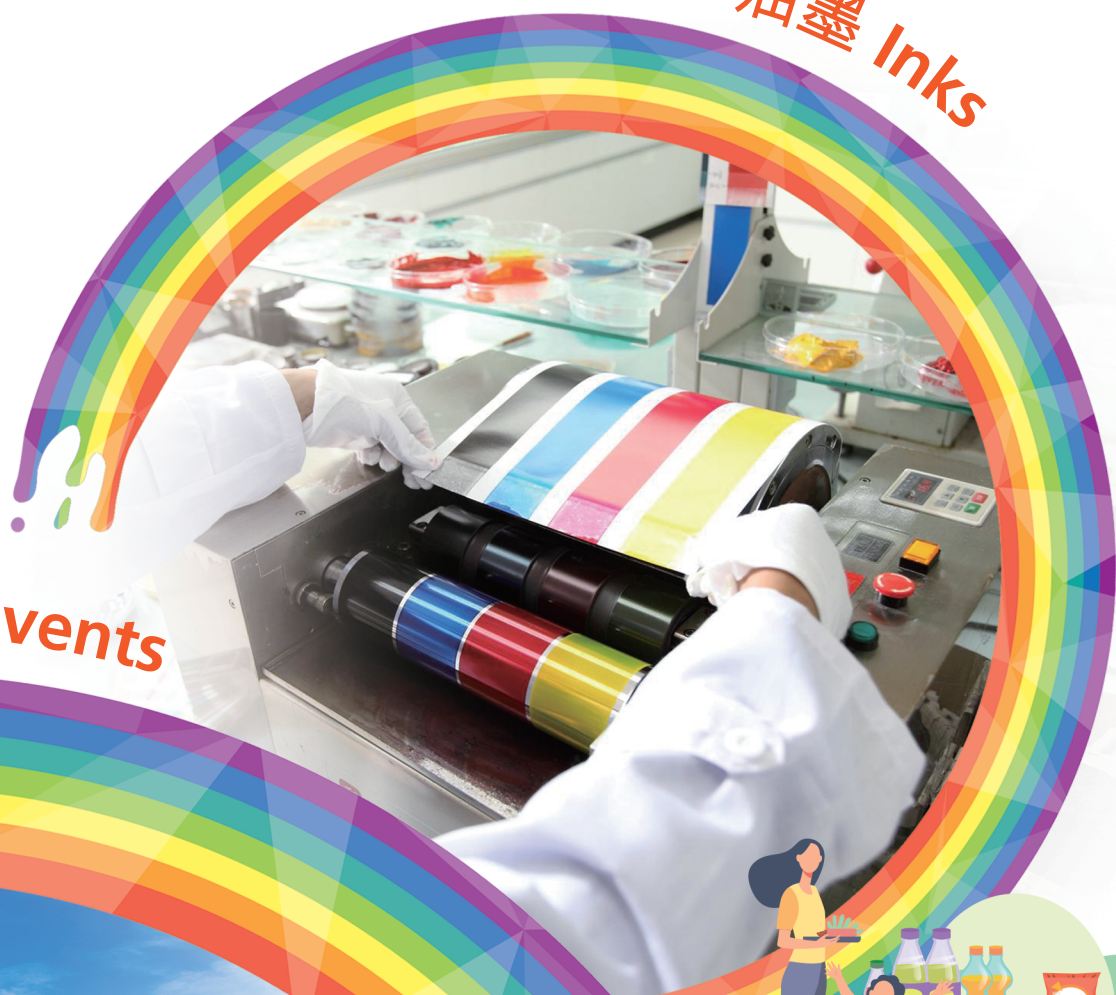
-  公司總部
Headquarters
-  溶劑廠房
Solvents plant
-  塗料廠房
Coatings plant
-  油墨廠房
Inks plant
-  潤滑油廠房
Lubricants plant
-  辦公室或工業大樓／辦公室單位／廠房
Office or industrial building / Office unit / Plant

集團旗下物業組合包括用作營運或予以出租；其他正處於待租或待售階段。
The Group owns a portfolio of properties which are under use or leased out; others are held for lease or sales.



業務簡介 Business Profiles

油墨 Inks



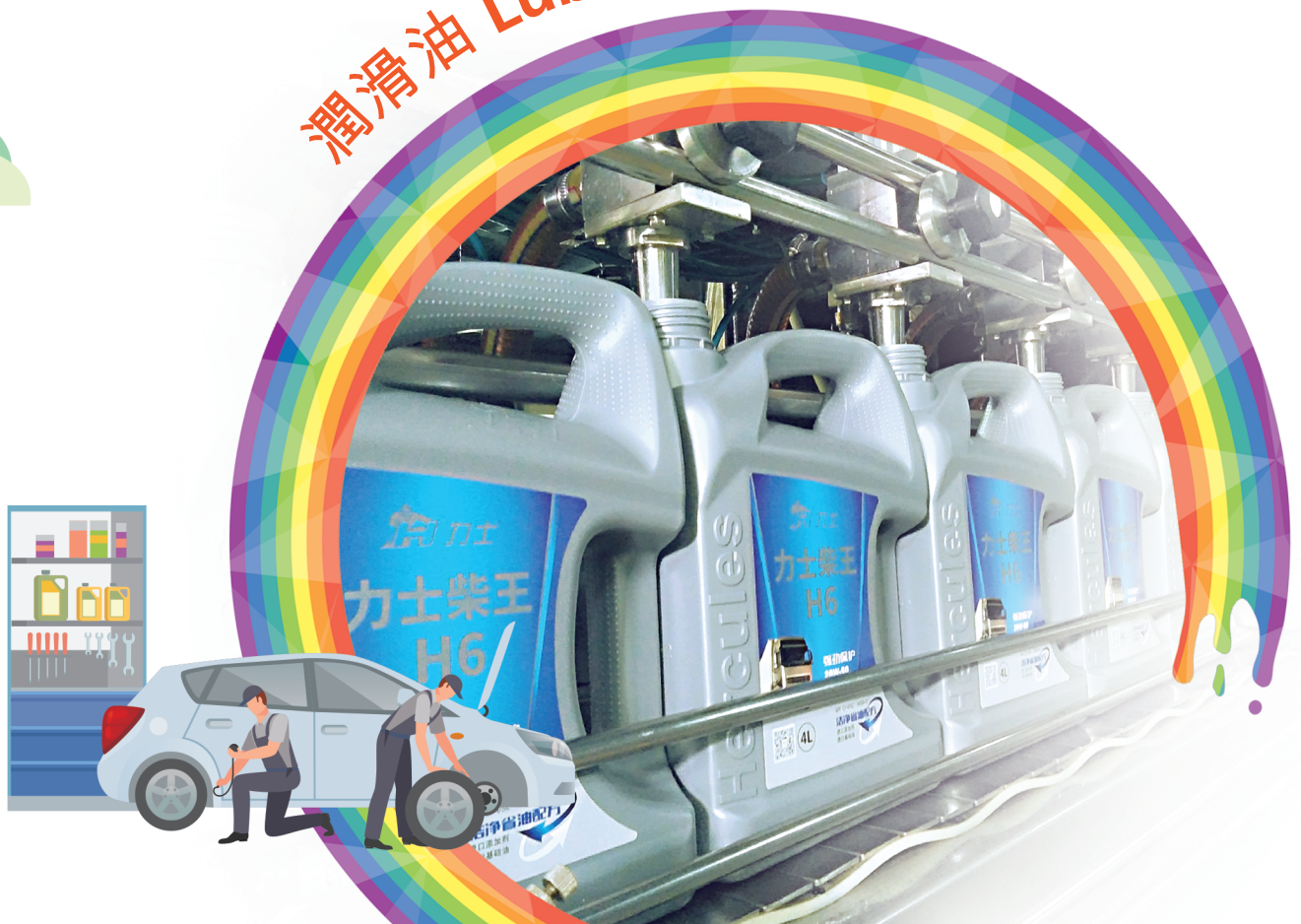
溶劑 Solvents





塗料 Coatings

潤滑油 Lubricants



業務簡介 — 溶劑 Business Profiles — Solvents

溶劑是集團最大的核心業務，集團為全球最大的醋酸酯類溶劑生產商。瞄準中國改革開放的發展機會，集團旗下子公司謙信化工發展有限公司於一九九三年與江門市啟盛化工發展有限公司成為合作夥伴，憑藉中外合資的優勢，互相取長補短，聯手打造了超過二十載的輝煌成績。

溶劑業務主要生產工業用的環保型有機溶劑，包括醋酸乙酯、醋酸正丁酯、醋酸正丙酯、醋酸混丁酯及丙烯酸丁酯，廣泛應用於塗料、製革、醫藥、黏合劑等行業，於華南及華東均設有生產基地。溶劑業務擁有強大的營銷隊伍和覆蓋全國以至世界各地的銷售網絡，並採用直銷主導的經營模式，除了可確保服務貼心到位外，亦可讓銷售團隊更了解客戶的需要，為業務重要優勢之一。

集團一向注重客戶，溶劑業務以客為本的售前及售後服務贏得客戶多年來的信賴及支持。我們與世界級的化工企業合作，採購質量優越穩定的原材料，保障產品質量。

面對中國龐大的市場需求，我們把握機遇，除了不斷擴大醋酸酯產能，在同業中確保領先優勢外，更致力開拓具有協同效應的相關新產品，以擴大產品組合。

Solvents form the largest part of the Group's core businesses and the Group is the world's largest acetate solvents producer. A major turn of event took place in 1993 when Handsome Chemical Development Limited, a subsidiary within the Group, set sight on the opportunities made available from the reform and liberalization in China and formed a joint venture with Jiangmen Qisheng Chemical Development Company Limited. By capitalizing on the advantages of a sino-foreign joint venture and by complementing each other, the two partners were able to achieve over 20 years of dazzling performance.

The Group produces mainly eco-friendly industrial organic solvents. These include ethyl acetate, normal butyl acetate, normal propyl acetate, mixed butyl acetate and butyl acrylate which are extensively used in coatings, tannery, medicine and adhesives industries. The solvents division has established production bases in Southern and Eastern China. The business maintains a huge sales force and operates a sales network that covers the whole of China and reaches overseas. By operating mainly on a direct-sale basis, it manages not only in ensuring thorough and satisfactory services, but also in affording its sales team a better understanding of customer needs — a vital edge of the business.

The Group always values its customers and the pre- and post-sales customer-oriented services of the solvents business have, over the years, won the trust and support of customers. We cooperate with world-class chemical companies in sourcing raw materials of superior and stable quality as a way to guarantee product quality.

Facing China's huge market demand, we grasp full advantage of the opportunity not only by expanding its acetate solvents capacity to ensure its competitive edge in the industry, but also by developing new related products that offer synergistic effects in order to expand our product portfolio.



業務簡介 — 塗料 Business Profiles — Coatings



紫荊花新材料集團（「新材料集團」）管理葉氏化工旗下於國內的建築塗料、工業塗料及樹脂業務的同時，新材料集團將突破傳統塗料領域，涉足更多新材料業務。葉氏化工於二零一八年初收購「Camel」（駱駝）、「Aquapro」及「Viva」等塗料品牌，及其於香港、澳門及中國內地的建築塗料及工業塗料業務，以上全歸新材料集團管理。

隨著消費者對環保及健康的日益關注，新材料集團不斷創新，踐行「高性能表現成就健康生活」的品牌理念，致力為消費者提供專業及安心的產品與服務，以更高且卓越的性能表現，成就中國千萬家庭環保健康的居家生活。新材料集團於上海、廣東及四川均設有大型自動化生產基地。

建築塗料

建築塗料產品包括內外牆乳膠漆及木器漆。新材料集團銳意成為中國家裝塗料市場的領導者，銷售點覆蓋全國大中城市和大部分鄉鎮，深受廣大用戶的好評和信賴。在建築工程界，通過提供專業的產品以及優質的服務，贏得了眾多知名房企的信賴，並結成長期戰略合作夥伴關係，令新材料集團的專業工程項目覆蓋全國各地。

The Bauhinia Advanced Materials Group (the “advanced materials group”) manages the architectural coatings, industrial coatings and resins businesses under Yip’s Chemical in Mainland China. The advanced materials group will venture into new materials business beyond the field of traditional coatings. Yip’s Chemical acquired coatings brands, namely “Camel”, “Aquapro” and “VIVA” in early 2018, and their respective architectural and industrial coatings businesses in Mainland China, Hong Kong and Macau and are now managed by the advanced materials group.

With the growing environmental awareness and health consciousness of consumers, the advanced materials group has stayed innovative, worked towards the brand value of “High-performing Coatings Enabling a Healthy Lifestyle” by providing consumers with professional and safe products and services, delivering quality and excellence so as to provide a healthy and green home environment for thousands of families in Mainland China. The advanced materials group has set up large-scale automated production bases in Shanghai, Guangdong and Sichuan.

Architectural Coatings

Architectural coatings include inner and outer emulsion wall paints and wood paints. The advanced materials group strives to be the leader in China’s household paints market. With sales outlets covering China’s large and medium-sized cities as well as the majority of townships, the advanced materials group has won favourable comments and goodwill from innumerable users. In the field of architecture and construction, professional products and exceptional services of the advanced materials group have gained the confidence of many well-known property developers. With long-term strategic partnership forged with many of these developers, projects using the advanced materials group’s paints can now be found across the country.



業務簡介 — 塗料 Business Profiles — Coatings

工業塗料

工業塗料的產品系列廣泛，包括傢俱木器、塑膠及防腐塗料。在工業漆市場，新材料集團的工業漆多年來一直保持快速增長，通過專業的產品品質及服務，贏得了新老客戶的口碑和高度信賴。工業塗料旗下實驗室為中國合格評定國家認可委員會認可實驗室，可因應客戶要求提供相應檢測服務，除了為產品品質提供強力保證外，同時亦大大提升了新材料集團與眾多國際品牌的終端用戶或使用單位的合作空間。

樹脂

新材料集團生產樹脂，並垂直整合至相關塗料成品，以提供更具競爭力之原材料及進一步提升產品質素。產品分丙烯酸樹脂、水性樹脂、醇酸樹脂、聚酯樹脂和聚氨酯固化劑等，可以依客戶的要求，開發客戶所需的塗料用樹脂。

輔材

集團亦提供高端品質及環保的輔材產品，產品線覆蓋牆面加固、地面平整、瓷磚鋪貼、工具耗材等。其銷售網絡完善，使消費者輕鬆實現一站式購物體驗。

駱駝漆

駱駝漆早於一九三二年於香港成立，產品行銷多年來遍及香港、澳門及中國內地，豐富的產品線涵蓋民用塗料、建築塗料及工業塗料。於二零二一年，駱駝漆推出全新品牌lemac，透過專業調色師為消費者提供調色顧問服務，並為其調製個人化家居色彩。

集團深信收購駱駝漆等品牌將有助鞏固其在中國內地尤其是華南地區的塗料市場地位，並與新材料集團的原本業務在製造、技術、經銷及市場推廣領域創造更大協同效益，為將來在粵港澳大灣區乃至全國各地的發展打好基礎。

Industrial Coatings

Industrial coatings consist of a range of products, including coatings for furniture and plastic, as well as anti-corrosive coatings. The industrial paints of the advanced materials group have been maintaining rapid growth over the years. Its superb product quality and professional services have succeeded in eliciting a high degree of trust from new and old customers alike. The industrial coatings laboratory is an accredited laboratory recognised by China National Accreditation Service for Conformity Assessment (“CNAS”), which can offer corresponding testing services based on customer’s requests. This not only provides solid guarantee on product quality, but also substantially expands the room for cooperation between the advanced materials group and the end-users or using entities of a host of international brands.

Resins

The advanced materials group produces resins, which will be vertically integrated with finished coating products so as to offer more competitive raw materials while further raising product quality. Its products range from acrylic resins, water-based resins and alkyd resins, to polyester resins and polyurethane curing agents. It can also develop resins to meet the specific needs of the customers.

Auxiliary Materials

The Group also provides high-quality and environmentally friendly auxiliary materials which cover wall reinforcement, floor leveling, tile paving, various tools, etc. Its extensive sales network enables consumers to enjoy one-stop shopping experience.

Camel Paints

Camel was founded in Hong Kong in 1932 and its products can be found in Hong Kong, Macau and Mainland China. Its extensive product lines encompass household coatings, architectural coatings and industrial coatings. Camel launched a new brand, lemac in 2021 to provide color consultation service and personalized interior paints for consumers by professional colorists.

The Group believes that the acquisition of Camel and other brands would help strengthen its coating market position in Mainland China, especially the southern area, and will create synergy with the current businesses of the advanced materials group on areas such as manufacturing, technology, distribution and marketing, building a solid foundation for the development into the Guangdong-Hong Kong-Macau Greater Bay Area, and even across Mainland China in the future.

業務簡介 — 油墨 Business Profiles — Inks



葉氏化工的油墨業務始於一九九八年，旗下品牌「洋紫荊」油墨目前已發展為全國最大油墨供應商，並躋身全球頂級油墨企業二十強之列。洋紫荊油墨主要生產塑膠印刷油墨及紙品印刷油墨等產品，應用於食品、飲料、禮品包裝及紙張印刷等行業，在華南及華東地區的策略性據點皆設有生產基地，銷售網絡覆蓋全國。

為符合清潔生產要求，洋紫荊油墨率先採用獨立的無苯車間及管道化生產模式，並配備國內最先進的自控系統，是國內屈指可數的與企業資源管理相連接的油墨生產系統。洋紫荊油墨更是中國油墨行業中首批引入有害物質管理體系的企業，致力保障員工健康及保護環境。

洋紫荊油墨提倡綠色環保理念，無論在環保產品或綠色技術研發都達到行業上的領先水平。洋紫荊油墨透過技術改造，減少揮發性有機化合物(VOC)於生產過程中的排放，同時研發環保性能出眾的水性油墨，推出更符合市場需求的綠色產品，因而獲得「企業環保領先大獎」榮譽。同時，洋紫荊油墨亦設有為中國合格評定國家認可委員會認可的實驗室，提供專業的產品檢測服務，為產品品質保證提供堅強支持。



Yip's Chemical's inks business started in 1998. By now it is China's largest supplier of inks under the Bauhinia Ink brand and one of the top 20 ink enterprises globally. Plastic printing inks and paper printing inks for use in food, drinks and gift packaging and paper printing are the main Bauhinia Ink products. With manufacturing bases in strategic locations throughout Southern and Eastern China, these products are sold over a countrywide sales network.

In order to fulfill a clean production principle, Bauhinia Ink takes the lead in establishing separate aromatic-free production plant and introducing fully piped manufacturing mode. The Bauhinia Ink production system is not only equipped with the most advanced automatic controls, but is also one of the few in China linked to an Enterprise Resources Planning system. In addition, in its effort to protect employee health and the environment, Bauhinia Ink has also become one of the pioneers in the China's inks industry in adopting a hazardous substance process management system.

Bauhinia Ink is a staunch advocate of environmental protection and is leading the industry in both environmentally friendly products and green technologies. Bauhinia Ink reduced volatile organic compounds (VOC) emission during production process through technological advancement while developing water-based inks with outstanding eco-friendly performance and launched green products that better met the market needs, thus honored the "Corporate Environmental Leadership Awards". In addition, equipped with a laboratory that has been certified by CNAS, Bauhinia Ink provides a professional product testing service which gives a strong boost to product quality assurance.



業務簡介 — 潤滑油 Business Profiles — Lubricants



集團的潤滑油生產始於一九九二年，以「力士」為品牌的汽車及相關工業潤滑油產品種類多元化，包括發動機油、不凍液、系統冷卻液、剎車油、潤滑脂、齒輪油、自動排擋油、液壓油等，其研發的甲醇雙燃料發動機專用潤滑油更成功在國家高技術研究發展計劃（863計劃）的攻關項目獲得認可。以「博高」為品牌的高效能工業潤滑油及特種潤滑油，廣泛用於電子、家電、汽車、軸承製造、工程機械、鋼鐵、港口碼頭、水泥、玩具、紡織、金屬加工等行業。

潤滑油業務近年重點重塑「力士」潤滑油品牌和定位，通過產品升級、管道扁平化和終端門店賦能等策略，力爭在中國汽車後市場穩佔席位。同時，隨著國內需求的升級，潤滑油業務加大工業特種潤滑油的技術研發投入，致力在特種油脂及金屬加工油（液）的中高端市場上取得更大突破。

Yip's Chemical started engaging in the production of lubricants in 1992. Since then, it has rolled out a wide array of lubricants for use in automobiles and related industries under the Hercules brand name, including engine oils, antifreeze fluids, system coolants, brake oils, lubricating greases, gear oils, automatic gearbox oils, hydraulic oils, etc. The lubricating oil it has developed specifically for use in methanol dual-fuel engines has been recognised as a key achievement in the National High-tech R&D Programme of China (the "863 Programme"). The Group also produces a range of high-performance industrial lubricants and special lubricants under the Pacoil brand name. Pacoil products are used in various industries including electronics, home appliances, automobiles, bearing manufacturing, engineering machinery, steelworks, port terminals, cement works, toys manufacturing, textiles, metal processing, etc.

In recent years, the lubricants business has engaged mainly in re-building and repositioning the Hercules brand. Its objective is to secure a solid footing in the automotive aftermarket through strategies such as upgrading products, streamlining channels and empowering end-user stores. Concurrently, with the upgrading of domestic demand, investment in the R&D of industrial specialty lubricant technologies has been stepped up with the view of achieving greater breakthroughs in specialty greases and metal processing oils (liquids) for the medium to high-end markets.

業務簡介 — 大嘜養車

Business Profiles — Car Maintenance Chain of Damai

集團策略性投資大嘜養車，抓緊汽車後市場商機。集團於二零二零年初進一步把持股比例增加至61%，成為大嘜養車的最大單一控股股東，支持其在全國發展養車連鎖店業務，為車主提供快速及標準化的換油服務。此項新投資旨在積極探索以不同形式實現集團服務化和終端化的發展方向，並把我們的價值定位延伸至消費者。

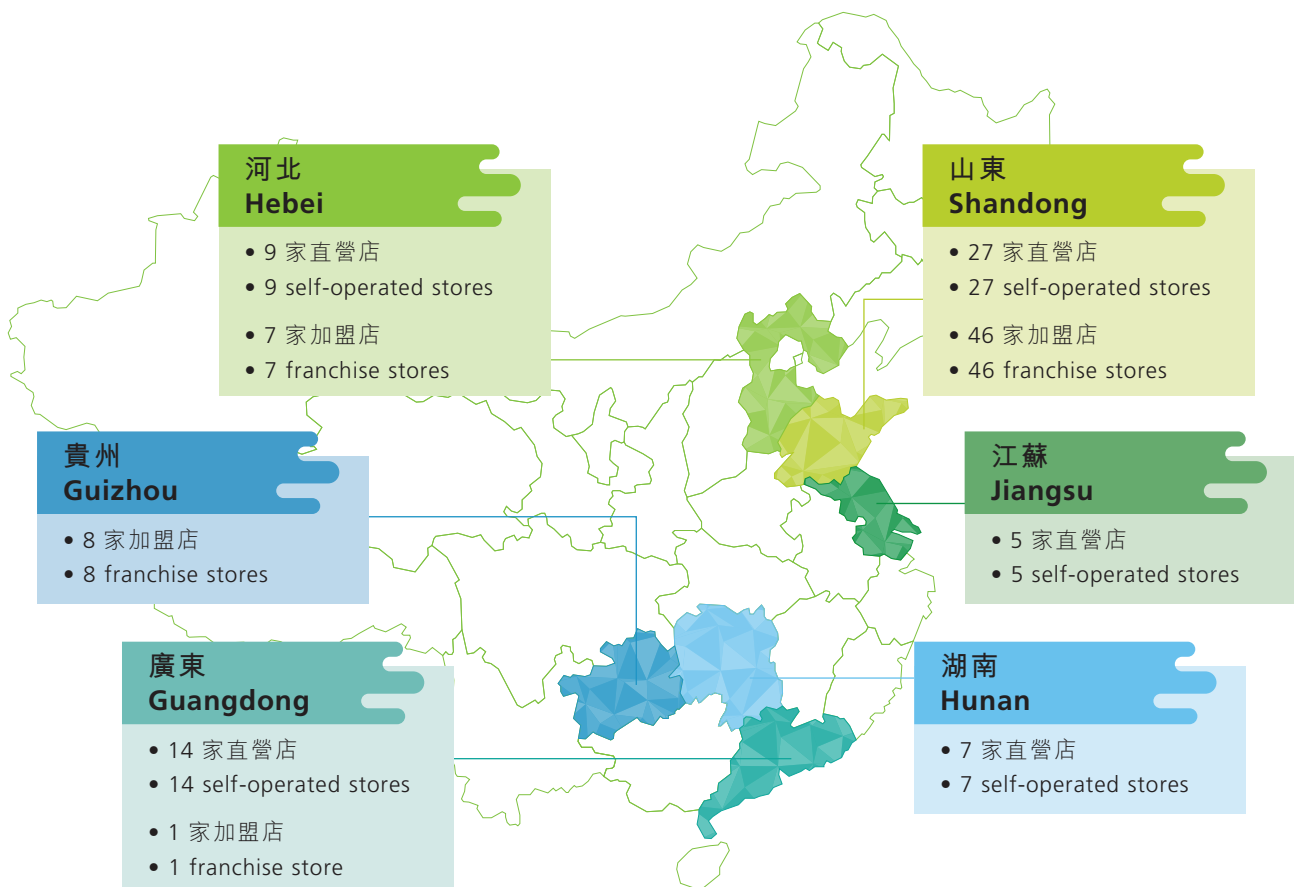
The Group invests strategically in Damai to capture opportunities in the car service market. The Group further increased its shareholding in the chain brand to 61% in the beginning of 2020, becoming the single largest controlling shareholder of Damai. The Group will support Damai's development of car maintenance chain outlets business in China, providing quick and standardized oil-changing service to car owners. The rationale for this new venture is to actively explore new ways in moving towards the Group's goal of becoming more service and end-user oriented and to extend our value proposition to consumers.

「大嘜養車」店舖網絡

(於二零二一年十二月三十一日)

Chain Store Network of Damai

(As at 31 December 2021)



五年財務概要表

Five Year Financial Summary

		截至十二月三十一日止年度				
		For the year ended 31 December				
		二零二一年	二零二零年	二零一九年	二零一八年	二零一七年
		2021	2020	2019	2018	2017
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
業績	Results					
營業額	Revenue	17,805,397	10,776,026	10,464,834	12,388,283	10,280,001
销售量(千噸)	Sales volume ('000 metric tons)	1,559	1,490	1,379	1,388	1,277
除稅前溢利	Profit before taxation	739,198	534,911	480,895	412,314	390,955
稅項	Taxation	(164,647)	(131,335)	(143,821)	(157,849)	(136,269)
本年度純利	Profit for the year	574,551	403,576	337,074	254,465	254,686
應佔溢利	Attributable to					
本公司股東	Owners of the Company	406,280	302,575	272,907	184,805	170,560
非控股權益	Non-controlling interests	168,271	101,001	64,167	69,660	84,126
		574,551	403,576	337,074	254,465	254,686
每股資料	Per share data					
每股盈利(港仙)	Earnings per share (HK cents)					
— 基本	— Basic	72.8	53.8	48.4	32.8	30.2
— 攤薄	— Diluted	72.8	53.8	48.4	32.8	30.2
每股股息(港仙)*	Dividend per share (HK cents)*	40.0	22.0	20.0	16.0	15.0
財務比率	Financial ratios					
平均總資產回報率	Return on average total assets	4.3%	3.7%	3.4%	2.3%	2.2%
平均股東資金回報率	Return on average shareholders' funds	11.3%	9.5%	9.4%	6.4%	6.2%

* 二零二一年之每股股息包括特別股息10.0港仙及就二零二一年中期股息及特別股息提供以股代息之選擇。

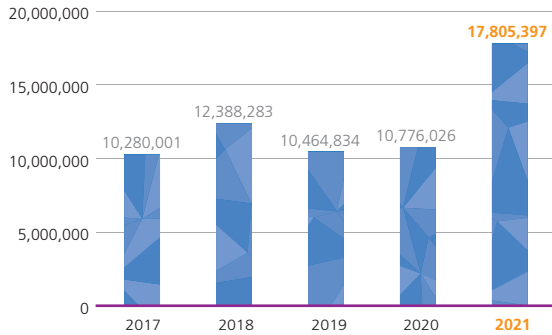
* Dividend per share in 2021 included the special dividend HK10.0 cents per share and scrip dividend alternative was offered in respect of the 2021 interim dividend and special dividend.

		於十二月三十一日				
		As at 31 December				
		二零二一年	二零二零年	二零一九年	二零一八年	二零一七年
		2021	2020	2019	2018	2017
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產及負債	Assets and Liabilities					
資產總值	Total assets	10,420,089	8,439,363	7,752,659	8,320,710	8,068,146
負債總值	Total liabilities	(5,692,590)	(4,213,164)	(4,190,462)	(4,886,284)	(4,516,968)
		4,727,499	4,226,199	3,562,197	3,434,426	3,551,178
本公司股東應佔權益	Equity attributable to owners of the Company	3,802,373	3,405,924	2,941,479	2,836,726	2,978,917
非控股權益	Non-controlling interests	925,126	820,275	620,718	597,700	572,261
		4,727,499	4,226,199	3,562,197	3,434,426	3,551,178
淨銀行借貸對股東資金比率	Net bank borrowings to shareholders' funds	37%	31%	33%	46%	51%



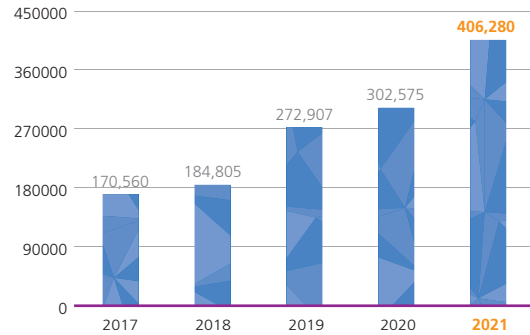
營業額 (千港元) Revenue (HK\$'000)

截至十二月三十一日止年度 For the year ended 31 December



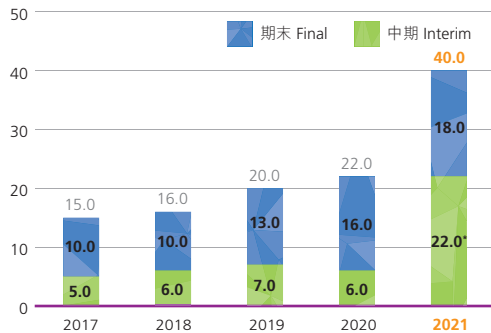
本公司股東應佔溢利 (千港元) Profit attributable to owners of the Company (HK\$'000)

截至十二月三十一日止年度 For the year ended 31 December



每股股息 (港仙) Dividend per share (HK cents)

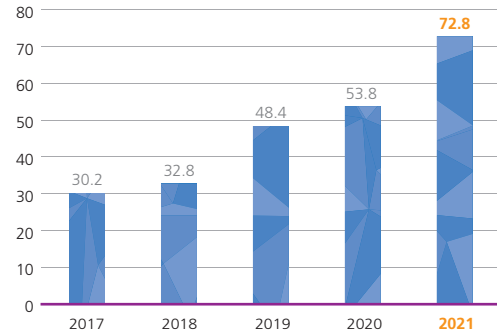
截至十二月三十一日止年度 For the year ended 31 December



* Included special dividend HK10.0 cents and scrip dividend alternative was offered
包括特別股息10.0港仙及
提供以股代息之選擇

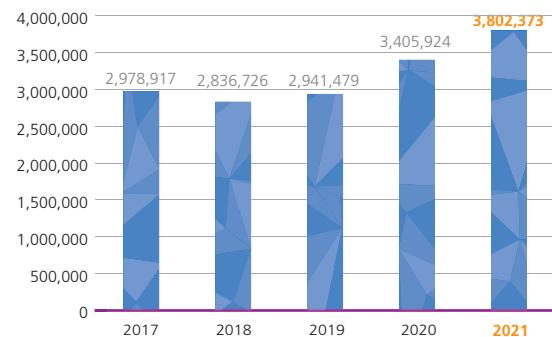
每股盈利 (港仙) Earnings per share (HK cents)

截至十二月三十一日止年度 For the year ended 31 December



本公司股東應佔權益 (千港元) Equity attributable to owners of the Company (HK\$'000)

於十二月三十一日 As at 31 December



營業額及分類業績之五年分析

Analysis of Revenue and Segment Results for the Past Five Years

營業額

Revenue

		截至十二月三十一日止年度				
		For the year ended 31 December				
		二零二一年	二零二零年	二零一九年	二零一八年	二零一七年
		2021	2020	2019	2018	2017
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(經重列)				
		(restated)				
溶劑	Solvents	14,027,271	7,867,873	7,403,491	8,947,624	7,046,878
塗料	Coatings	2,036,898	1,442,690	1,610,221	1,826,230	1,649,626
油墨(附註一)	Inks (Note 1)	1,498,448	1,244,546	1,286,405	1,474,743	1,409,738
潤滑油	Lubricants	333,214	219,973	203,682	270,569	293,227
物業(附註二)	Properties (Note 2)	10,163	8,904	14,195	11,048	-
其他(附註一)	Others (Note 1)	139,280	136,883	104,295	NA	NA
交易抵銷	Elimination	(239,877)	(144,843)	(157,455)	(141,931)	(119,468)
總額	Total	17,805,397	10,776,026	10,464,834	12,388,283	10,280,001

附註：

一. 於截至二零二零年十二月三十一日止年度，誠如本公司日期為二零二零年八月十七日之通函所進一步詳述，鑒於建議一間從事製造及買賣油墨及相關產品的附屬公司於中華人民共和國（「中國」）證券交易所獨立上市，本集團已修訂用於分配資源及評估表現之分類組織。油墨分類於二零二零年包括製造及買賣油墨及相關產品，不包括先前於油墨分類項下呈報的其他化工產品。因此，截至二零一九年十二月三十一日止年度對應分類營業額及業績已重新呈列。

此外，本集團有關製造及買賣其他化工產品的業務連同從事汽車保養服務的業務於本年度及過往年度（如適用）均無達到可呈報分類的量化要求，故該等分類於「其他」合併呈列。

二. 於截至二零一八年十二月三十一日止年度，鑒於物業分類營運之重要性日增，本集團已修訂用於分配資源及評估表現之分類組織，經考慮加入新分類－物業。

Notes:

1. During the year ended 31 December 2020, in view of the proposed separate listing of a subsidiary engaging in manufacturing and trading of inks and related products on a stock exchange in the People's Republic of China ("PRC") as further detailed in the Company's circular dated 17 August 2020, the Group revised the organisation of segments that is used to allocate resources and assess performance. The inks segment in 2020 includes the manufacture of and trading in inks and related products, excluding other chemical products which were previously reported under the inks segment. As a result, the corresponding segment revenue and results for the year ended 31 December 2019 have been re-presented.

In addition, the Group's operation relating to the manufacture of and trading in other chemical products together with the business engaging in car maintenance services do not meet the quantitative threshold for reportable segment in both current and prior year (if applicable). Accordingly these were aggregated and presented in "Others".

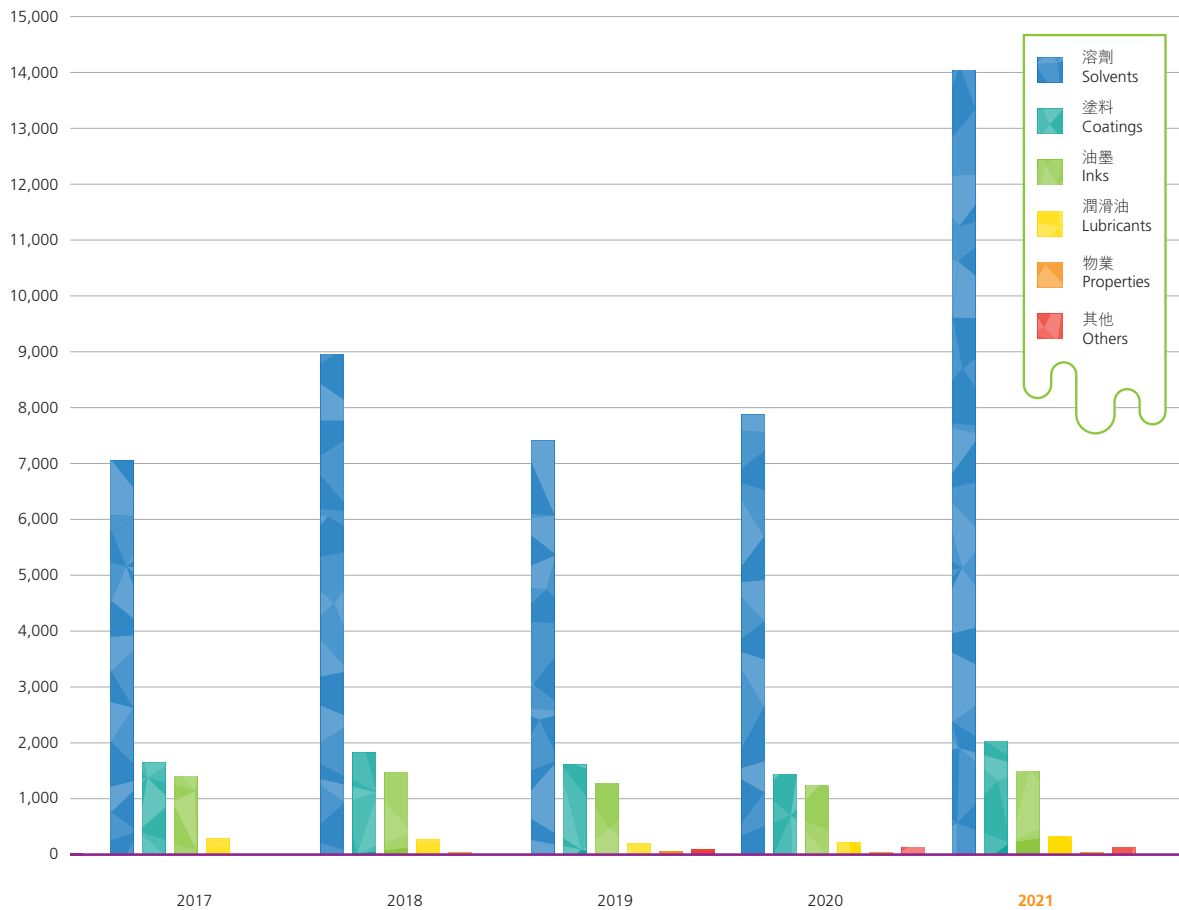
2. During the year ended 31 December 2018, in view of the continuing significance of the operation of the properties segment, the Group revised the organisation of segments that are used to allocate resources and assess performance, and considered to include a new segment, namely properties.

營業額及分類業績之五年分析
Analysis of Revenue and
Segment Results for the Past Five Years

營業額 (百萬港元)

Revenue (HK\$ Million)

截至十二月三十一日止年度 For the year ended 31 December



營業額及分類業績之五年分析

Analysis of Revenue and Segment Results for the Past Five Years

分類業績

Segment Results

		截至十二月三十一日止年度				
		For the year ended 31 December				
	二零二一年	二零二零年	二零一九年	二零一八年	二零一七年	
	2021	2020	2019	2018	2017	
	千港元	千港元	千港元	千港元	千港元	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		(經重列)				
		(restated)				
溶劑	Solvents	830,262	471,454	277,904	344,689	393,338
塗料	Coatings	(123,503)	51,156	56,574	(6,497)	8,291
油墨(附註一)	Inks (Note 1)	47,337	60,767	78,616	39,569	54,984
潤滑油	Lubricants	19,735	7,593	6,441	(38,660)	(8,405)
物業(附註二)	Properties (Note 2)	67,579	981	140,272	138,697	39,641
其他(附註一)	Others (Note 1)	(32,463)	(12,130)	15,208	NA	NA
交易抵銷	Elimination	333	(316)	31	278	(197)
總額	Total	809,280	579,505	575,046	478,076	487,652

附註：

一. 於截至二零二零年十二月三十一日止年度，誠如本公司日期為二零二零年八月十七日之通函所進一步詳述，鑒於建議一間從事製造及買賣油墨及相關產品的附屬公司於中國證券交易所獨立上市，本集團已修訂用於分配資源及評估表現之分類組織。油墨分類於二零二零年包括製造及買賣油墨及相關產品，不包括先前於油墨分類項下呈報的其他化工產品。因此，截至二零一九年十二月三十一日止年度對應分類營業額及業績已重新呈列。

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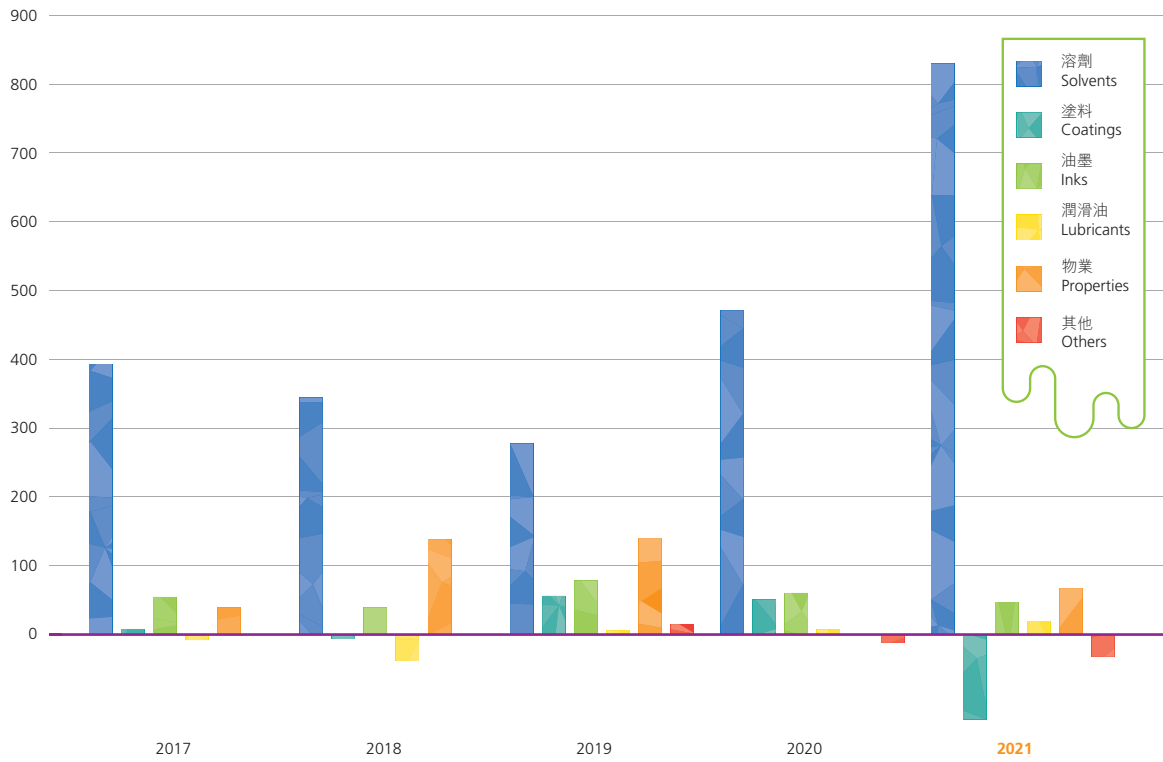
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營業額及分類業績之五年分析
Analysis of Revenue and
Segment Results for the Past Five Years

分類業績 (百萬港元)

Segment Results (HK\$Million)

截至十二月三十一日止年度 For the year ended 31 December





流動資金及財務資源 Liquidity and Financial Resources

於二零二一年十二月三十一日，集團的借貸比率（以淨銀行借貸佔本公司股東應佔權益為計算基準）為36.6%，上升5.5個百分點（二零二零年十二月三十一日：31.1%），較二零二一年中期的51.7%比較則回落15.1個百分點。本年集團的經營業務現金流繼續維持健康水平，但集團淨銀行借貸因投資溶劑業務新廠房及各長期投資項目而上升，故集團的借貸比率亦有所上升。二零二一年人民幣匯率上升2.7%，儘管人民幣匯率於本年表現相對穩定，集團會繼續審慎管理外匯風險，以盡量減低人民幣匯率波動對集團業績之影響。另一方面，由於集團淨銀行借貸有所上升，故本年淨利息支出上升17.9%至37,968,000港元（二零二零年：32,216,000港元）。

經營業務所產生之現金流量方面，年內集團錄得淨現金流入266,372,000港元（二零二零年：淨現金流入222,200,000港元）。對比去年，本年的淨現金流入增加主要由於銷售增長強勁，扣除脹升的營運資金以支持貿易應收賬及應收票據、預付款及存貨後，本年經營淨現金流入仍比去年上升。

As at 31 December 2021, the Group's gearing ratio (measured by net bank borrowings as a percentage of equity attributable to owners of the Company) was 36.6% (31 December 2020: 31.1%), representing an increase of 5.5 percentage points and a decline of 15.1 percentage points as compared to 51.7% as at interim 2021. Although the Group continued to maintain a healthy operating cash flow this year, the Group's net bank borrowings increased due to the investment in the solvents' new plant and various long term investments, leading to the increase in the Group's gearing ratio. The RMB exchange rate recorded an appreciation of 2.7% in 2021. Although the RMB exchange rate was relatively stable during the year, the Group will remain prudent in managing foreign exchange exposure so as to minimise the impact of RMB fluctuation on its results. On the other hand, the net interest expenses during the year increased by 17.9% to HK\$37,968,000 (2020: HK\$32,216,000) because of a rise in the Group's net bank borrowings.

As for operating cash flow, the Group recorded during the year a net cash inflow of HK\$266,372,000 (2020: net cash inflow of HK\$222,200,000). Compared with the preceding year, the increase in operating cash inflow was driven by the strong increase in sales growth, although the effect was partly offset by the inflated working capital required to finance trade receivables and bills receivables, prepayments and inventories.

流動資金及財務資源 Liquidity and Financial Resources

於二零二一年十二月三十一日，集團的銀行總欠款為2,149,875,000港元（二零二零年十二月三十一日：1,624,487,000港元），扣除短期銀行存款、銀行結餘以及現金758,317,000港元（二零二零年十二月三十一日：565,302,000港元）後，淨銀行借貸為1,391,558,000港元（二零二零年十二月三十一日：1,059,185,000港元）。銀行總欠款中，須於一年內清還之短期貸款為1,247,042,000港元（二零二零年十二月三十一日：706,887,000港元），以兩種貨幣定值，其中704,767,000港元以港幣定值，542,275,000港元以人民幣定值（二零二零年十二月三十一日：671,100,000港元以港幣定值，35,787,000港元以人民幣定值）。一年後到期的長期貸款為902,833,000港元（二零二零年十二月三十一日：917,600,000港元），全數以港幣定值（二零二零年十二月三十一日：全數以港幣定值）。短期銀行存款、銀行結餘以及現金使用以下貨幣定值，包括43,473,000港元以港幣定值、555,950,000港元以人民幣定值、157,778,000港元以美元定值、1,116,000港元以其他貨幣定值（二零二零年十二月三十一日：24,309,000港元以港幣定值、425,408,000港元以人民幣定值、110,879,000港元以美元定值、4,706,000港元以其他貨幣定值）。

As at 31 December 2021, gross bank borrowings of the Group amounted to HK\$2,149,875,000 (31 December 2020: HK\$1,624,487,000). After the deduction of short-term bank deposits, bank balances and cash amounting to HK\$758,317,000 (31 December 2020: HK\$565,302,000), net bank borrowings amounted to HK\$1,391,558,000 (31 December 2020: HK\$1,059,185,000). Of the gross bank borrowings, HK\$1,247,042,000 (31 December 2020: HK\$706,887,000) were short-term loans repayable within one year. Such loans were denominated in two currencies, HK\$704,767,000 in Hong Kong Dollars and HK\$542,275,000 in RMB (31 December 2020: HK\$671,100,000 in Hong Kong Dollars and HK\$35,787,000 in RMB). Long-term loans repayable after one year amounted to HK\$902,833,000 (31 December 2020: HK\$917,600,000), and they were all denominated in Hong Kong Dollars (31 December 2020: all in Hong Kong Dollars). The short-term bank deposits, bank balances and cash were denominated in the following currencies: HK\$43,473,000 in Hong Kong Dollars, HK\$555,950,000 in RMB and HK\$157,778,000 in US Dollars and HK\$1,116,000 in other currencies (31 December 2020: HK\$24,309,000 in Hong Kong Dollars, HK\$425,408,000 in RMB and HK\$110,879,000 in US Dollars and HK\$4,706,000 in other currencies).

流動資金及財務資源 Liquidity and Financial Resources

為延續過往到期的中長期貸款，集團於二零二一年已與六間銀行簽訂600,000,000港元之四年期可持續發展表現掛鉤銀團貸款協議，當集團達至多項與銀行預先訂立之環境、社會及管治表現相關目標，即可獲得此貸款利率的折扣優惠。於二零二一年，集團已達到部份目標，因此可在二零二二年取得相關的利率折扣優惠以節省利息。回顧年內集團增加使用短期貸款，除可更靈活使用資金外，亦能降低借貸成本，於二零二一年十二月三十一日，中長期貸款（含一年內須償還之部份為479,767,000港元）佔所有銀行貸款的比例為64%。儘管現時市場仍處於低息環境，但預期加息不斷升溫，集團會不時檢視利率波動情況，於合適時間與銀行簽訂利率掉期或定息協議，以對沖貸款利率波動的風險。於二零二一年十二月三十一日，集團以定息安排的貸款佔其中長期貸款47%。

於二零二一年十二月三十一日，共有24間位於香港及中國內地的銀行向集團提供合共6,588,898,000港元的銀行額度，足夠應付現時集團營運資金及擴展所需。銀行額度中，46%以港元定值、53%以人民幣定值及1%以美元定值。於二零二一年十二月三十一日，集團人民幣流動貸款額度為1,828,000,000人民幣（二零二零年十二月三十一日：950,000,000人民幣），由於國內借貸利率於過往數年不斷下降，集團已增加其人民幣貸款額度，以應付國內循環資金需求及減輕人民幣匯率潛在波動之影響。集團將不時在香港和國內以港幣、美元、人民幣或其他外幣構建最理想的銀行貸款組合，繼續在降低借貸成本及控制匯兌風險之間取得理想平衡。

於二零二一年十二月三十一日，本集團並沒有持有重大投資、抵押資產及重大或然負債。除本年報披露外，本集團並沒有任何重大投資或重大資本資產投放的具體計劃。

To refinance the previous mid-to-long-term loans due for repayment, the Group has signed a four-year sustainability-linked embedded syndicated loan facility agreement of HK\$600,000,000 in 2021 with six banks. Under the facility agreement, the Group is eligible to receive interest rate savings upon achieving pre-determined targets which address environmental, social and governance performance mutually agreed with the banks. In 2021, certain targets had been met and thus resulting in securing the relevant interest rate savings in 2022. During the year under review, the Group increased the utilization of the short-term loan facility, which not only allowed more flexibility for use of fund, but also reduced borrowing costs. As at 31 December 2021, mid-to-long-term loans (including portions repayable within one year of HK\$479,767,000) accounted for 64% of the total bank loans. Although the market is still at low interest rate environment, the expectation for rate hikes continues to rise. The Group will monitor the interest rate fluctuation from time to time and enter into interest rate swaps or fixed rate arrangement with the banks at an appropriate time to hedge against the risk of interest rate fluctuation. As at 31 December 2021, the Group's loans under fixed rate arrangement made up 47% of its mid-to-long-term loans.

As at 31 December 2021, a total of 24 banks in Hong Kong and Mainland China granted banking facilities in aggregate amount of HK\$6,588,898,000 to the Group, providing it with sufficient funds to meet present working capital and expansion requirements. Of these banking facilities, 46%, 53% and 1% were denominated in Hong Kong Dollars, RMB and US Dollars respectively. As at 31 December 2021, the Group's RMB revolving loan facilities totaled at RMB1,828,000,000 (31 December 2020: RMB950,000,000). As the interest borrowing rate in Mainland China continued to decline in the past few years, the Group has increased its RMB loan portfolio to address the revolving funding needs in Mainland China as well as to mitigate the exposure to potential RMB exchange rate fluctuation. The Group will continue to strike an optimal balance between lowering borrowing costs and minimising currency exposure by structuring a favourable combination of Hong Kong Dollars, US Dollars, RMB or other foreign currency bank loans in Hong Kong and Mainland China.

As at 31 December 2021, the Group did not have any significant investments, pledged assets and significant contingent liabilities. Other than those disclosed in this annual report, the Group did not have any concrete plans for material investments or capital assets.

獎項及榮譽

Awards and Recognitions



香港 HONG KONG

香港管理專業協會

香港可持續發展獎「卓越獎」

Hong Kong Management Association

Hong Kong Sustainability Award – Certificate of Excellence

香港品質保證局

傑出綠色和可持續貸款發行機構(化工行業) — 卓越遠見可持續發展掛鉤貸款績效指標

Hong Kong Quality Assurance Agency

Outstanding Award for Green and Sustainable Loan Issuer (Chemical Industry) – Visionary Sustainability-linked Loan Performance Metrics

本識顧問

香港ESG報告大獎2021

最佳ESG報告獎(小市值) — 嘉許獎

Alaya Consulting

Hong Kong ESG Reporting Awards 2021

Best ESG Report – Small-cap – Commendation

香港管理專業協會

傑出市場策劃獎 — 社會公益類別

Hong Kong Management Association

Awards for Marketing Excellence – Excellence in Social Good

香港社會服務聯會

15年Plus「商界展關懷」標誌

The Hong Kong Council of Social Service

15 Years Plus “Caring Company” Logo

香港工業總會

「最具共享價值獎」及「卓越關懷大獎」(中小企業組別)

Federation of Hong Kong Industries

Best Shared Value Award and Outstanding Caring Award (SME Category)

世界綠色組織

「綠色辦公室」及「健康工作間」標誌

World Green Organisation

“Green Office” and “Eco-Healthy Workplace” Labels

《HR Asia》雜誌

2021年亞洲最理想工作公司

HR Asia

Best Company to Work for in Asia 2021

積金局

積金好僱主、電子供款獎及積金推廣獎

Mandatory Provident Fund

Good MPF Employer, e-Contribution Award and MPF Support Award

衛生署、勞工處及職業安全健康局

精神健康友善卓越機構

Department of Health, the Labour Department and the Occupational Safety and Health Council

Mental Health Friendly Supreme Organisation

凝動香港體育基金

《企業「一」起動》嘉許計劃嘉許企業

InspiringHK Sports Foundation

SportsHour Company Scheme Recognised Company

中國內地 MAINLAND CHINA

《Ink World》雜誌

2021世界油墨企業第16位，於國內排名第1，排名以銷售額計算

Ink World

Ranked 16th in the International Ink Companies 2021, and ranked 1st in Mainland China, in terms of sales revenue

《Coatings World》雜誌

2021世界塗料企業第65位，於國內排名第8，排名以銷售額計算

Coatings World

Ranked 65th in the International Coatings Companies 2021, and ranked 8th in Mainland China, in terms of sales revenue

中外塗料網

第十二屆金漆獎 — 傑出內牆塗料品牌、傑出工程塗料品牌及塗料品牌創新獎

27580.cn

12th Golden Coatings Award – Outstanding Interior Wall Coatings Brand, Outstanding Engineering Coatings Brand and Coatings Brand Innovation Award

買化塑、慧聰塗料網

2021牆面漆影響力品牌

ibuychem.com, coatings.hc360.com

Wall Coatings Influential Brand 2021

優居、騰訊家居|貝殼

2021中國家居品牌力量榜 — 年度整合行銷獎及技術領先獎

Youju, Tencent Jiaju|Beke

China Home Furnishing Brand Chart 2021 – Annual Integrated Marketing Award and Leading Technology Award

國家知識產權局

第22屆中國專利獎 — 中國專利優秀獎

China National Intellectual Property Administration

The 22nd China Patent Award – China Patent Excellence Award

廣東省高新技術企業協會

廣東省高新技術產品證書(環保型包裝印刷凹版油墨)

Guangdong Hi-tech Enterprise Association

Guangdong Hi-tech Product Certificate (Environmental Friendly Packaging Gravure Printing Ink)

浙江省桐鄉經濟開發區管理委員會

2020年度桐鄉經濟開發區(高橋街道)十佳工業企業獎

Zhejiang Tongxiang Economic Development Zone Management Committee

2020 Tongxiang Economic Development Zone (Gaoqiao Street) Top 10 Industrial Enterprise Award

企業可持續發展 Corporate Sustainability

集團早年已訂立「百年葉氏」為願景，為我們邁向可持續發展奠定了穩固的基礎。集團把可持續發展理念融入發展策略及日常營運，促使集團能在過去半世紀克服各種風浪，掌握機遇，鞏固市場領先地位。

集團是支持「使命商業」平台的先驅企業之一，提倡將使命融入營商策略。集團於二零二一年推出「匠心·活」匠人創效項目，連結不同持份者以創新行動幫助有需要的人，亦成功推廣及傳承匠人精神。

集團將按照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄二十七所載之《環境、社會及管治報告指引》出版《二零二一環境、社會及管治報告》，該報告將闡述我們在環境、社區、員工、供應鏈及顧客等方面重要議題的管理方針及舉措，讓集團不斷提升可持續發展表現。

The Group has set its vision of “Towards a Century of Revered Leadership” in early years which lays a solid foundation to drive our sustainable development. The Group has instilled the sustainable concept into its development strategies and daily operations, empowering the Group to overcome different challenges, adapt with times and seize opportunities to strengthen our market-leading position.

The Group is one of the first batch companies in advocating “Business with Purpose” by incorporating purpose into business strategies. The Group launched the “Home is” Craftsmen Impact Project in 2021. We connect our different stakeholders to help the needy, and also promote and inherit craftsmanship through innovative programmes.

The Group will soon issue *2021 Environmental, Social and Governance (“ESG”) Report* in accordance with *ESG Reporting Guide* as set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The report will depict our management approaches and initiatives regarding material issues such as the environment, communities, employees, supply chains and customers in order to enhance our sustainability performance.



葉氏化工旗下核心業務包括塗料，因此油漆師傅是集團十分重要的持份者。「匠心·活—匠人堂」為油漆師傅舉辦身心健康活動，以舒緩因職業產生的痛症。

Yip's Chemical's core businesses include coatings, so painters are the Group's very important stakeholders. “Home is – Master Club” hosts wellness programmes for painters to help them relieve occupational pain.

人力資源 Human Resources



於二零二一年十二月三十一日，集團之僱員人數合共有3,541人，其中79人及12人分別來自香港及其他國家，3,450人來自內地各個省份。

集團對人力資源資本的管理及發展非常重視。除鼓勵所有僱員透過內部、外部培訓課程及崗位轉換不斷自我提升外，集團還提供教育資助計劃讓員工自我增值，提高工作技能及績效，於工作上發揮所長。對於有承擔、有能力的員工，不論背景、地區、學歷，集團均提供合適之發展平台。集團亦會定期識別具發展潛力的員工，為他們制定發展計劃，確保能在職涯上不斷提升。集團現時的管理團隊，在各領域經過不斷的磨練而晉身管理層，負起領導集團發展的責任。除積極在內部提升優秀的員工外，集團亦會從外間直接聘用一些卓越的管理人才。

集團提供具挑戰性的工作環境，設置多方面的激勵機制，鼓勵員工自強不息，從而不斷提升集團的人才競爭力，推動業務持續發展。集團不時參考市場趨勢檢討薪酬及獎勵政策，提供合理及具競爭力的薪酬與福利，包括底薪及以業績和個人表現為評核目標而發放的花紅，確保有效吸引和挽留人才。

As of 31 December 2021, the Group has a total number of 3,541 employees, among which 79 and 12 of them are from Hong Kong and other countries while the remaining 3,450 are from different provinces in Mainland China.

The Group places great emphasis on the management and development of human capital. The employees are encouraged to strive for improvement through internal and external training programs, job rotations and participation in the Group's educational subsidy programs, facilitating self-development in knowledge and skills and to maximize their potential in their work. We offer suitable platform for development of highly committed and capable employees, regardless of their background, geographical location or educational level. The Group regularly identifies talented employees and tailors career plans to support their continuous development. With versatile experience in challenging roles in different areas, the current management team of the Group has risen through the ranks to positions of management. In addition to the focus of developing employees internally, the Group also seeks to attract external talents.

The Group offers a challenging work environment, sets up different programs for motivating employees to strive for improvement and to advance their skills in order to drive the development of business. From time to time, the Group will make reference to market trends for reviewing its remuneration and reward policy so as to ensure reasonable and competitive compensation and benefits for its employees. These include basic salary as well as results and individual performance-based bonus to attract and retain talents.



董事及行政人員簡介 Directors' and Management Executives' Profiles

本章節所載的資料截至二零二一年十二月三十一日。

The information contained in the section was as of 31 December 2021.

主席兼非執行董事

葉志成先生，現年七十三歲，為本集團主席及聯合創辦人，並於二零一二年轉任為本集團主席及本公司之非執行董事。葉先生專注於董事會的領導、集團長遠發展策略和集團人材規劃與傳承等。彼為本集團副主席、本集團行政總裁、本公司執行董事兼高層領導團隊成員葉子軒先生之兄長，亦為本集團副行政總裁、本公司執行董事兼高層領導團隊成員葉鈞先生之父親。葉先生於二零零六年成立了「葉志成慈善基金有限公司」，致力於中港兩地之慈善工作包括中國助學及幫助香港弱勢社群，積極回饋社會。

Chairman and Non-executive Director

Mr. Ip Chi Shing, aged 73, is the Chairman and the co-founder of the Group and was re-designated as the Chairman of the Group and a Non-executive Director of the Company in 2012. Mr. Ip focuses on the leading of the Board, formulating the Group's long-term development strategy and the planning and inheritability of human resources of the Group etc. He is the brother of Mr. Yip Tsz Hin, the Deputy Chairman of the Group, the Chief Executive Officer of the Group, an Executive Director of the Company as well as a member of the Senior Leadership Team and the father of Mr. Ip Kwan, the Deputy Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team. In 2006, Mr. Ip established "Ip Chi Shing Charitable Foundation Limited" with the objectives of carrying out charity activities in Mainland China and Hong Kong including fostering education in Mainland China and providing care for the underprivileged groups in Hong Kong and making contributions to society.

執行董事

葉子軒先生，現年六十二歲，於一九七七年加入本集團。葉先生現為本集團副主席、本集團行政總裁、本公司執行董事及高層領導團隊成員。彼亦出任本公司若干附屬公司之董事。葉先生在製造及經營石油化工產品方面累積超過四十年經驗。彼為本集團主席兼本公司非執行董事葉志成先生之弟及本集團副行政總裁、本公司執行董事兼高層領導團隊成員葉鈞先生之叔叔。

Executive Directors

Mr. Yip Tsz Hin, aged 62, joined the Group in 1977. Mr. Yip is the Deputy Chairman of the Group, the Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team. He also acts as a director of certain subsidiaries of the Company. Mr. Yip has over 40 years of experience in the manufacturing of and trading in petrochemical products. He is the brother of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company, and the uncle of Mr. Ip Kwan, the Deputy Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team.

葉鈞先生，現年三十九歲，於二零零七年加入本集團。葉先生現為本集團副行政總裁、本公司執行董事及高層領導團隊成員。彼亦出任本公司若干附屬公司之董事。彼曾任本集團企業發展總裁、紫荊花新材料集團（前稱紫荊花塗料集團）聯席總裁兼總經理及集團董事助理。彼為集團主席兼非執行董事葉志成先生之子及本集團副主席、本集團行政總裁兼本公司執行董事葉子軒先生之侄兒。彼畢業於倫敦經濟學院，並持有經濟及政治學士學位。在加入本集團前，彼曾任職於投資銀行行業三年。

Mr. Ip Kwan (Francis), aged 39, joined the Group in 2007. Mr. Ip is currently the Deputy Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team. He also acts as a director of certain subsidiaries of the Company. He was previously the Chief Corporate Development Officer of the Group, the Co-President and the General Manager of the Bauhinia Advanced Materials Group, formerly known as the Bauhinia Coatings Group and an assistant to Directors of the Group. He is the son of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company, and a nephew of Mr. Yip Tsz Hin, the Deputy Chairman of the Group, the Chief Executive Officer of the Group, and an Executive Director of the Company. He graduated from the London School of Economics with a Bachelor degree in Government and Economics. Before joining the Group, he had worked in the investment banking industry for three years.

董事及行政人員簡介 Directors' and Management Executives' Profiles

執行董事 (續)

何世豪先生，現年五十五歲，於二零一零年加入本集團。何先生現為本集團財務總裁、本公司執行董事、高層領導團隊成員及本公司公司秘書。彼亦出任本公司若干附屬公司之董事。何先生持有香港大學社會科學系會計學學士學位，並於二零零七年持有中歐國際工商學院行政工商管理碩士學位。加入本集團前，何先生曾於數間香港上市公司擔任財務總監、執行董事及公司秘書。彼為香港會計師公會會員及特許公認會計師公會資深會員，彼在會計、財務、稅務及公司秘書方面擁有超過二十年經驗。

獨立非執行董事

王旭先生，現年五十八歲，於二零一五年加入本集團。王先生於二零二一年轉任為本公司獨立非執行董事。於二零一九年至二零二零年期間，彼曾為本公司非執行董事及於二零一九年一月一日前，王先生為本集團聯席行政總裁、本公司之執行董事及高層領導團隊成員。王先生持有香港大學機械工程系學士學位，並於一九九二年持有香港中文大學工商管理碩士學位。加入本集團前，彼於全球最大的甲醇公司梅賽尼斯擔任中國策略及投資的董事總經理。彼亦於蜆殼集團服務超過二十六年，並曾擔任蜆殼牌特種油品中國／香港總經理及蜆殼公司中國區下游業務的高級代表。王先生於石油化工業擁有超過三十年的豐富經驗。

Executive Directors (Continued)

Mr. Ho Sai Hou, aged 55, joined the Group in 2010. Mr. Ho is the Chief Financial Officer of the Group, an Executive Director of the Company, a member of the Senior Leadership Team and the Company Secretary of the Company. He also acts as a director of certain subsidiaries of the Company. Mr. Ho holds a Bachelor of Social Sciences Degree in Accounting from The University of Hong Kong and an Executive Master of Business Administration (EMBA) with The China Europe International Business School in 2007. Before joining the Group, Mr. Ho acted as chief financial officer, executive director and company secretary for several listed companies in Hong Kong. He is a member of The Hong Kong Institute of Certified Public Accountants (HKICPA) and a fellow member of the Association of Chartered Certified Accountants (ACCA). He has over 20 years of experience in accounting, finance, taxation and company secretarial fields.

Independent Non-executive Directors

Mr. Wong Yuk, aged 58, joined the Group in 2015. Mr. Wong was re-designated as an Independent Non-executive Director of the Company in 2021. During 2019 to 2020, he was a Non-executive Director of the Company and prior to 1 January 2019, Mr. Wong was a Co-Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team. Mr. Wong holds a Bachelor of Science degree in Mechanical Engineering from The University of Hong Kong and a Master degree in Business Administration from The Chinese University of Hong Kong in 1992. Before joining the Group, he was the Managing Director of China Strategy and Investment at Methanex, a global market leader in methanol. He had also worked with Shell group for over 26 years and acted as the General Manager of Shell Specialties China/Hong Kong and China Local Senior Downstream Representative. Mr. Wong has over 30 years of extensive experience in petrochemical industry.

董事及行政人員簡介 Directors' and Management Executives' Profiles

獨立非執行董事 (續)

何百川先生，現年六十七歲，於二零一八年加入本集團為本公司獨立非執行董事。何先生現為馮氏控股（1937）有限公司集團董事總經理及利標品牌有限公司之執行董事及營運總監。彼於陶氏化學公司服務四十年並於二零一八年榮休，何先生於化工行業累積豐富經驗。彼曾於陶氏總部密歇根州密德蘭擔任化學品和金屬部的全球業務總監，負責環氧乙烷、環氧丙烷以及衍生物業務。彼於一九九八年回歸香港任職陶氏亞太區總裁，環氧產品全球業務副總裁，其後出任陶氏生產、公共及政府事務亞太區副總裁。何先生曾於二零零一年至二零零三年擔任國際化學品製造商協會中國及香港區主席。彼於馮氏集團旗下多間私人公司擔任董事及為金寶通集團有限公司之獨立非執行董事。何先生持有加拿大皇后大學化學工程學士學位。

古以道先生，現年四十三歲，於二零二零年加入本集團為獨立非執行董事。古先生持有美國密西根大學經濟學文學士學位及會計學碩士學位。古先生自二零零八年起加入克諾爾集團（於法蘭克福證券交易所上市之公司）之亞太區總部克諾爾亞太區（控股）有限公司，現為該公司之全球轉向系統業務財務總監及商用車輛系統分區財務總監。古先生曾於二零零七年擔任林德集團旗下子公司香港氧氣有限公司會計經理。古先生亦曾任職於德勤•關黃陳方會計師行超過四年。古先生為美國會計師協會會員。古先生為本公司已榮休獨立非執行董事古遠芬先生之子。

Independent Non-executive Directors

(Continued)

Mr. Ho Pak Chuen, Patrick, aged 67, joined the Group as an Independent Non-executive Director in 2018. Mr. Ho is currently the Group Managing Director of Fung (1937) Management Limited as well as an executive director and chief operating officer of Global Brands Group Holding Limited. He previously worked in The Dow Chemical Company for 40 years and retired in 2018. Mr. Ho has extensive experience in chemical industry. He was the global business director for Ethylene Oxide, Propylene Oxide and Derivatives in Chemicals and Metals in Dow headquarter in Midland, Michigan. He returned to Hong Kong in 1998 and acted as the President for Dow Chemical, Asia Pacific region and Global Vice President for Epoxy & Specialty Chemicals and subsequent served as the Asia Pacific vice president for manufacturing, public & government affairs. Mr. Ho was the chairman of Association of International Chemical Manufacturers (AICM) in China and Hong Kong from 2001 to 2003. He holds directorship in certain private companies within the Fung Group and is an Independent Non-executive Director of Computime Group Limited. Mr. Ho holds a bachelor degree in Chemical Engineering from Queen's University at Kingston, Canada.

Mr. Ku Yee Dao, Lawrence, aged 43, joined the Group as an Independent Non-executive Director in 2020. Mr. Ku holds a Bachelor of Arts in Economics and a Master of Accounting from the University of Michigan. Mr. Ku joined Knorr-Bremse Asia Pacific (Holding) Limited, the Asia Pacific regional headquarters of Knorr-Bremse Group (a company listed on the Frankfurt Stock Exchange) since 2008 and is currently the Finance Director of Global Business Unit Steering and the Regional Financial Controller of Commercial Vehicle Systems Asia Pacific. He acted as an accounting manager in Hong Kong Oxygen & Acetylene Company Limited, a subsidiary of the Linde Group in 2007. Mr. Ku also worked in Deloitte Touche Tohmatsu, Certified Public Accountants for more than four years. Mr. Ku is a member of American Institute of Certified Public Accountants (AICPA). Mr. Ku is the son of Mr. Ku Yuen Fun, a retired Independent Non-executive Director of the Company.

董事及行政人員簡介 Directors' and Management Executives' Profiles

行政人員

謝憶珠女士，現年四十五歲，於二零零九年加入本集團。謝女士現為本集團人力資源及企業傳訊總監及高層領導團隊成員。彼持有香港浸會大學傳理系學士學位及愛爾蘭國立大學理學(財務)碩士學位。加入本集團前，彼從事於一家國際石油公司之對外事務工作。謝女士同時積極參與公職，現為勞工及福利局康復諮詢委員會委員及其屬下公眾教育小組委員，彼亦為民政事務總署「夥伴倡自強」社區協作計劃諮詢委員會委員以及非政府組織創業軒執行委員。

趙楚榜先生，現年五十九歲，為資深工程師。趙先生於一九九三年加入本集團並於二零零五年獲委任為溶劑組之董事總經理。彼畢業於華南理工大學。趙先生從事化工行業超過三十年經驗，並具有豐富的管理工作經驗。

鄭國照先生，現年五十七歲，於一九八七年加入本集團。鄭先生現為油墨組之總經理。鄭先生曾任本公司執行董事及高層領導團隊成員。彼持有香港都會大學(前稱香港公開大學)工商管理碩士學位，並在石油化工的營銷和管理方面累積二十多年的經驗。

馮秉光先生，現年五十八歲，於二零一零年加入本集團。馮先生現為紫荊花新材料集團聯席總裁。彼曾任本集團高層領導團隊成員及資深人力資源總監。彼持有倫敦大學經濟學學士學位、華威大學工商管理碩士學位及香港中文大學和英國人事和發展協會頒發培訓管理文憑。馮先生擁有豐富人力資源專業經驗，包括組織發展，管理發展，人才管理和僱員關係等。他曾在保險、石油化工商業和醫藥等多個行業的跨國企業公司裏工作。加入本集團前，馮先生曾任香港一家上市公司的集團人力資源總監。

Management Executives

Ms. Tse Yik Chu, aged 45, joined the Group in 2009. Ms. Tse is currently the Director of Group Human Resources and Corporate Communications as well as a member of the Senior Leadership Team. Ms. Tse holds a Bachelor degree of Communication from the Hong Kong Baptist University and a Master of Science in Finance from the National University of Ireland. Prior to joining the Group, she engaged in corporate affairs in an international oil company. Ms. Tse is also actively involved in public service and currently a member of Rehabilitation Advisory Committee and its sub-committee on Public Education on Rehabilitation under Labour and Welfare Bureau. She is also a member of Advisory Committee on the Enhancing Self-Reliance Through District Partnership Program under the Home Affairs Department, and an executive member of a non-governmental organisation called Support the Employment of People with Disabilities (SEPD).

Mr. Zhao Chu Bang, aged 59, is an experienced engineer. Mr. Zhao joined the Group in 1993 and has appointed as the Managing Director of the Solvents Group since 2005. He graduated from The South China University of Technology. Mr. Zhao has over 30 years of experience in chemical industry and has extensive experience in management.

Mr. Kwong Kwok Chiu, aged 57, joined the Group in 1987. Mr. Kwong is currently the General Manager of the Inks Group. Mr. Kwong was previously an Executive Director of the Company and a member of the Senior Leadership Team. He holds a Master Degree in Business Administration from Hong Kong Metropolitan University (formerly The Open University of Hong Kong) and has over 20 years of experience in marketing and management of petrochemical industry.

Mr. Fung Ping Kwong, aged 58, joined the Group in 2010. Mr. Fung is currently a Co-President of the Bauhinia Advanced Materials Group. He was a member of the Senior Leadership Team as well as the Head and Senior Leader of Group Human Resources of the Group. He holds a Bachelor Degree in Science (Economics) from The University of London, a Master Degree in Business Administration from The University of Warwick and a Diploma in Training Management jointly conferred by The Chinese University of Hong Kong and The Institute of Personnel and Development, United Kingdom. Mr. Fung has extensive experience in different human resources areas including organisational development, management development, talent management and employee relations etc. He worked in a number of multi-national companies in insurance, petrochemical and pharmaceutical industries. Before joining the Group, he was the Group Human Resources Director of a Hong Kong listed company.

董事及行政人員簡介 Directors' and Management Executives' Profiles

行政人員 (續)

陳傳生先生，現年四十五歲，於二零零三年加入本集團。陳先生現為紫荊花新材料集團聯席總裁。彼曾任本集團管委會成員及集團財務總監，以及在本公司旗下數間附屬公司擔任多個的管理職位。彼持有香港中文大學工商管理學士學位及香港科技大學工商管理碩士學位，彼亦為香港會計師公會的資深會員。

曾志先生，現年五十一歲，於二零零零年加入本集團。曾先生現為本集團潤滑油組總經理。彼曾任本公司附屬公司葉氏潤滑油(集團)有限公司之財務總監。彼畢業於中南財經大學，持有會計學專業本科學士學位。彼亦為中國註冊會計師協會非執業會員。曾先生在石油化工領域有二十年管理經驗。加入本集團前，曾先生曾擔任一家於深圳證券交易所上市之上市公司物控部經理。

Management Executives (Continued)

Mr. Chan Chuen Sang, aged 45, joined the Group in 2003. Mr. Chan is currently a Co-President of the Bauhinia Advanced Materials Group. He was a member of the Group Management Committee and Group Financial Controller, and had held various management positions in various subsidiaries of the Company. He holds a Bachelor Degree in Business Administration from the Chinese University of Hong Kong and a Master degree in Business Administration from the Hong Kong University of Science & Technology. He is also a fellow member of Hong Kong Institute of Certified Public Accountants (HKICPA).

Mr. Zeng Zhi, aged 51, joined the Group in 2000. Mr. Zeng is currently the General Manager of the Lubricant Group. He was previously the Financial Controller of Yip's Lubricant Limited, a subsidiary of the Company. He graduated from Zhongnan University of Finance and Economics with a Bachelor degree in Accounting. He is also a non-practicing member of The Chinese Institute of Certified Public Accountants. Mr. Zeng has 20 years of experience in petrochemical industry. Before joining the Group, he was the Product Material Control Manager of a listed company listed on the Shenzhen Stock Exchange.

董事會報告書 Directors' Report



董事會提呈集團於截至二零二一年十二月三十一日止年度之報告及經審核綜合財務報告。

主要業務及業務回顧

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料、油墨、潤滑油、物業投資及其他業務包括提供汽車保養服務及製造及買賣其他化工產品。於回顧年內，集團的主要業務之性質並無重大改變。

根據《公司條例》(香港法例第622章)(《公司條例》)附表5規定，於回顧年內業務審視的詳情，包括對集團業務的中肯審視及連同財務關鍵表現指標(包括集團營業額、銷量及純利以及其業務分類之營業額及經營溢利、投資物業租金回報率及回報率)及對本公司業務未來可能發展之揭示，已詳盡列載於本年報第8至17頁之「主席報告」及「行政總裁報告」。該等指標從業務發展及盈利能力方面說明集團在實現其「百年葉氏 引以為傲 備受尊崇」宏圖過程中的整體表現及其個別業務的表現。該等指標以及平均總資產回報率及平均股東資金回報率等其他財務指標於過往五年的趨勢披露於本年報第28至29頁。在財政年度終結後發生對公司有影響的重大事件(如有)列載於綜合財務報表附註。集團之流動資金及財務資源詳載於第34至36頁。除以上所披露外，其他規定之活動詳情披露如下：

The Board present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2021.

Principal Activities and Business Review

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacturing of and trading in solvents, coatings, inks, lubricants, properties investment as well as other businesses including provision of car maintenance service and manufacturing of and trading in other chemical products. There were no significant changes in the nature of the Group's principal activities during the year under review.

Details of details in respect of the business review of during the year under review as required by Schedule 5 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance") including, a fair review of the business of the Group with financial performance indicators including revenue, sales volume and net profit of the Group as well as revenue and operating profit of its business segments, rental yield and return on investment properties and an indication of likely future development in the Company's business are explained in the "Chairman's Statement" and the "Report of the Chief Executive Officer" from pages 8 to 17 of this annual report. These indicators illustrate the performance of the Group as a whole and of its individual businesses in terms of business development and profitability in attaining its corporate vision of "Towards a Century of Revered Leadership". The trend of these indicators for the past five years together with other financial ratios of return on average total assets and return on average shareholders' funds are disclosed in pages 28 to 29 of this annual report. Particulars of important events affecting the Group that have occurred since the end of the financial year, if any, can be found in the notes to the consolidated financial statements. The Group's liquidity and financial resources are disclosed in pages 34 to 36. Save for disclosed above, details of the other activities required to be disclosed are explained as follows:

董事會報告書 Directors' Report

主要業務及業務回顧 (續)

主要風險及不明朗因素

集團之業務及展望連同財務狀況及營運業績將受一些風險及不明朗因素影響，包括業務風險、營運風險及財務風險。業務風險方面：由於集團所有業務主要集中在中國大陸，故此集團將受到中國之經濟及政治發展及市場情況影響。營運風險方面：因為集團以製造化工產品為主，所以於營運期間需要承受環境、健康及安全方面之風險。財務風險方面：集團之金融工具將有市場風險（外匯風險及利率風險及其他價格風險）、信貸風險及流動資金風險。有關減低該等財務風險之政策已詳載於綜合財務報表附註33。

遵守法律及法規

就董事會及管理層所知，集團已於所有重要方面遵守對集團業務及經營產生重大影響之相關法律及法規。回顧年度內，集團概無嚴重違反或不遵守適用之法律及法規。

對本公司有重大影響的相關法律及法規其中包括，《公司條例》、開曼群島公司法、上市規則、《證券及期貨條例》（香港法例第571章）（「《證券及期貨條例》」）及與其業務有關，包括健康、安全及環保、工作環境、僱傭等的法律、法例及規定。

本公司已實施了有效的內部監控和審批程序，並透過風險管理及提供培訓等多項措施，確保遵守該等法律、規則及規定的要求。

Principal Activities and Business Review (Continued)

Principal Risks and Uncertainties

The Group's businesses and prospects as well as financial conditions and results of operations will be affected by a number of risks and uncertainties including business risks, operational risks and financial risks. For business risks, all the Group's businesses are mainly carried out in the Mainland China so it will be subject to the impact from economic and political development and market situation of Mainland China. For operational risks, the Group is mainly engaged in manufacturing of chemical products and it is thus exposed to various environmental, health and safety risks in running its operations. For financial risks, there will be market risk (currency risk, and interest rate risk and other price risk) for the Group's financial instruments, and credit risk and liquidity risk associated therewith. Details of the policies on mitigating these financial risks are set out in note 33 to the consolidated financial statements.

Compliance with the Laws and Regulations

As far as the Board and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year under review, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

The relevant laws and regulations that have a significant impact on the Company include, among others, the Companies Ordinance, the Cayman Islands Companies Law, the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and the relevant laws, rules and regulations in relation to its business including health, safety and environmental protection, workplace conditions and employment etc.

To ensure compliance with these requirements of laws, rules and regulations, the Company has implemented an effective internal control and approval procedures, and through risk management and trainings.

主要業務及業務回顧(續)

環境政策及表現

集團的環境政策披露於本年報第38頁的「企業可持續發展」章節，以及載列於即將發佈之二零二一年度環境、社會及管治報告內。

與客戶、供應商、員工及其他持份者之關係

集團有大量的客戶和供應商散佈在不同行業和地區。集團與客戶和供應商之關係良好。由於集團五大客戶佔集團總營業額不足5%，且信貸涉及大量交易對手及客戶，本公司董事認為集團概無嚴重的信貸集中風險。關於信貸管理制度及授予客戶的信貸條件的進一步詳情載於綜合財務報表附註21。集團與員工，與投資者和股東的關係已分別詳載於本年報第39頁「人力資源」章節及第64至88頁「企業管治報告」章節內。

薪酬政策及長期激勵計劃

集團之薪酬政策概況已載於本年報第39頁「人力資源」內。

董事之酬金乃經本公司薪酬委員會（「薪酬委員會」）建議及由董事會決定及批准。應付予董事之酬金乃參考其資格及經驗、承擔的責任、對本公司之貢獻及類似職位於現時市場薪酬水平釐定。

此外，本公司採納一項購股權計劃作為給予董事及合資格人士／合資格承授人之獎勵，有關該計劃之資料載列於本年報第53至54頁「購股權」章節內及綜合財務報告附註35。

Principal Activities and Business Review (Continued)

Environment Policies and Performance

The discussions on the Group's environmental policies are set out in the "Corporate Sustainability" section on page 38 of this annual report and will be set out in the 2021 ESG Report to be published.

Relationship with Customers, Suppliers, Employees and other Stakeholders

The Group has a large number of customers and suppliers across different industries and geographical areas. The Group maintains good relationships with its customers and suppliers. As the top 5 largest customers of the Group accounted for less than 5% of the total revenue of the Group, the Directors consider that the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Further details of the credit control system and credit terms granted to customers are shown in note 21 to the consolidated financial statements. The Group's relationship with its employees and with investors and Shareholders are set out in the sections "Human Resources" and the "Corporate Governance Report" on page 39 and pages 64 to 88 of this annual report, respectively.

Emolument Policy and Long-term Incentive Plan

A general description of the remuneration policy of the Group is set out in the "Human Resources" on page 39 of this annual report.

The emoluments of the Directors are recommended by the remuneration committee of the Company (the "Remuneration Committee") and determined and approved by the Board. The emolument payable to the Directors is determined with reference to their qualification and experience, responsibilities undertaken, contribution to the Company and the prevailing market level of remuneration of similar position.

In addition, the Company has adopted a share option scheme as incentive/reward to Directors and eligible participants/qualifying grantees, details of the scheme are set out under the section "Share Options" on pages 53 to 54 of this annual report and note 35 to the consolidated financial statements.

董事會報告書 Directors' Report

業績及盈利分配

於回顧年度集團業績及本公司之盈利分配分別載於第97頁之綜合損益及其他全面收益表及綜合財務報告附註11。

股息

回顧年度內已向股東派發中期股息每股12港仙及五十周年特別股息每股10港仙，股東可選擇部份或全部以本公司發行的已繳足新股份以代替現金收取中期股息及特別股息。董事會建議派付截至二零二一年十二月三十一日止年度期末股息每股18港仙，總額約為102,327,000港元，分派予於二零二二年六月十七日(星期五)辦公時間結束時名列於本公司股東名冊上之股東。期末股息需在即將舉行的股東周年大會上經股東批准。

股本及購股權

本公司已發行股份數目於回顧年度內之變動詳情載列於綜合財務報告附註29。二零二零二計劃及二零一二年計劃的購股權之詳情載列於以下「購股權」標題內及綜合財務報告附註35。

儲備

集團儲備於回顧年度內之變動詳情載列於本年報第101至102頁之綜合權益變動表。

本公司可供派發期末股息之儲備指股份溢價、特別儲備及保留溢利。按照開曼群島公司法(第22章，一九六一年第3號法例，經綜合及修訂)規定，在受制於本公司的重列組織章程大綱及細則(「組織章程細則」)規定之情況下，以及如果在緊接派發股息後，本公司能在正常業務經營期間償還到期債務之情況下，本公司之股份溢價才能用作向股東進行分派或支付股息。按照組織章程細則，在滿足上述條例的前題下可從本公司於二零二一年十二月三十一日之股份溢價及保留溢利1,165,169,000港元(二零二零年：940,572,000港元)中撥款派發股息。

Results and Appropriations

The results of the Group and appropriations of the profit of the Company for the year under review are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 97 and note 11 to the consolidated financial statements, respectively.

Dividend

An interim dividend of HK12 cents per Share and 50th anniversary special dividend of HK10 cents per Share were paid to the Shareholders during the year under review. Shareholders were entitled to opt to receive the interim dividend and the special dividend wholly or partly in form of allotment of new Shares in lieu of cash. The Directors recommended the payment of a final dividend of HK18 cents per Share, with total amount of approximately HK\$102,327,000 for the year ended 31 December 2021, payable to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 17 June 2022. The final dividend is subject to the Shareholders' approval at the forthcoming annual general meeting.

Share Capital and Share Options

Details of movements in the share capital of the Company during the year under review are set out in note 29 to the consolidated financial statements. Details of share options of the 2002 Scheme and the 2012 Scheme are set out under the heading "Share Options" hereunder and in note 35 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Group during the year under review are set out in the Consolidated Statement of Changes in Equity on pages 101 to 102 of this annual report.

The Company's reserves available for distribution of the final dividend represent the share premium, special reserve and retained profits. Under the Companies Law of the Cayman Islands (Chapter 22, Law 3 of 1961 as consolidated and revised), the share premium of the Company is available for distribution of or paying dividends to Shareholders subject to the provisions of its the restated memorandum and articles of association of the Company (the "Articles of Association") and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles of Association, dividends can be distributed out of the share premium and retained profits of the Company subjected to the satisfaction of the foregoing conditions, which amounted to HK\$1,165,169,000 as at 31 December 2021 (2020: HK\$940,572,000).

物業、廠房及設備與投資物業

於回顧年度內集團物業、廠房及設備與投資物業之變動詳情分別載列於綜合財務報告附註13及14。

附屬公司

本公司於二零二一年十二月三十一日之主要附屬公司詳情載列於綜合財務報告附註40。

董事

於回顧年度內及截至本年報日期之董事如下：

主席兼非執行董事

葉志成先生(主席)

執行董事

葉子軒先生(副主席兼行政總裁)
葉鈞先生(副行政總裁)
何世豪先生(財務總裁)

獨立非執行董事

王旭先生
何百川先生
古以道先生

於本公司每屆股東週年大會上，不少於當時三分之一的在任董事須輪值告退，惟各董事(包括按特定任期獲委任的董事)均須最少每三年輪值告退一次。

根據組織章程細則第112條之規定，董事須於本公司股東周年大會上輪值卸任，惟可膺選連任。非執行董事葉志成先生、執行董事葉子軒先生及執行董事何世豪先生將於股東週年大會上依章告退，惟彼願於股東週年大會膺選連任董事。

除根據組織章程細則輪值告退外，本公司非執行董事葉志成先生及所有獨立非執行董事無就彼等之委任訂定或擬訂任何服務年期。

董事之服務合約

在即將舉行之股東週年大會上候選連任之董事概無與本公司或其附屬公司訂立不可由本公司在一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

Property, Plant and Equipment and Investment Properties

Details of the movements in the property, plant and equipment and investment properties of the Group during the year under review are set out in notes 13 and 14 to the consolidated financial statements respectively.

Subsidiaries

Details of the Company's principal subsidiaries as at 31 December 2021 are set out in note 40 to the consolidated financial statements.

Directors

The Directors during the year under review and up to the date of this annual report were:

Chairman & Non-executive Director

Mr. Ip Chi Shing (Chairman)

Executive Directors

Mr. Yip Tsz Hin (Deputy Chairman and Chief Executive Officer)
Mr. Ip Kwan (Deputy Chief Executive Officer)
Mr. Ho Sai Hou (Chief Financial Officer)

Independent Non-executive Directors

Mr. Wong Yuk
Mr. Ho Pak Chuen, Patrick
Mr. Ku Yee Dao, Lawrence

At each annual general meeting of the Company no less than one-third of the directors for the time being shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

In accordance with article 112 of the Articles of Association, the Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company. Mr. Ip Chi Shing, being a Non-executive Director, Mr. Yip Tsz Hin, being an Executive Director, and Mr. Ho Sai Hou, being an Executive Director, will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Apart from retirement by rotation pursuant to the Articles of Association, Mr. Ip Chi Shing, the Non-Executive Director and all Independent Non-executive Directors were not appointed for any specific length or proposed length of service with the Company.

Directors' Service Contracts

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

董事會報告書 Directors' Report

董事及最高行政人員於證券之權益及淡倉

於二零二一年十二月三十一日，盡本公司所知，除董事及最高行政人員所持有之股份及購股權之權益（有關詳情載於下文）外，各董事及最高行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）之股份、債權證或相關股份中，概無擁有須根據《證券及期貨條例》第XV部第7及第8分部知會本公司及聯交所之任何權益及淡倉（包括根據《證券及期貨條例》規定被視作或當作擁有之權益或淡倉），或無擁有須根據《證券及期貨條例》第352條登記於根據該條例存置或根據上市規則附錄十之上市發行人董事進行證券交易的標準守則（「標準守則」）須於本文披露之任何權益及淡倉。

(a) 董事於股份、相關股份及債權證的權益及淡倉

Directors' and Chief Executives' Interests and Short Positions in Securities

As at 31 December 2021, to the best of the Company's knowledge, save for the interest of the Directors and chief executives in the Shares and share options of the Company set out below, none of the Directors and chief executives in the Shares, debentures or underlying Shares or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provision of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register referred therein or which were required to be disclosed herein pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10.

(a) Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

董事姓名	Name of Director	所持普通股份及相關股份數目				約佔本公司已發行股本之百分比	
		Number of Shares and underlying shares held				Approximate percentage of the issued share capital of the Company	
		股份權益 Interests in Shares 個人 Personal	股份權益 Interests in Shares 家族 Family	股份權益 Interests in Shares 公司 Corporate	購股權權益 ¹ Interests in share options ¹ 個人 Personal	總數 Total	share capital of the Company
葉志成先生	Mr. Ip Chi Shing	161,304,532	9,192,000 ^(a)	26,504,000 ^(b)	-	197,000,532	34.65%
葉子軒先生	Mr. Yip Tsz Hin	31,116,248	14,000,000 ^(c)	-	-	45,116,248	7.94%
葉鈞先生	Mr. Ip Kwan	11,576,000	-	-	200,000	11,776,000	2.07%
何世豪先生	Mr. Ho Sai Hou	-	-	-	200,000	200,000	0.04%
王旭先生	Mr. Wong Yuk	-	-	-	-	-	-
何百川先生	Mr. Ho Pak Chuen, Patrick	-	-	-	-	-	-
古以道先生	Mr. Ku Yee Dao, Lawrence	-	-	-	-	-	-

董事及最高行政人員於證券之權益及淡倉 (續)

(a) 董事於股份、相關股份及債權證的權益及淡倉 (續)

附註：

- (a) 此等股份當中，7,098,000股由葉志成先生與配偶共同持有，2,094,000股則由其配偶持有。
- (b) 此等股份分別由葉志成慈善基金有限公司（一間慈善組織）（21,200,000股）和葉氏關愛延續基金有限公司（一間有限公司）（5,304,000股）所持有。葉志成先生於葉志成慈善基金有限公司和葉氏關愛延續基金有限公司的股東大會分別擁有50%（與其配偶共有100%）及60%（與其弟妹共有100%）之投票權，故根據《證券及期貨條例》，其被視為擁有在該兩間公司持有此等股份之權益。
- (c) 此等股份由葉子軒先生之配偶葉曹家麗女士持有。
- ¹ 所有購股權為非上市實物結算股本衍生工具。

Directors' and Chief Executives' Interests and Short Positions in Securities (Continued)

(a) Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Continued)

Notes:

- (a) Out of these Shares, 7,098,000 Shares are jointly held by Mr. Ip Chi Shing with his spouse and 2,094,000 Shares are held by his spouse.
- (b) These Shares are held respectively by Ip Chi Shing Charitable Foundation Limited, a charitable organisation (21,200,000 Shares) and Yip's Care Extension Foundation Limited, a limited company, (5,304,000 Shares). Mr. Ip Chi Shing controls 50% (together with his spouse control 100%) and 60% (together with his younger sister and brother control 100%) of the voting power at the general meetings of Ip Chi Shing Charitable Foundation Limited and Yip's Care Extension Foundation Limited respectively. He is therefore deemed to be interested in these Shares held by these two corporations under the SFO.
- (c) These Shares are held by Madam Yip Tso Ka Lai, Brenda, the spouse of Mr. Yip Tsz Hin.
- ¹ All the share options are unlisted physically settled equity derivatives.

董事會報告書
Directors' Report

董事及最高行政人員於
證券之權益及淡倉 (續)

(b) 於本公司相聯法團之股份、
債權證或相關股份的權益
及淡倉

洋紫荊油墨

Directors' and Chief Executives'
Interests and Short Positions in
Securities (Continued)

(b) Interests and short positions in shares,
debentures and underlying shares of the
associated corporations of the Company

Bauhinia Ink

董事姓名	Name of Director	所持股份數目			總數	約佔洋紫荊油墨 已發行股本之百分比
		股份權益	股份權益	股份權益		
		個人	家族	公司		Approximate percentage of the issued share capital of Bauhinia Ink
		Interests in shares	Interests in shares	Interests in shares	Total	
葉子軒先生	Mr. Yip Tsz Hin	-	-	1,593,000	1,593,000	0.53% ^(a)

附註：

(a) 根據《證券及期貨條例》，葉子軒先生被視為於中山市裕貿投資諮詢合夥企業（有限合夥）於洋紫荊油墨所持之1,593,000股股份（佔洋紫荊油墨已發行股本約0.53%）中擁有權益。（其中葉子軒先生作為其有限合夥人持有約54.49%經濟利益）

Note:

(a) By virtue of the SFO, Mr. Yip Tsz Hin was deemed to be interested in 1,593,000 shares in Bauhinia Ink (representing approximately 0.53% of the issued share capital of Bauhinia Ink) held by Zhongshan Yumao Investment Advisory Partnership (Limited Partnership)[#] (中山市裕貿投資諮詢合夥企業(有限合夥)), in which Mr. Yip Tsz Hin held approximately 54.49% economic interest as a limited partner thereof.

[#] For identification purposes only

董事在本公司購股權計劃（即相關股份的部分權益）下所持有購股權之詳情載列於以下「購股權」標題內。

Details of the share options held by the Directors under the Company's share option schemes (i.e. part of the interests in the underlying shares) are set out under the heading "Share Options" hereunder.

於二零二一年十二月三十一日，葉志成先生、葉子軒先生及葉志成先生配偶梁碧瑜女士各持有本公司之間接全資附屬公司葉氏恒昌（集團）有限公司已發行股本中無投票權遞延股一股。

As of 31 December 2021, each of Mr. Ip Chi Shing, Mr. Yip Tsz Hin and Madam Liang Bih Yu, the spouse of Mr. Ip Chi Shing, held one non-voting deferred share in the issued share capital of Yip's H.C. (Holding) Limited, an indirect wholly owned subsidiary of the Company.

**董事及最高行政人員於
證券之權益及淡倉** (續)**(b) 於本公司相聯法團之股份、
債權證或相關股份的權益
及淡倉** (續)

於二零二一年十二月三十一日，葉志成先生持有本公司之間接全資附屬公司大中漆廠有限公司已發行股本中無投票權遞延股一股。

除上文所披露者及董事以本公司或其附屬公司受託人身份持有附屬公司若干代名人股份外，於二零二一年十二月三十一日，各董事或最高行政人員均沒有於本公司任何相聯法團之任何股份、債權證或相關股份之權益或淡倉。

購股權

股東已於二零二二年五月二十五日舉行之股東週年大會上批准採納新購股權計劃（「二零一二計劃」）及終止本公司於二零二二年九月三日採納的舊計劃（「二零零二計劃」），連同二零一二計劃，統稱為（「購股權計劃」）。二零一二計劃將於二零二二年五月二十四日到期屆滿，二零零二計劃終止前授出之購股權將繼續生效並可根據二零零二計劃之規則下行使。根據二零零二計劃，董事會可根據及按照二零零二計劃的條款及上市規則授予合資格人士購股權以認購股份，目的作為他／她對本集團之貢獻作出獎勵，有助挽留僱員及招攬人才，並向彼等提供直接經濟利益，以達致本公司之長期業務目標。二零一二計劃之詳情已載列於綜合財務報告附註35。

**Directors' and Chief Executives'
Interests and Short Positions in
Securities** (Continued)**(b) Interests and short positions in shares,
debentures and underlying shares of the
associated corporations of the Company**
(Continued)

As of 31 December 2021, Mr. Ip Chi Shing held one non-voting deferred share in the issued share capital of Bauhinia Paints Manufacturing Limited, an indirect wholly owned subsidiary of the Company.

Save as disclosed above and certain nominee shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, none of the Directors or chief executives had any interests or short positions in the shares, debentures or underlying shares or any of the Company's associated corporations as at 31 December 2021.

Share Options

The Shareholders at the annual general meeting held on 25 May 2012 approved the adoption of a new share option scheme (the "2012 Share Option Scheme") and the termination of the old share option scheme which was adopted by the Company on 3 September 2002 (the "2002 Share Option Scheme", together with the 2012 Share Option Scheme, collectively known as "Share Option Schemes"). The 2012 Share Option Scheme will expire on 24 May 2022. Options granted under the 2002 Share Option Scheme prior to its termination will continue to be valid and exercisable in accordance with the rules thereof. Under the 2002 Scheme, the Board shall, subject to and in accordance with the provisions of the 2002 Scheme and the Listing Rules, grant share options to any eligible participant to subscribe for Shares for the purpose of providing incentives to him/her for contribution to the Group to retain employees and recruit talents, and to provide them with a direct economic interest in attaining the long term business objectives of the Company. Particulars of the 2012 Share Option Scheme are set out in note 35 to the consolidated financial statements.

董事會報告書 Directors' Report

購股權 (續)

於回顧年度內，根據購股權計劃已授予若干董事（及其聯繫人（如有））及僱員購股權之變動如下：

授出日期 Date of grant	每股 行使價 Exercise price per Share 港元 HK\$	購股權行使期 Exercise period of share options	購股權數目 Number of share options			
			於二零二一年 一月一日 尚未行使 Outstanding as at 1 January 2021	於回顧年度內 已失效／註銷 Lapsed/ Cancelled during the year under review	於二零二一年 十二月三十一日 尚未行使 Outstanding as at 31 December 2021	
董事 Directors						
葉鈞先生 Mr. Ip Kwan	二零一三年一月十一日 11 January 2013	5.942	二零一五年一月十一日至 二零二三年一月十日 11 January 2015 to 10 January 2023	200,000	-	200,000
何世豪先生 Mr. Ho Sai Hou	二零一三年一月十一日 11 January 2013	5.942	二零一五年一月十一日至 二零二三年一月十日 11 January 2015 to 10 January 2023	200,000	-	200,000
				400,000	-	400,000
若干人士 Eligible persons						
	二零一三年一月十一日 11 January 2013	5.942	二零一五年一月十一日至 二零二三年一月十日 11 January 2015 to 10 January 2023	3,200,000	-	3,200,000
				3,200,000	-	3,200,000
				3,600,000	-	3,600,000

於回顧年度內，購股權計劃並無購股權授出、行使、註銷及失效。

董事購買股份及債權證之權利

除上文所披露者及綜合財務報告附註35所披露的資料以外，於回顧年度內任何時間，本公司或其任何附屬公司概無參與任何安排，致使董事或彼等各自之配偶或十八歲以下之子女可藉購買本公司或其他法人團體之股份或債權證而獲得利益。

Share Options (Continued)

During the year under review, movements in the number of share options which had been granted to certain Directors (and their associates, if any) and employees under the Share Option Schemes are as follows:

授出日期 Date of grant	每股 行使價 Exercise price per Share 港元 HK\$	購股權行使期 Exercise period of share options	購股權數目 Number of share options			
			於二零二一年 一月一日 尚未行使 Outstanding as at 1 January 2021	於回顧年度內 已失效／註銷 Lapsed/ Cancelled during the year under review	於二零二一年 十二月三十一日 尚未行使 Outstanding as at 31 December 2021	
董事 Directors						
Mr. Ip Kwan	11 January 2013	5.942	11 January 2015 to 10 January 2023	200,000	-	200,000
Mr. Ho Sai Hou	11 January 2013	5.942	11 January 2015 to 10 January 2023	200,000	-	200,000
				400,000	-	400,000
若干人士 Eligible persons						
	11 January 2013	5.942	11 January 2015 to 10 January 2023	3,200,000	-	3,200,000
				3,200,000	-	3,200,000
				3,600,000	-	3,600,000

During the year under review, there was no share options granted, exercised, cancelled and lapsed under the Share Option Schemes.

Directors' Rights to Acquire Shares and Debentures

Save as disclosed above and in note 35 to the consolidated financial statements, at no time during the year under review was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

主要股東

於二零二一年十二月三十一日，盡本公司所知，下列股東（除上文所披露的本公司董事或最高行政人員外）於持有本公司股份或相關股份中擁有須根據《證券及期貨條例》第XV部第2及3分部規定予以披露之權益或好倉或淡倉，或擁有須根據《證券及期貨條例》第336條登記於根據該條例存置之權益或好倉或淡倉：

於股份或相關股份之好倉

Substantial Shareholders

As at 31 December 2021, to the best of the Company's knowledge, the following Shareholders (other than the Directors or chief executives of the Company disclosed above) had an interest or long position or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to Section 336 of the SFO, to be entered in the register referred therein:

Long position in Shares or underlying Shares

股東姓名 Name of Shareholder	身份 Capacity	附註 Notes	所持股份數目 Number of Shares held	約佔本公司 已發行股本之 百分比 Approximate percentage of the issued share capital of the Company
葉鳳娟女士 Ms. Ip Fung Kuen	實益擁有人 Beneficial Owner		49,381,913	8.69%
FMR LLC	公司權益 Corporate Interest	1	46,430,643	8.17%
FIDELITY PURITAN TRUST	實益擁有人 Beneficial Owner	2	33,052,335	5.81%

附註：

Notes:

1. 根據FMR LLC提供的資料，FMR LLC於二零二一年十二月三十一日實益擁有46,430,643股股份，當中41,127,335股股份透過Fidelity Management & Research Company LLC直接持有及管理，4,299,308股股份透過Fidelity Management Trust Company直接持有及管理，及1,004,000股股份透過FIAM LLC直接持有及管理。Fidelity Management & Research Company LLC及Fidelity Management Trust Company由FMR LLC全資擁有。FIAM LLC由FMR LLC之全資附屬公司FIAM Holdings LLC全資擁有。

1. Based on information provided by FMR LLC, FMR LLC was beneficially interested in 46,430,643 Shares as of 31 December 2021, which 41,127,335 Shares were directly held and managed by Fidelity Management & Research Company LLC, 4,299,308 Shares were directly held and managed by Fidelity Management Trust Company, and 1,004,000 Shares were directly held and managed by FIAM LLC respectively. Fidelity Management & Research Company LLC and Fidelity Management Trust Company are wholly owned by FMR LLC. FIAM LLC is wholly owned by FIAM Holdings LLC, which is a wholly-owned subsidiary of FMR LLC.

董事會報告書 Directors' Report

主要股東 (續)

於股份或相關股份之好倉 (續)

附註：(續)

本公司獲進一步通知上述由Fidelity Management & Research Company LLC持有之41,127,335股股份當中，8,075,000股股份由FMR LLC若干僱員及股東最終擁有之Fidelity Investments Canada ULC建議及因此間接持有。該等FMR LLC僱員及股東擁有Fidelity Canada Investors LLC之100%股權，而Fidelity Canada Investors LLC擁有Bay Street Holdings LLC之100%股權，繼而Bay Street Holdings LLC擁有483A Bay Street Holdings LP之18%股權。483A Bay Street Holdings LP擁有BlueJay Lux 1 S.a.r.l之100%股權，繼而BlueJay Lux 1 S.a.r.l擁有Fidelity Investments Canada ULC之100%股權。此外，上述41,127,335股股份當中的203,641股股份由Fidelity Management & Research (Canada) ULC投資及間接持有。Fidelity Management & Research (Canada) ULC由Fidelity (Canada) Investment Management Holdings LLC全資擁有，繼而Fidelity (Canada) Investment Management Holdings LLC由Fidelity Management & Research Company LLC全資擁有。

本公司亦獲通知上述由FIAM LLC持有之1,004,000股股份當中，450,000股股份由Strategic Advisers LLC建議及因此間接持有。Strategic Advisers LLC由Fidelity Advisory Holdings LLC全資擁有，繼而Fidelity Advisory Holdings LLC由FMR LLC全資擁有。

2. 本公司獲FMR LLC告知Fidelity Puritan Trust直接持有33,052,335股股份，而該等股份由Fidelity Management & Research Company LLC (FMR LLC之全資附屬公司) 管理。因此，該等股份被視為FMR LLC名下之權益。

Substantial Shareholders (Continued)

Long position in Shares or underlying Shares

(Continued)

Notes: (Continued)

The Company was further notified the 41,127,335 Shares held by Fidelity Management & Research Company LLC, 8,075,000 Shares were advised and hence indirectly held by Fidelity Investments Canada ULC, which is ultimately owned by certain employees and shareholders of FMR LLC. Those employees and shareholders of FMR LLC own 100% equity interest in Fidelity Canada Investors LLC, which owns 100% equity interest in Bay Street Holdings LLC, which in turn owns 18% equity interest in 483A Bay Street Holdings LP. 483A Bay Street Holdings LP owns 100% equity interest in BlueJay Lux 1 S.a.r.l., which in turn owns 100% equity interest in Fidelity Investments Canada ULC. Moreover, another 203,641 Shares out of the 41,127,335 Shares were being invested by and hence indirectly held by Fidelity Management & Research (Canada) ULC, a 100% owned company of Fidelity (Canada) Investment Management Holdings LLC which in turn is 100% owned by Fidelity Management & Research Company LLC.

The Company was also notified that of the above mentioned 1,004,000 Shares held by FIAM LLC, 450,000 Shares were advised and hence indirectly held by Strategic Advisers LLC. Strategic Advisers LLC is wholly owned by Fidelity Advisory Holdings LLC, which is a wholly-owned subsidiary of FMR LLC.

2. The Company was notified by FMR LLC that 33,052,335 Shares were held directly by Fidelity Puritan Trust, and that such Shares were managed by Fidelity Management & Research Company LLC, which is a wholly owned subsidiary of FMR LLC. Therefore, such Shares are deemed interest of FMR LLC.

主要股東 (續)

除上文披露者外，於二零二一年十二月三十一日，就各董事知悉，概無任何其他人士於本公司或其相聯法團（定義見《證券及期貨條例》第XV部）之股份、相關股份或債權證中擁有根據《證券及期貨條例》第XV部須向本公司及聯交所披露之權益或淡倉。

購買、出售或贖回本公司之上市證券

於回顧年度內，本公司於聯交所回購合共2,780,000股股份，總代價（扣除支出前）為10,309,040港元。全部回購股份經已註銷。董事相信回購股份將有助提高每股資產淨值及／或每股盈利。

於回顧年度內本公司於聯交所回購其普通股股份的詳細資料列示如下：

於二零二一年 之回購月份	Month of repurchase in 2021	回購股份總數目 Total number of Shares repurchased	每股購買價 Purchase price per Shares		總代價 (扣除支出前) Aggregate consideration (before expenses)
			股份權益 Interests in Shares 最高 Highest 港元 HK\$	股份權益 Interests in Shares 最低 Lowest 港元 HK\$	
三月	March	2,178,000	3.72	3.64	8,037,660
四月	April	602,000	3.83	3.74	2,271,380
		2,780,000			10,309,040

除以上披露外，於截至二零二一年十二月三十一日止年度內本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

Substantial Shareholders (Continued)

Save as disclosed above, as at 31 December 2021, the Directors are not aware of any other persons who have interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company and the Stock Exchange pursuant to Part XV of the SFO.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year under review, the Company repurchased a total of 2,780,000 Shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$10,309,040. All Shares repurchased were cancelled. The Directors believe that the repurchases of Shares were made for the purpose of achieving an increase in the net assets value per Share and/or earnings per Share.

Particulars of repurchases by the Company of its own ordinary Shares made on the Stock Exchange during the year under review are as follows:

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2021.

董事會報告書 Directors' Report

主要供應商及客戶

於回顧年度內，集團前五名客戶之營業總額佔集團總營業額少於30%。

集團前五名及首名供應商之購貨總額佔集團總購貨額分別為30.7%及8.7%。於二零二一年十二月三十一日，本公司各董事、其各自緊密聯繫人士（定義見上市規則）或任何股東（就董事所知其擁有本公司已發行股本5%或以上）概無於本集團前五名供應商有任何權益。

企業管治

本公司之企業管治報告詳情載列於本年報第64至88頁之「企業管治報告」內。

公眾持股量

根據本公司從公開途徑所得之資料及據董事所知，本公司於本年度及於本年報刊發前最後實際可行日期，一直維持上市規則所規定之足夠公眾持股量。

股票掛鈎協議

除上文所披露之購股權計劃外，於回顧年度內或回顧年度年終時，本公司概無訂立將會或可導致本公司發行股份之股票掛鈎協議，或須本公司訂立將會或可能導致本公司發行股份之協議。

捐款

於回顧年度內，集團作出慈善捐款約596,000港元。

Major Suppliers and Customers

During the year under review, the aggregate sales attributable to the Group's five largest customers accounted for less than 30% of the Group's total turnover.

The aggregate purchases attributable to the Group's five largest suppliers and largest supplier accounted for 30.7% and 8.7% of the Group's total purchases respectively. None of the Directors, their respective close associates (as defined in the Listing Rules) or any Shareholder (whom to the knowledge of the Directors owns 5% or more of the issued share capital of the Company) as at 31 December 2021 has any interest in the Group's five largest suppliers.

Corporate Governance

Report on the Company's corporate governance is set out in "Corporate Governance Report" on pages 64 to 88 of this annual report.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as required under the Listing Rules during the year and as at the latest practicable date prior to the issue of the annual report.

Equity-linked Agreements

Other than the Share Option Schemes as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year under review or subsisted at the end of the year under review.

Donations

During the year under review, the Group made charitable donations approximately HK\$596,000.

獲准許之彌償條文

組織章程細則規定，每名董事、核數師或本公司其他行政人員或就作為董事、核數師或本公司其他行政人員於任何民事或刑事法律程序中關於與其作為董事、核數師或本公司其他行政人員作出或遺漏作出之行為，而彼在判決中就有關作出或遺漏作出之行為之責任或獲裁定無罪或獲法院免除法律責任時所產生之任何責任、損失或開支，可從本公司資產中獲得彌償。

本公司已安排為董事及高級人員投保合適且有效的董事及高級人員責任保險。

於回顧年度內及截至本報告日期，獲准許之彌償條文及董事責任保險一直生效。

關連交易及持續關連交易

本集團與根據適用會計準則被視為「關連人士」之人士訂立若干交易。有關關聯方交易的詳情載列於綜合財務報告附註38。在關聯方交易中，下列每項交易根據上市規則第十四A章之定義構成本公司關連交易或持續關連交易。此外，每項該等交易按照上市規則第十四A章構成符合最低豁免水平的交易，並獲全面豁免遵守上市規則第14A.76(1)條下的股東批准、年度審閱及所有披露規定要求。

- (a) 於回顧年度內，本集團支付960,000港元（二零二零年：960,000港元）租金予港德投資有限公司，而葉志成先生（控股股東及非執行董事）及其配偶於該公司持有各自50%權益。

Permitted Indemnity Provision

The Articles of Association provides that each Director, auditor or other officer of the Company shall be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done by him as Director, auditor or other officer of the Company and in which judgment is given in his favour or in which he is acquitted, or incurred in connection with any application in which relief is granted to him by the court from liability in respect of any such act.

The Company has taken out and kept in force appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company.

The permitted indemnity provisions and the Directors' and officers' liability insurance coverage were in force during the year under review and as of the date of this report.

Connected Transactions and Continuing Connected Transactions

The Group entered into certain transactions with parties regarded as "Related Parties" under applicable accounting standard. Details of the related party transactions are set out in note 38 to the consolidated financial statements. Among the related party transactions, each of the following transactions constitutes a connected transaction or a continuing connected transaction of the Company as defined under Chapter 14A of the Listing Rules. Further, each of those transactions constitute a de minimis transaction under Chapter 14A of the Listing Rules and is therefore is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1) of the Listing Rules.

- (a) During the year under review, the Group paid rent of HK\$960,000 (2020: HK\$960,000) to Goldex Investments Limited which is owned as to 50% by Mr. Ip Chi Shing, the controlling Shareholder and a Non-executive Director and 50% by his spouse.

董事會報告書 Directors' Report

關連交易及持續關連交易 (續)

- (b) 於回顧年度內，本集團收取葉志成慈善基金有限公司的租金及使用費384,000港元(二零二零年：420,000港元)及服務費53,000港元(二零二零年：53,000港元)，葉志成先生(控股股東及非執行董事)擁有該公司的控股權益。
- (c) 根據上市規則第14A.95條，按照董事與本公司或其附屬公司簽訂的服務合約支付予董事之酬金屬全面豁免的交易。支付給他們的薪酬詳情載列於綜合財務報告附註6。

建議洋紫荊油墨分拆及於深圳證券交易所創業板獨立上市

本公司間接持有洋紫荊油墨(一家於中國註冊成立的公司)約91.76%權益。於回顧年度內，洋紫荊油墨已於二零二一年一月二十七日就建議A股上市向深圳證券交易所呈交其上市申請，獲深圳證券交易所於二零二一年二月三日通知受理洋紫荊油墨呈交的建議A股上市申請。該招股說明書申請版本已登載於深圳證券交易所網站。

於本年報日期，建議分拆及建議A股上市須待(其中包括)深圳證券交易所批准及完成中國證監會發行註冊程序後，方可作實。

Connected Transactions and Continuing Connected Transactions

(Continued)

- (b) During the year under review, the Group received rent and license fee of HK\$384,000 (2020:HK\$420,000) and service fee of HK\$53,000 (2020: HK\$53,000) from Ip Chi Shing Charitable Foundation Limited in which Mr. Ip Chi Shing, the controlling Shareholder and a Non-executive Director has controlling interest.
- (c) Remuneration paid to Directors pursuant to their service contracts entered into with the Company or its subsidiaries are fully exempted transactions pursuant to Rule 14A.95 of the Listing Rules. The details of the remuneration paid to them are set out in note 6 to the consolidated financial statements.

Proposed Spin-off and Separate Listing of Bauhinia Ink on ChiNext Board of the Shenzhen Stock Exchange

Bauhinia Ink, a company established in the PRC, was approximately 91.76% interest indirectly held by the Company. During the year under review, Bauhinia Ink has submitted its listing application for the Proposed A Share Listing to the Shenzhen Stock Exchange on 27 January 2021 and was notified by the Shenzhen Stock Exchange on 3 February 2021 that the application for the Proposed A Share Listing was acknowledged. The application proof of the prospectus was published on the website of the Shenzhen Stock Exchange.

As of the date of this annual report, the Proposed Spin-off and the Proposed A Share Listing are subject to, among other things, approval from the Shenzhen Stock Exchange and the completion of issuances registration procedures with CSRC.

建議洋紫荊油墨分拆及於深圳證券交易所創業板獨立上市 (續)

建議分拆及建議A股上市之詳情分別載列於本公司日期為二零二零年五月二十八日、二零二零年六月十日、二零二零年七月二十一日、二零二一年二月四日及二零二一年二月五日之公告，以及本公司日期為二零二零年八月十七日之通函內。

除另有界定外，上文標題「建議洋紫荊油墨分拆及於深圳證券交易所創業板獨立上市」所用詞彙與本公司日期為二零二零年八月十七日之通函所界定者具有相同涵義。

須予披露交易及不行使認沽期權

(I) 出售大勇投資有限公司權益及轉讓銷售貸款以及授出認沽期權之須予披露交易

於二零二一年七月十六日，葉氏恒昌(集團)有限公司(「賣方」，本公司之間接全資附屬公司)訂立買賣協議(「買賣協議」)，向STRG Holdings III Limited(「買方」)出售大勇投資有限公司(本公司之間接全資附屬公司，「大勇投資」)全部已發行股本(「銷售股份」)，並接受銷售貸款(「銷售貸款」)的利益轉讓，總現金代價為282,681,616港元(受代價調整所規限)(「出售事項」)。

Proposed Spin-off and Separate Listing of Bauhinia Ink on ChiNext Board of the Shenzhen Stock Exchange (Continued)

For details regarding the Proposed Spin-off and the Proposed A Share Listing, please refer to the announcements of the Company dated 28 May 2020, 10 June 2020, 21 July 2020, 4 February 2021 and 5 February 2021 respectively, and the circular of the Company dated 17 August 2020.

Unless otherwise indicated, capitalised terms used in the heading of "Proposed Spin-off and Separate Listing of Bauhinia Ink on ChiNext Board of the Shenzhen Stock Exchange" shall have the same meaning as those defined in the Company's circular dated 17 August 2020.

Discloseable Transactions and Non-exercise of the Put Option

(I) Discloseable Transactions in Disposal of Interests in Big Youth Investments Limited and the Assignment of Sale Loan and the Grant of the Put Option

On 16 July 2021, Yip's H.C. (Holding) Limited (the "Vendor", an indirect wholly-owned subsidiary of the Company) entered into a sale and purchase agreement ("Sale and Purchase Agreement") to dispose of the entire issued share capital (the "Sale Shares") of Big Youth Investments Limited (an indirect wholly-owned subsidiary of the Company, "Big Youth") and to assign of the benefit of a sale loan (the "Sale Loan") to STRG Holdings III Limited (the "Purchaser"), for the aggregate consideration of HK\$282,681,616 (subject to consideration adjustment) in cash (the "Disposal").

董事會報告書
Directors' Report

須予披露交易及不行使
認沽期權 (續)

(I) 出售大勇投資有限公司權益及轉讓銷售貸款以及授出認沽期權之須予披露交易 (續)

作為買方同意訂立上述協議的代價，倘根據同意指定的專業顧問發出的調查報告(i)任何地下儲罐曾被使用；及(ii)存在污染的情況時（取決於賣方選擇自二零二一年七月十六日起計六個月內改正或補救該污染的權利），則賣方向買方授出認沽期權（「認沽期權」），以要求賣方向其購回所有銷售股份及銷售貸款的利益。

出售事項於訂立買賣協議同日完成。完成出售事項後，大勇投資不再為本公司的附屬公司及其財務業績不再併入本集團之帳目。該交易詳情載列於本公司日期為二零二一年七月十六日之公告。

(II) 不行使認沽期權

於二零二一年八月十九日，買方與賣方訂立補充買賣協議之契據（「契據」），據此買方同意不行使認沽期權並放棄其權利（如有），且賣方同意，買方毋須履行其根據買賣協議條款的有關認沽期權的責任。根據契據，買方或賣方不須支付任何代價或賠償。於契據簽署後，認沽期權已失效或被視為已失效且不得再行使，即時生效。除上述者外，買賣協議所有其他條款及條件維持不變，且繼續具有十足效力及作用。

Discloseable Transactions and
Non-exercise of the Put Option

(Continued)

(I) Discloseable Transactions in Disposal of Interests in Big Youth Investments Limited and the Assignment of Sale Loan and the Grant of the Put Option (Continued)

In consideration of the Purchaser agreeing to enter into the Sale and Purchase Agreement, the Vendor granted to the Purchaser a put option (the "Put Option") to require the Vendor to re-purchase from it all Sale Shares and the benefit of the Sale Loan, if, according to investigation report issued by agreed designated professional advisers, that (i) any of the underground storage tanks was used; and (ii) there is contamination, subject to the right of the Vendor to elect to rectify or remediate such contamination within 6 months from 16 July 2021.

Completion of the Disposal took place on the same date of the Sale and Purchase Agreement. Upon completion of the Disposal, Big Youth had ceased to be a subsidiary of the Company and the financial results thereof would no longer be consolidated into the accounts of the Group. The details of the transaction were disclosed in the Company's announcement dated 16 July 2021.

(II) Non-exercise of the Put Option

On 19 August 2021, the Purchaser and the Vendor entered into a deed (the "Deed") supplemental to the Sale and Purchase Agreement whereby the Purchaser has agreed not to, and waived its right (if any) to, exercise the Put Option and the Vendor has agreed that the Purchaser shall no longer be required to perform its obligations in relation to the Put Option pursuant to the terms of the Sale and Purchase Agreement. No consideration or compensation is payable by the Purchaser or the Vendor under the Deed. Upon execution of the Deed, the Put Option has lapsed or shall be deemed to have lapsed and shall no longer be exercisable with immediate effect. Save as aforesaid all other terms and conditions of the Sale and Purchase Agreement shall remain unchanged and shall continue to be in full force and effect.

董事在交易、安排或合約中之權益

除以上所披露者外，於本回顧年度內各董事及其關連的實體於本公司或其任何附屬公司所訂立的任何對本集團業務可屬重大之交易、安排或合約中，不論直接或間接，概無擁有實益權益。

管理及行政合同

除與董事及全職僱員所訂立之僱員合約，本年度內概無訂立或存有與本公司全部或任何重大部分業務的管理及行政有關的合約。

優先購買權

本公司之組織章程細則或開曼群島法例並無優先購買權之條文，以規定本公司須按比例向現有股東發售新股份。

核數師

本集團截至二零二一年十二月三十一日止年度之綜合財務報告已由本公司核數師德勤•關黃陳方會計師行審核。德勤•關黃陳方會計師行將任滿告退，續聘其為本公司之核數師之決議案將於即將舉行之股東周年大會上提呈。

承董事會命

葉志成
主席

香港，二零二二年三月二十四日

Directors' Interests in Transactions, Arrangement or Contracts

Save as disclosed above, no Director or his entity connected had a material interest, directly or indirectly, in a transaction, arrangement or contract that is significant in relation to the Company's business to which the Company or any of its subsidiaries was a party during the year under review.

Contracts Concerning Management and Administration

No contracts, other than employment contracts with Directors and full time employees, concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year under review.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

Auditor

The consolidated financial statements of the Group for the year ended 31 December 2021 have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu. Messrs. Deloitte Touche Tohmatsu will retire and a resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Ip Chi Shing
Chairman

Hong Kong, 24 March 2022



企業管治報告 Corporate Governance Report

遵例聲明

董事會致力於實行及達到高水平之企業管治。董事會定期檢討本公司及其附屬公司的日常企業管治常規及程序，並促使本公司及其附屬公司嚴謹地遵守有關的法律及規定，以及監管機構的規則和指引。

企業管治常規

本公司已按照上市規則附錄十四之守則《企業管治報告》(「《企業管治守則》」)的要求，所涵蓋會計期間應披露的資料已詳盡列載於本年報內。另外，截至二零二一年十二月三十一日止年度，除偏離《企業管治守則》的守則條文B.3.1條外(於下文闡釋)，本公司已遵守《企業管治守則》中的所有適用之原則和守則條文。

由於本公司已有既定政策及程序以挑選和提名董事，因此本公司於二零二一年十二月二十日前並未設立提名委員會。董事會定期審閱其架構、人數、組成及多元化情況並提名及委任新董事及履行《企業管治守則》內提名委員會的其他職能。

鑒於二零二二年一月一日生效之上市規則之修訂，於二零二一年十二月二十日，本公司已成立提名委員會(「提名委員會」)履行上述職能，以符合經修訂上市規則第3.27A條的規定，並遵守經修訂《企業管治守則》的守則條文的第B.3.1條。提名委員會由主席擔任主席及由兩名獨立非執行董事組成。提名委員會的成立詳情載於本公司日期為二零二一年十二月二十日之公告。緊隨本公司成立提名委員會後，本公司已遵守《企業管治守則》中的所有適用之原則和守則條文。

上市公司董事進行證券交易的標準守則

本公司已採納標準守則，作為監管全體董事買賣本公司證券的操守準則。在作出特定查詢後，所有董事確認於回顧年度內已遵守標準守則規定的標準。

Statement of Compliance

The Board is committed to practicing and achieving a high standard of corporate governance. The Board periodically reviews the daily corporate governance practices and procedures of the Company and its subsidiaries and procures the Company and its subsidiaries to strictly comply with the relevant laws and regulations, and the rules and guidelines of regulatory bodies.

Corporate Governance Practices

The Company has made detailed disclosures in relation to the accounting period covered in this annual report in compliance with the requirements of Corporate Governance Report set out in the Corporate Governance Code (the "CG Code") of Appendix 14 of the Listing Rules. Also, the Company has complied with all the applicable principles and code provisions of the CG Code throughout the year ended 31 December 2021, except for the deviation from code provision B.3.1 of the CG Code which is explained below:

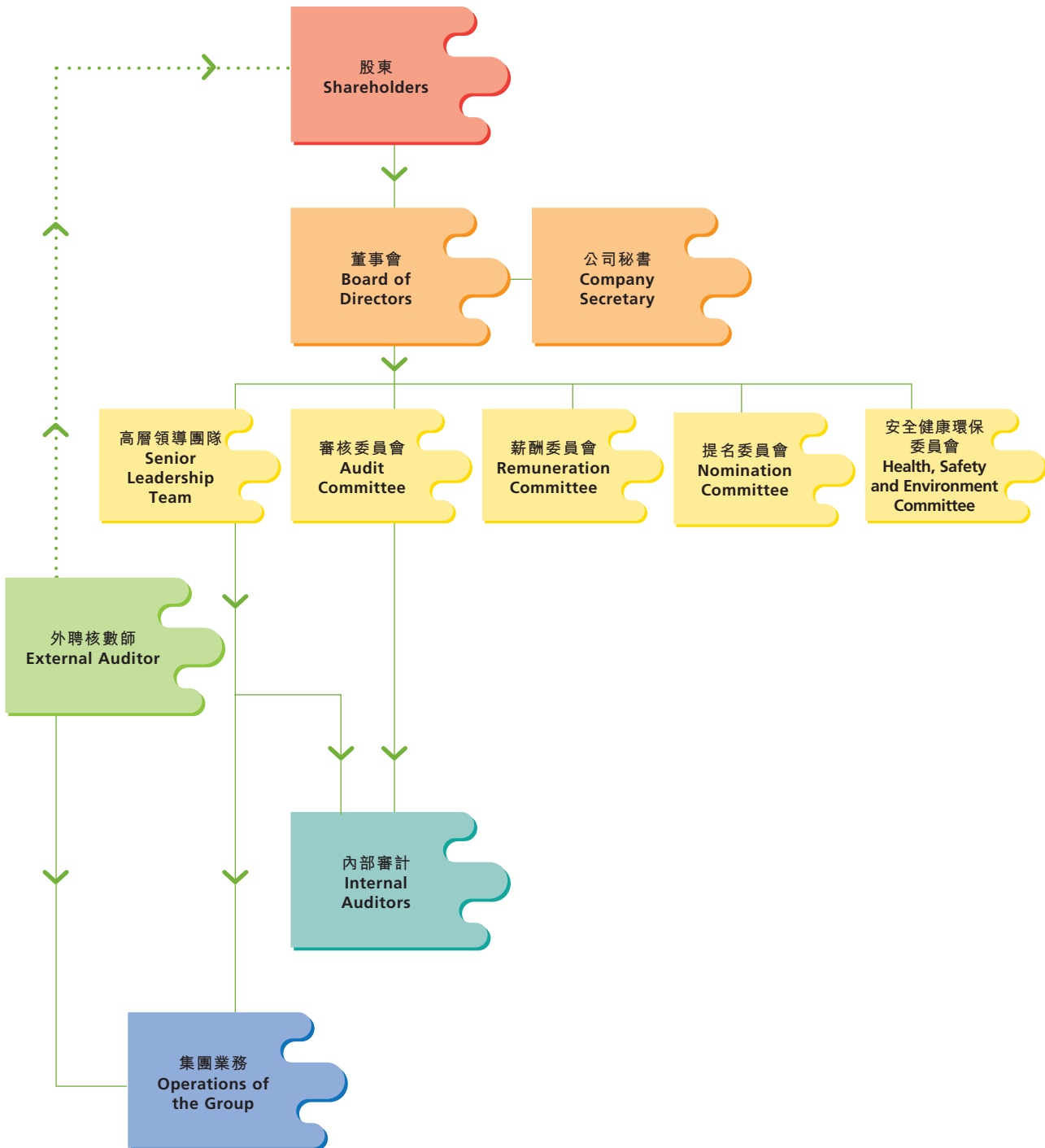
The Company did not have a nomination committee before 20 December 2021 as the Company had the policies and procedures for selection and nomination of Directors in place. The Board regularly reviewed its structure, size, composition and diversity, and carry out nomination and appointment of new directors and other functions performed by a nomination committee under the CG Code.

In view of the amendments to the Listing Rules which has become effective from 1 January 2022, the Board established a nomination committee (the "Nomination Committee") on 20 December 2021 to perform the said functions to meet the requirements under Rule 3.27A of the amended Listing Rules and comply with the code provision B.3.1 of the amended CG Code. The Nomination Committee is chaired by the Chairman and comprises two Independent Non-executive Directors. Details of establishment of the Nomination Committee were set out in the announcement of the Company dated 20 December 2021. Following the establishment of the Nomination Committee, the Company has applied and complied with all the applicable principles and code provisions of the CG Code.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct governing dealing by all Directors in the securities of the Company. After making specific enquiries, all Directors have confirmed that they have fully complied with the required standard as set out in the Model Code during the year under review.

企業管治架構圖 Corporate Governance Structure



企業管治報告 Corporate Governance Report

董事會

董事會主要職責為制定集團政策、監察該等政策的落實執行、並就集團的整體管理提供監督及協助。

董事會組成

於本年報日期，集團主席為葉志成先生，董事會共由七位董事組成，包括三位執行董事、一位非執行董事及三位獨立非執行董事。獨立非執行董事的數目按上市規則第3.10A條規定佔董事會成員人數超過三分之一。董事名單與其角色及職能已登載於本公司及聯交所網站內。

董事履歷載列於本年報第40至44頁之「董事及行政人員簡介」章節內。集團主席及本公司非執行董事葉志成先生為(i)集團副主席及行政總裁、本公司執行董事及領導團隊成員葉子軒先生之兄長；及(ii)集團副行政總裁、本公司執行董事及領導團隊成員葉鈞先生之父親。葉子軒先生為葉鈞先生之叔叔。獨立非執行董事古以道先生為本公司已榮休獨立非執行董事古遠芬先生之子。除以上外，就董事所知，各董事會成員之間概無任何財務、業務、家族或其他重大／相關關係。

於回顧年度內，根據上市規則第3.13條，本公司已收到獨立非執行董事王旭先生、古以道先生及何百川先生就其獨立性而作出的年度確認函，本公司認為所有獨立非執行董事於回顧年度內為獨立人士。

The Board

The Board's principal duties are setting policies, monitoring the execution of such policies, and providing supervision and assistance to the overall management of the Group.

Composition of the Board

As of the date of this annual report, the Board is chaired by Mr. Ip Chi Shing and comprised a total of seven Directors, namely, three Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The number of Independent Non-executive Directors represents more than one-third of the Board which fulfills the requirement under Rule 3.10A of the Listing Rules. The list of Directors with their roles and functions is available on the websites of the Company and the Stock Exchange.

Biographic details of the Directors are set out in the section of "Directors' and Management Executives' Profiles" on pages 40 to 44 of this annual report. Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director, is (i) the elder brother of Mr. Yip Tsz Hin who is the Deputy Chairman and the Chief Executive Officer of the Group, an Executive Director and a member of the SLT; and (ii) the father of Mr. Ip Kwan, who is the Deputy Chief Executive Officer of the Group, an Executive Director and a member of the SLT. Mr. Yip Tsz Hin is the uncle of Mr. Ip Kwan. Mr. Ku Yee Dao, Lawrence, an Independent Non-executive Director, is the son of Mr. Ku Yuen Fun, a retired Independent Non-executive Director. In addition to the above, to the best knowledge of the Directors, there is no financial, business, family or other material/relevant relationship among members of the Board.

During the year under review, the Company has received annual confirmations from Mr. Wong Yuk, Mr. Ho Pak Chuen, Patrick and Mr. Ku Yee Dao, Lawrence, being Independent Non-executive Directors, in respect of their independence pursuant to Rule 3.13 of the Listing Rules. Therefore, the Company considers all Independent Non-executive Directors are independent throughout the year under review.

企業管治報告 Corporate Governance Report

董事會 (續)

董事會組成 (續)

本公司獨立非執行董事古以道先生為本公司前任獨立非執行董事古遠芬先生之子，惟董事會認為古以道先生為獨立人士，並認為彼為填補古遠芬先生因退休已產生空缺之合適人選，原因包括：

(i)除僅因古以道先生作為本公司辭任董事之子而未能滿足上市規則第3.13(6)條外，古以道先生均符合上市規則第3.13條中列明的所有有關獨立性的準則；及

(ii)本公司認為古以道先生有能力履行其專業判斷及運用彼於會計及金融行業的廣泛知識及經驗。

此外，儘管王旭先生於二零二一年一月一日轉任獨立非執行董事前兩年內，曾任本公司之附屬公司紫荊花製漆(深圳)有限公司(一間於中國成立及為本公司的附屬公司，「紫荊花製漆(深圳)」)之董事。然而王先生已確認及董事會認同王先生的獨立性，除上市規則第3.13(7)條外，王先生滿足上市規則第3.13條之所有獨立性陳述條件，原因如下：

- (i) 王旭先生自二零一九年一月一日起由本公司執行董事轉任非執行董事後，不再涉及任何本集團的日常營運、管理及業務，並且彼為董事會之商議擔任提供客觀及獨立意見的重要角色；及
- (ii) 王旭先生曾任紫荊花製漆(深圳)之董事，紫荊花製漆(深圳)於二零一八年十一月十三日已申請註銷(於此之前已終止業務)，故此王先生已不再擔任於紫荊花製漆(深圳)任何行政職務，並且紫荊花製漆(深圳)已於二零二零年四月十日完成註銷。

The Board (Continued)

Composition of the Board (Continued)

In respect of Mr. Ku Yee Dao, Lawrence, an Independent Non-executive Director of the Company, Mr. Ku Yee Dao, Lawrence is the son of Mr. Ku Yuen Fun, the former Independent Non-executive Director of the Company, the Board however considers that Mr. Ku Yee Dao, Lawrence is independent and an appropriate candidate to fill the casual vacancy arising from the resignation of Mr. Ku Yuen Fun for, among others, the following reasons: (i) Mr. Ku Yee Dao, Lawrence satisfies all the independence criteria set out in Rule 3.13 of the Listing Rules except for Rule 3.13(6) of the Listing Rules solely for him being the son of a retired Director; and (ii) the Company believes that Mr. Ku Yee Dao, Lawrence is capable of exercising his professional judgment and draw upon his extensive knowledge and experience in the accounting and financial industry.

In respect of another Independent Non-executive Director Mr. Wong Yuk, notwithstanding Mr. Wong Yuk was a director of Bauhinia Paints Manufacturing (Shenzhen) Company Limited[#] (紫荊花製漆(深圳)有限公司) (a company established in the PRC and a subsidiary of the Company, "Bauhinia Paints (Shenzhen)"), within two years prior to 1 January 2021, the date of his re-designation as Independent Non-executive Director, Mr. Wong has confirmed, and the Board agrees, that Mr. Wong is independent and satisfies all the indicative independence criteria set out in Rule 3.13 of the Listing Rules, save for Rule 3.13(7) of the Listing Rules, for the following reasons:—

- (i) Mr. Wong Yuk has been re-designated from an Executive Director to a Non-executive Director since 1 January 2019 and has no longer been involved in any daily operations, management and business of the Group since then and has played a valuable role to bring objectivity and independent judgment to the Board's deliberations; and
- (ii) Mr. Wong Yuk acted as a director of Bauhinia Paints (Shenzhen) which applied for deregistration on 13 November 2018 (by then Bauhinia Paints (Shenzhen) had already ceased its business), since then Mr. Wong ceased to perform any executive role in Bauhinia Paints (Shenzhen) and the deregistration process of Bauhinia Paints (Shenzhen) was completed on 10 April 2020.

[#] for identification purpose only

企業管治報告 Corporate Governance Report

董事會 (續)

董事會組成 (續)

於二零二一年十二月二十日之前，董事會負責新董事之提名及委任工作、檢討董事會的組成及成員、以及載於上市規則附錄十四之《企業管治守則》內提名委員會履行的其他職能。本公司認為由整個董事會履行提名委員會的職能更為有利及高效。

鑒於二零二二年一月一日生效之上市規則之修訂，董事會於二零二一年十二月二十日成立提名委員會負責上述職能，以符合經修訂上市規則第3.27A條的規定並遵守經修訂《企業管治守則》的守則條文的第B.3.1條。

董事會已於二零一三年八月二十日批准及採納董事會成員多元化政策（「董事會成員多元化政策」）。董事會成員多元化政策概述如下：

- 甄選董事會成員人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及於本集團的服務年期。最終將按人選的長處及可為董事會提供的貢獻而作決定；
- 董事會將匯報董事會在多元化層面的組成，並監督多元化政策的執行；及
- 董事會將在適當時候檢討多元化政策，以確保本政策行之有效。

The Board (Continued)

Composition of the Board (Continued)

Prior to 20 December 2021, the Board was responsible for the nomination and appointment of new directors, review of composition and membership of the Board and other functions performed by a nomination committee under the CG Code as set out in Appendix 14 to the Listing Rules. The Company considered it more beneficial and efficient for the full Board to perform the functions of the nomination committee.

In view of the amendments to the Listing Rules which has become effective from 1 January 2022, the Board established the Nomination Committee on 20 December 2021 to assume the said functions to meet the requirements under Rule 3.27A of the amended Listing Rules and comply with the code provision B.3.1 of the amended CG Code.

The Board approved and adopted a board diversity policy (the “Board Diversity Policy”) on 20 August 2013. The Diversity Policy is summarised as follows:

- the selection of candidates of the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service to the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board;
- the Board will report on the Board’s composition under diversified perspectives and monitor the implementation of the Diversity Policy; and
- the Board will review the Diversity Policy at appropriate times so as to ensure its effectiveness.

董事會 (續)**董事會組成** (續)

董事會已於二零一九年二月十四日批准及採納提名政策(「提名政策」)，以列明甄選、委任及重新委任本公司董事的準則及程序。提名政策概述如下：

- 董事會根據以下考慮因素甄選人選或重新委任現任董事會成員：
 - (a) 誠信信譽
 - (b) 於化工或石油化工工業尤其是溶劑、塗料、油墨、潤滑油及其他相關市場的成就及經驗
 - (c) 可投入的時間及代表相關界別的利益
 - (d) 多元化政策內述之多元化範疇
 - (e) 根據上市規則定義之獨立非執行董事之獨立性
 - (f) 董事會可能不時釐定的任何其他相關因素
 - (g) 平衡執行董事在不同管理領域的比例
 - (h) 平衡執行董事、非執行董事及獨立非執行董事在董事會的比例

The Board (Continued)**Composition of the Board** (Continued)

The Board approved and adopted the Nomination Policy (the "Nomination Policy") on 14 February 2019 which sets out the criteria and procedures for the selection, appointment/re-appointment of Directors. The Nomination Policy is summarised as follows:

- the selection of candidates or re-appointment of any existing member(s) of the Board will be based on the following criteria:
 - (a) Reputation for integrity
 - (b) Accomplishment and experience in the chemical or petrochemical industry, in particular, in the solvents, coatings, inks, lubricants and other related markets
 - (c) Commitment in respect of available time and relevant interest
 - (d) Diversity perspectives as mentioned in the Diversity Policy
 - (e) Independence for the independent non-executive directors as defined in Listing Rules
 - (f) Any other relevant factors as may be determined by the Board from time to time
 - (g) Balanced representation of different management domain of executive directors
 - (h) Balanced representation on the Board by executive directors, non-executive directors and independent non-executive directors

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董事會 (續)

董事會組成 (續)

- 提名及甄選程序如下
 - (a) 董事會應最少每五年一次檢討董事會之規模、組成及架構，及考慮繼任計劃。
 - (b) 建議人選將被要求提交所需個人資料，以供董事會按照上述甄選準則評估有關人選是否合適。
 - (c) 董事會任何現任成員須根據組織章程細則重選連任時，董事會須就重新任命建議人選時應用上述甄選準則。
 - (d) 董事會於進行提名、甄選及委任／重新委任程序時，須確保不時遵守組織章程細則、開曼群島法例及上市規則。

董事會每八年或在適當時候檢討提名政策以確保其能有效地執行。

董事會自二零零八年批准及採納本公司之股息政策（「股息政策」），並於二零一零年七月、二零一二年一月、二零一七年二月及二零二二年二月作出修訂。董事會根據股息政策考慮應否派發股息予股東。股息政策內容包括讓董事會決定是否建議從利潤中分配股息及每股分配的股息金額而制定可跟從的指引，股息政策撮要如下：

- 集團盈利狀況與派息比率：一般情況，集團的派息比率約在40%至60%之間（除特殊情況外）；

The Board (Continued)

Composition of the Board (Continued)

- The nomination and selection procedures are:
 - (a) The Board shall conduct, at least once every five (5) years, a review of the size, composition and structure of the Board and consider the Board succession plan.
 - (b) Proposed candidate(s) will be asked to submit the necessary personal information in order for the Board to assess the suitability of the candidate(s) based on the above listed criteria.
 - (c) When any existing member(s) of the Board is subject to re-election according to the Articles of Association, the Board shall apply the above listed criteria to the proposed candidate(s) on his/her/their re-appointment.
 - (d) The Board shall ensure the procedures of nomination, selection and appointment/re-appointment to comply with the Articles of Association, the law of the Cayman Islands and the Listing Rules from time to time.

The Board will review the Nomination Policy once every eight (8) years or at appropriate times so as to ensure its effectiveness.

The dividend policy of the Company (the “Dividend Policy”) has been approved and adopted by the Board since 2008 and was revised in July 2010, January 2012, February 2017 and February 2022, which includes setting guidelines to be followed by the Board in deciding whether to recommend dividend out of the profits and the amount of dividend per share to be distributed. The Dividend Policy is summarised as follows:

- The Group’s profitability and dividend payout ratio: In general, the Group’s dividend payout ratio is between 40% and 60% (except in special circumstances);

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董事會 (續)

董事會組成 (續)

- 經營環境：假如集團認為不明朗的經營環境對集團未來的盈利狀況構成不利的影響，集團可酌量削減派息比率以保留現金作流動資金；
- 集團的現金流與資本及營運開支：無論在任何情況下，集團必須保留足夠的現金流以應付中港兩地日常營運開支所需；
- 除現金外，股息亦可以公司股份、認股權證或本公司其他形式的證券派發；
- 一般而言，中期股息應約佔預計全年預測股息的30%至40%；及
- 在特殊情況下，集團可考慮派發特別股息。

董事會每五年或在適當時候檢討股息政策，以確保其能有效地執行。

於回顧年度內，董事會已檢討以下指引及政策：

- 人力資源政策；
- 重大資本性及運作性開支及出售重大投資額度及審批權權限表；
- 重大財務承擔額度及審批權權限表；及
- 董事及高管理人員任免及薪酬審批程序。

The Board (Continued)

Composition of the Board (Continued)

- Operating environment: If the Group believes that uncertain operating environment will adversely affect the Group's future profitability, the Group may reduce the dividend payout ratio to retain cash flows;
- The Group's cash flows and capital and operation expenditures: In all circumstances, the Group must maintain sufficient cash flows to meet the daily operation expenditures arising from operations in both Mainland China and Hong Kong;
- In addition to cash, dividends may also be distributed in company Shares, warrants or other forms of securities of the Company;
- In general, the interim dividend should be approximately 30% to 40% of the projected full-year dividend; and
- In special circumstances, the Group may consider issuing a special dividend.

The Board will review the Dividend Policy once every five (5) years or at appropriate times so as to ensure its effectiveness.

During the year under review, the Board reviewed the following guidelines and policies:

- Human Resources Policy;
- Schedule of Limit and Approval of Significant Capital and Operational Expenditures and Disposal of Significant Investment;
- Schedule of Limits and Approval of Major Financial Commitments; and
- Procedure for Appointment and Dismissal and Remuneration of Directors and Senior Management.

企業管治報告 Corporate Governance Report

董事會 (續)

董事會運作

於回顧年度內，董事會共舉行了五次董事會常規會議、二十一次其他董事會會議及一次主席與所有獨立非執行董事會議。各董事於有關會議之出席次數載列如下：

執行董事：		Executive Directors:	董事會常規會議出席率 Regular Board Meetings Attendance	主席與獨立非執行董事會議出席率 Chairman and Independent Non-executive Directors Meeting Attendance	其他董事會會議出席率 Other Board Meetings Attendance
葉子軒先生	Mr. Yip Tsz Hin		5/5		14/21
葉鈞先生	Mr. Ip Kwan		5/5		19/21
何世豪先生	Mr. Ho Sai Hou		5/5		21/21
非執行董事：		Non-executive Director:	董事會常規會議出席率 Regular Board Meetings Attendance	主席與獨立非執行董事會議出席率 Chairman and Independent Non-executive Directors Meeting Attendance	其他董事會會議出席率 Other Board Meetings Attendance
葉志成先生	Mr. Ip Chi Shing		5/5	1/1	8/21
獨立非執行董事：		Independent Non-executive Directors:	董事會常規會議出席率 Regular Board Meetings Attendance	主席與獨立非執行董事會議出席率 Chairman and Independent Non-executive Directors Meeting Attendance	其他董事會會議出席率 Other Board Meetings Attendance
王旭先生	Mr. Wong Yuk		5/5	1/1	1/21
何百川先生	Mr. Ho Pak Chuen, Patrick		5/5	1/1	1/21
古以道先生	Mr. Ku Yee Dao, Lawrence		5/5	1/1	1/21

於回顧年度內，五次董事會常規會議均保持高出席率，而所有董事於全年亦有積極參與。除舉行董事常規會議外，董事會於回顧年度內亦召開了二十一個其他董事會會議，以批准日常事務或討論董事會任何當時有需要注意之事宜。

The Board (Continued)

Operation of the Board

During the year under review, five regular Board meetings, twenty one other Board meetings and a meeting of Chairman and all Independent Non-executive Directors of the Company were held. The attendance of each Director at these meetings is shown in the table below:

During the year under review, the five regular Board meetings had maintained a high attendance rate and active participation had been achieved by all Directors throughout the year. Besides these regular Board meetings, twenty one other Board meetings were convened during the year under review to approve routine business or discuss any matters that required the Board's timely attention.

企業管治報告 Corporate Governance Report

董事會 (續)

董事會運作 (續)

按《企業管治守則》條文C.2.7條，董事會主席兼非執行董事葉志成先生與所有獨立非執行董事舉行了一次並無其他董事出席的會議。

公司秘書

本公司公司秘書何世豪先生為本公司全職僱員。於本回顧年度，何先生已遵守上市規則第3.29條有關專業培訓之規定。

於回顧年度內，公司秘書確保（當中包括）各董事可獲得其所需要的資料及遵循所有董事會程序。同時公司秘書亦負責為各董事提供持續專業發展之機會，以發展及更新彼等的知識及技能，確保彼等向董事會作出知情及恰當之貢獻。董事亦獲提供本公司表現、財務狀況及前景的每月更新資料，以便董事會整體及各董事適當地履行其職務。

董事培訓及專業發展

本公司不時地為董事安排內部培訓，形式包括講座、工作坊及閱覽有關法律、規則及監管條例、管理、財務及商業事項等的最新發展資料，以便各董事提高及更新自身的知識和技能。

The Board (Continued)

Operation of the Board (Continued)

Mr. Ip Chi Shing, the Chairman of the Board and Non-executive Director, held a meeting with all the Independent Non-executive Directors without the presence of other Directors in accordance with the code provision C.2.7 under the CG Code.

Company Secretary

The company secretary of the Company (the “Company Secretary”), Mr. Ho Sai Hou, is a full time employee of the Company. During the year under review, Mr. Ho has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

During the year under review, the role of the Company Secretary included, amongst others, ensuring that the Directors have access to all necessary information and that all Board procedures were followed. The Company Secretary was also responsible for offering opportunities of continuing professional development to all Directors to develop and refresh their knowledge and skills to help ensure that their contribution to the Board remains informed and relevant. Directors were also provided with monthly updates on the Company’s performance, financial position and prospects to enable the Board as a whole and each Director to properly discharge their duties.

Directors’ Training and Professional Development

The Company, from time to time, provides in-house trainings for the Directors in the form of seminars, workshops and reading materials on the latest development of applicable laws, rules and regulations, management, financial and business issues to develop and refresh their knowledge and skills.

企業管治報告 Corporate Governance Report

董事會 (續)

董事培訓及專業發展 (續)

另外，本公司鼓勵所有董事參與各專業培訓研討會及課程。根據董事所提供的記錄，董事於回顧年度內所接受的培訓概要如下：

董事姓名	Name of Director	培訓類別 Type of Trainings		
		內部培訓 In-house training	講座及／或 會議及／或 研討會 Seminars and/or conferences and/or forums	閱讀材料及 網上學習 Reading and on-line studying
葉志成先生	Mr. Ip Chi Shing			✓
葉子軒先生	Mr. Yip Tsz Hin			✓
葉鈞先生	Mr. Ip Kwan			✓
何世豪先生	Mr. Ho Sai Hou	✓	✓	✓
王旭先生	Mr. Wong Yuk			✓
何百川先生	Mr. Ho Pak Chuen, Patrick			✓
古以道先生	Mr. Ku Yee Dao, Lawrence			✓

董事會授權

董事會為本公司的最高權力實體，集體負責領導、策劃及監控集團業務，以及履行企業管治責任和職能，相關工作內容在需由董事會作出決定的事項清單內有詳細說明。於回顧年度內，董事會主席一職由葉志成先生擔任，葉子軒先生擔任行政總裁及葉鈞先生擔任副行政總裁。

如下文所述，本公司成立了領導團隊。於回顧年度內，葉子軒先生及葉鈞先生負責監察集團領導團隊及其他高層管理人員之工作。以上之架構是為了清楚明確的分別主席管理董事會的職責以及管理層監督集團整體內部運作的職責。

董事會已授權給領導團隊，而該等職責包括但不限於制定和推行政策及業務發展策略，以及對集團不同業務單位的表現作出監控。領導團隊現有成員合共四位成員，當中包括三位執行董事葉子軒先生、葉鈞先生及何世豪先生。

The Board (Continued)

Directors' Training and Professional Development (Continued)

In addition, all Directors are encouraged to participate in various professional development seminars and courses. A summary of training received by Directors during the year under review according to the records provided by the Directors is as follows:

董事姓名	Name of Director	培訓類別 Type of Trainings		
		內部培訓 In-house training	講座及／或 會議及／或 研討會 Seminars and/or conferences and/or forums	閱讀材料及 網上學習 Reading and on-line studying
葉志成先生	Mr. Ip Chi Shing			✓
葉子軒先生	Mr. Yip Tsz Hin			✓
葉鈞先生	Mr. Ip Kwan			✓
何世豪先生	Mr. Ho Sai Hou	✓	✓	✓
王旭先生	Mr. Wong Yuk			✓
何百川先生	Mr. Ho Pak Chuen, Patrick			✓
古以道先生	Mr. Ku Yee Dao, Lawrence			✓

Delegation by the Board

The Board, as the highest governing body, is collectively responsible for leading, planning and controlling the businesses of the Group, and also for performing the corporate governance duties and functions as more specifically set out in the list of matters reserved for the Board. During the year under review, the position of the Chairman of the Board was held by Mr. Ip Chi Shing, and the position of Chief Executive Officer was held by Mr. Yip Tsz Hin and the position of Deputy Chief Executive Officer was held by Mr. Ip Kwan.

As disclosed below, the Company established SLT. During the year under review, Mr. Yip Tsz Hin and Mr. Ip Kwan oversaw the works of SLT and other senior management of the Group. The above structure is to ensure a clear distinction between the Chairman's duty to manage the Board and the management's duty to oversee the overall internal operation of the Group.

The Board has delegated to SLT broad management responsibilities including, but not limited to, formulating and implementing policies and business strategies, as well as supervising the performance of the Group's different business segments. SLT currently comprises a total of four members, three of them are Executive Directors, namely Mr. Yip Tsz Hin, Mr. Ip Kwan and Mr. Ho Sai Hou.

董事會 (續)**董事會授權** (續)

本公司設有一份指定須由董事會作出決定事項之正式清單，並會定期檢討該清單。該等較重要事項包括：

- 制定長期目標及策略
- 批准初步業績公告
- 批准年度預算
- 批准主要資本開支、收購及出售
- 制定風險管理政策
- 批准須予公佈的交易及關連交易
- 建議及宣派股息
- 委任新董事
- 成立董事會委員會
- 檢討及監察內部監控及風險管理系統
- 檢討及監察遵守法律與法規要求及企業管治之政策及常規及遵守《企業管治守則》
- 批准重要政策及指引

高層領導團隊 (「領導團隊」)**領導團隊成員**

- 葉子軒先生
- 葉鈞先生
- 何世豪先生
- 謝憶珠女士

The Board (Continued)**Delegation by the Board** (Continued)

A formal schedule of matters reserved for the Board is maintained and is subject to regular review. The more important matters include:

- setting long term objectives and strategies
- approving preliminary results announcements
- approving annual budgets
- approving major capital expenditure, acquisitions and disposals
- establishing risk management policies
- approving notifiable transactions and connected transactions
- declaring and recommending the payment of dividends
- appointing new Directors
- establishing Board committees
- reviewing and monitoring of internal control and risk management systems
- reviewing and monitoring the policies and practices on compliance with legal and regulatory requirement and practices on corporate governance and compliance with CG Code
- approving major policies and guidelines

Senior Leadership Team (SLT)**SLT members**

- Mr. Yip Tsz Hin
- Mr. Ip Kwan
- Mr. Ho Sai Hou
- Ms. Tse Yik Chu

企業管治報告 Corporate Governance Report

董事會 (續)

領導團隊之職務及責任

- 協助董事會制定政策和策略
- 執行並實施董事會制定的政策與策略計劃
- 管治及監控子集團業務
- 協助及協調子集團的運作，為集團爭取最佳效益

目前，董事會有四個委員會，分別為薪酬委員會、審核委員會（「審核委員會」）、提名委員會及安全健康環保委員會（「安委會」）。除安委會外，所有董事委員會已根據《企業管治守則》之規定制定其特定職權範圍。

薪酬委員會

薪酬委員會於二零零五年六月成立，於回顧年度內，由兩位獨立非執行董事組成，何百川先生為薪酬委員會主席。薪酬委員會主要角色及功能如下：

- 設立正規而具透明度的程序制訂集團薪酬政策
- 向董事會建議集團所有董事及高級管理層薪酬之政策及結構
- 釐定各執行董事及高級管理層之薪酬待遇
- 就非執行董事的薪酬向董事會提出建議

The Board (Continued)

Duties and responsibilities of SLT

- Assist the Board in setting policies and strategies
- Execute the policies and strategic plans set by the Board
- Supervise the businesses of subsidiaries
- Assist and co-ordinate the operations of subsidiaries, and maximise the benefits for the Group

Currently, there are four Board committees, namely the Remuneration Committee, audit committee (the “Audit Committee”), Nomination Committee and health, safety and environment committee (the “HSE Committee”). Except the HSE Committee, all the board committees have formulated their specific written terms of reference in accordance with the requirements of the CG Code.

The Remuneration Committee

The Remuneration Committee was established in June 2005. During the year under review, the Remuneration Committee consisted of two Independent Non-executive Directors. Mr. Ho Pak Chuen, Patrick was the chairman of the Remuneration Committee. Major roles and functions of the Remuneration Committee include:

- establishing a formal and transparent procedure for developing the Group’s remuneration policy
- making recommendation to the Board on the Group’s policy and structure for the remuneration of Directors and senior management
- determining the remuneration packages of all individual Executive Directors and senior management
- making recommendations to the Board on the remuneration of Non-executive Directors

企業管治報告 Corporate Governance Report

董事會 (續)

薪酬委員會 (續)

薪酬委員會之職權範圍書已登載於本公司及聯交所網站內，亦可向公司秘書要求提供查閱。

於回顧年度內，薪酬委員會舉行了三次會議，各成員於該會議之出席次數載列如下：

成員	Member	出席率 Attendance
何百川先生	Mr. Ho Pak Chuen, Patrick	3/3
王旭先生	Mr. Wong Yuk	3/3

於該等會議上，薪酬委員會之工作包括但不限於：

- 檢討並審批二零二二年非執行董事的董事袍金
- 檢討及審批執行董事及高級管理人員二零二二年的調薪幅度
- 討論二零二二年度的獎勵方案

董事酬金包括因管理本公司及其附屬公司事務而付給董事之款項。於回顧年度的董事薪酬及僱員酬金詳情載列於綜合財務報告附註6。

The Board (Continued)

The Remuneration Committee (Continued)

The terms of reference of the Remuneration Committee is available on the Company's website and the Stock Exchange's website and from the Company Secretary upon request.

During the year under review, the Remuneration Committee held three meetings and the attendance of each member at the meetings is shown in the table below:

The works performed by the Remuneration Committee in these meetings included but not limited to:

- reviewed and approved the remuneration of Non-executive Directors for the year 2022
- reviewed and approved the salary adjustment for Executive Directors and senior management for the year 2022
- discussed the reward scheme for the year 2022

Directors' emoluments consisted of payments to Directors in connection with the management of the affairs of the Company and its subsidiaries. Details of the Directors' remuneration and employees' emoluments for the year under review are set out in note 6 to the consolidated financial statements.

企業管治報告 Corporate Governance Report

董事會 (續)

審核委員會

審核委員會於一九九八年十一月成立，於回顧年度內，由三位獨立非執行董事組成及主席為古以道先生。審核委員會主要職責如下：

- 審閱集團財務資料
- 監管集團財務匯報制度、風險管理及內部監控程序
- 監察集團與外聘核數師的關係

審核委員會之職權範圍書已登載於本公司及聯交所網站內，並可向公司秘書要求提供查閱。

審核委員會於回顧年度內舉行了四次會議，各成員於有關會議之出席次數載列如下：

成員	Member	出席率 Attendance
古以道先生	Mr. Ku Yee Dao, Lawrence	4/4
何百川先生	Mr. Ho Pak Chuen, Patrick	4/4
王旭先生	Mr. Wong Yuk	4/4

The Board (Continued)

The Audit Committee

The Audit Committee was established in November 1998. During the year under review, the Audit Committee comprised three Independent Non-executive Directors and it was chaired by Mr. Ku Yee Dao, Lawrence. Major duties of the Audit Committee include:

- reviewing financial information of the Group
- overseeing the Group's financial reporting system, risk management and internal control procedures
- monitoring the relationship between the Group and its external auditor

The terms of reference of the Audit Committee is available on the Company's website and the Stock Exchange's website and from the Company Secretary upon request.

The Audit Committee held four meetings during the year under review and the attendance of each member at these meetings is shown in the table below:

企業管治報告 Corporate Governance Report

董事會 (續)

審核委員會 (續)

於該等會議上，審核委員會之工作包括但不限於：

- 在集團二零二零年度及二零二一年中期業績提交董事會批准前對其進行審閱。在進行審閱的過程中，審核委員會專注於集團表現與上年業績之重大偏差，以及判斷、選擇及應用會計政策之主要範圍及遵守法律及監管規定；
- 審閱內部審計部之報告、與內部審計主管就重大發現進行討論，檢討內部審計部的資源是否足夠及內部審計功能之有效性並批准內部審計計劃；
- 按已設有之指引及程序審閱集團之風險管理及內部監控系統並進行檢討；
- 與集團之外聘核數師就核數計劃進行討論、按其保持獨立性之政策就其獨立性進行評估，以及檢討其所提供之非核數服務範圍；
- 檢討集團在會計、內部審計及財務報告方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否足夠；及
- 批核集團之外聘核數師的酬金。

本集團截至二零二一年十二月三十一日止年度之經審核綜合財務報告已經於二零二二年三月二十一日由審核委員會審閱。

The Board (Continued)

The Audit Committee (Continued)

The works performed by the Audit Committee in these meetings included but not limited to:

- reviewed the 2020 annual and 2021 interim results before submitting the same to the Board for approval and in doing so, the committee focused on material deviations of the Group's performance from past year's results, major areas of judgment, selection and application of accounting policies and compliance with legal and regulatory requirements;
- received reports from the internal audit department, discussed material findings with the head of internal audit, reviewed the adequacy of resources of the internal audit department and effectiveness of the internal audit function and approved the internal audit plan;
- reviewed the effectiveness of the Group's risk management and internal control systems in accordance with established guidelines and procedures;
- discussed the audit plan with the Group's external auditor and assessed its independence with reference to its policies for maintaining independence and reviewed the extent of non-audit services provided;
- considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting function; and
- approved the audit fees paid to the Group's external auditor.

The audited consolidated financial statements of the Group for the year ended 31 December 2021 have been reviewed by the Audit Committee on 21 March 2022.

企業管治報告 Corporate Governance Report

董事會 (續)

提名委員會

提名委員會於二零二一年十二月二十日成立。提名委員會由兩位獨立非執行董事及一位非執行董事組成，並由葉志成先生擔任提名委員會主席。提名委員會主要角色及功能如下：

- 委員會須至少每年檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就董事會之任何建議變動作出建議
- 物色具備合適資格可擔任董事會成員的人士，並甄選或就甄選個人獲提名為董事向董事會作出建議
- 評核獨立非執行董事的獨立性
- 就董事委任或重新委任以及董事繼任計劃向董事會提出建議

提名委員會之職權範圍書已登載於本公司及聯交所網站內，並可向公司秘書要求提供查閱。

於二零二一年十二月二十日至二零二一年十二月三十一期間並沒有舉行任何提名委員會會議。

The Board (Continued)

Nomination Committee

The Nomination Committee was established on 20 December 2021. The Nomination Committee consisted of one Non-executive Director and two Independent Non-executive Directors and was chaired by Mr. Ip Chi Shing. Major roles and functions of the Nomination Committee include:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board
- identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated to be nominated as Directors
- assessing the independence of independent non-executive Directors
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors

The terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange and from the Company Secretary upon request.

There was no Nomination Committee meeting held during the period from 20 December 2021 to 31 December 2021.

企業管治報告 Corporate Governance Report

董事會 (續)

安全健康環保委員會

安委會於二零一二年一月成立，以提高集團對健康、安全及環保工作的重視。於回顧年度內，安委會由兩位獨立非執行董事組成，主席由王旭先生出任。安委會主要職責包括：

- 集團的安全健康環保政策的採納及更新
- 集團對健康、安全及環保的風險胃納的釐定
- 管理集團就健康、安全及環保的監控環境(包括組織架構、獎懲制度、資源投放、作業文化等)

安委會之職權範圍書已登載於本公司網站內，並可向公司秘書要求提供查閱。

安委會於回顧年度內舉行了四次會議，各成員於有關會議之出席次數載列如下：

成員	Member	出席率 Attendance
王旭先生	Mr. Wong Yuk	4/4
何百川先生	Mr. Ho Pak Chuen, Patrick	4/4

The Board (Continued)

Health, Safety and Environment Committee

The HSE Committee was established in January 2012 in order to enhance the importance of the health, safety and environmental protection works to the Group. During the year under review, the HSE Committee comprised two Independent Non-executive Directors and was chaired by Mr. Wong Yuk. Major duties of the HSE Committee include:

- the adoption and renewal of the Group's HSE policies
- determining the Group's appetite for HSE risk
- managing the Group's monitoring environment for HSE matters, including organisation structure, reward and punishment systems, resource inputs, operation culture, etc.

The terms of reference of the HSE Committee is available on the Company's website and from the Company Secretary upon request.

During the year under review, the HSE Committee held four meetings and the attendance of each member at these meetings is shown in the table below:

企業管治報告 Corporate Governance Report

董事會 (續)

安全健康環保委員會 (續)

於該等會議上，安委會之工作包括但不限於：

- 檢討集團於二零二零年度及二零二一年度健康、安全及環保表現
- 匯報及回顧近年事故及其後續工作
- 回顧近期國家及地方發佈的安全、健康、環保相關新或修改的法規及要求，並檢討對集團的影響
- 討論集團未來的健康、安全及環保工作計劃

問責及核數

董事及核數師需承擔的責任

董事承認彼等編製集團財務報表及彼等向股東發佈公告之責任，並承諾就集團之表現、狀況及前景作出均衡、清晰及全面之評估。董事會並不知悉任何可能對集團繼續作持續經營之能力產生嚴重懷疑之重大不確定因素。

核數師之報告責任於本年報第89至96頁之「獨立核數師報告」內披露。

風險管理及內部監控

董事會確認其對集團風險管理及內部監控系統負責。系統旨在管理而非消除未能達成業務目標的風險，而且只能就重大失實陳述或損失作出合理而非絕對的保證。

The Board (Continued)

Health, Safety and Environment Committee

(Continued)

The works performed by the HSE Committee in these meetings included but not limited to:

- reviewed the Group's HSE performance in 2020 and 2021
- reported and reviewed accidents in recent years and the follow-up work
- reviewed the new or revised regulations and requirements related to HSE recently issued by the state and local governments and reviewed the impacts on the Group
- discuss the Group's future HSE work plan

Accountability and Audit

Directors' and Auditor's responsibilities

The Directors acknowledge their responsibilities for preparing the financial statements of the Group and their announcements to Shareholders and commit to the presentation of a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

The Auditor's reporting responsibilities are disclosed in the "Independent Auditor's Report" on pages 89 to 96 of this annual report.

Risk Management and Internal Control

The Directors acknowledge their responsibility for the risk management and internal control systems of the Group. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

企業管治報告 Corporate Governance Report

風險管理及內部監控 (續)

此外，董事會透過以下架構及程序持續監督集團的風險管理及內部監控系統：

- 成立不同董事會委員會及董事會附屬委員會並制訂清晰的委員會職權範圍，以監控風險及控制主要業務活動。董事會委員會及董事會附屬委員會定期直接與集團高層管理人員溝通，並向董事會匯報重大發現及就提升集團風險管理及內部監控系統的有效性提出建議。
- 董事會授權集團管理人員進行業務活動，同時推行集團政策及建立集團審批權限，以確保有關活動審慎進行並於風險與回報之間取得平衡。根據集團政策及集團權限，集團管理人員需定期向董事會匯報主要營運風險及在進行重大交易取得董事會審批。

董事會每年：

- 接收各董事會委員會及董事會附屬委員會提交的年度報告，該等報告總結各董事委員會過往一年的業務及來年的重點工作；
- 每年檢討集團風險管理及內部監控系統的有效性，檢討方向包括：
 - 重大風險及其改變；
 - 財務匯報程序；
 - 上市規則遵守情況；
 - 重大監控失誤及不足之處；及
 - 集團財務及內審功能於資源、員工的資歷及經驗、人員培訓及預算方面是否足夠

Risk Management and Internal Control (Continued)

Furthermore, the Board oversees the Group's risk management and internal control systems on an ongoing basis through the following structures and processes:

- Various Board committees and sub-committees are set up with clear terms of reference to monitor risks and controls of key business activities. These Board committees and sub-committees engage directly with senior management of the Group regularly and report to the Board on material findings and make recommendations to improve the effectiveness of the Group's risk management and internal control systems.
- Whilst the Board delegates wide powers to the management to conduct business activities, it also promulgates Group Policies (GPs) and establishes Group Authorization Limits (GAs) to ensure that such activities are conducted prudently and that proper balance is maintained between risks and rewards. Under these GPs and GAs, the management is required to report to the Board regularly on major operational risks and to seek Board's specific approval on material transactions.

Annually, the Board:

- Receives annual reports from each of its committees and sub-committees which summarise the businesses covered during the past year and major work focus for the following year.
- Conducts an annual review of the effectiveness of the Group's risk management and internal control systems regarding:
 - significant risks and their changes;
 - financial reporting procedures;
 - Listing Rules compliance;
 - significant control failings and weaknesses; and
 - adequacy of resources, staff qualifications and experience, training and budget of the Group's financial and internal audit functions.

企業管治報告 Corporate Governance Report

風險管理及內部監控 (續)

董事會於二零一三年採納「集團資訊政策及處理內部資訊指引」，並於二零一六年十二月一日修訂上述政策及指引。集團已成立團隊以管理及控制內幕消息（「內幕消息團隊」）。內幕消息團隊成員包括所有董事會成員、財務總裁、公司秘書部代表及所有授權人員。內幕消息團隊成員審查及監督集團的活動以識別是否存在任何內幕消息，並於有需要時及時作出準確及充分的披露。

本公司設有內部審計功能。內部審計部於一九九七年成立，獨立地監察內部監控程序之實施及符合集團政策，並就內部監控系統之有效性提出建議。內部審計部主管同時向何世豪先生（集團財務總裁、執行董事、公司秘書及領導團隊成員）及審核委員會匯報。

核數師之酬金

於回顧年度內，已付予／應付予集團外聘核數師德勤•關黃陳方會計師行之費用如下：

所提供之服務	Services rendered	已付/應付酬金 Fee paid/payable 千港元 HK\$'000
審核服務	Audit services	2,800
非審核服務	Non-audit services	
審閱中期報告	Interim review	625

Risk Management and Internal Control (Continued)

The Board adopted “The Group Information Policy and Guidelines for Handling Inside Information” in 2013 and revised the aforesaid policy and guidelines on 1 December 2016. The Group formed a team to manage and control its inside information (the “IS Team”). The IS Team members include all Board members, the Chief Financial Officer, a representative from the Company Secretarial Department and all authorised persons. The IS Team members review and monitor the Group’s activities to identify if there is any inside information and if so to make accurate and adequate disclosure in a timely manner.

The Company has an internal audit function. The Internal Audit Department was set up in 1997 to monitor independently the implementation of the internal control procedures, compliance with group policies and to make recommendations on the effectiveness of the internal control systems. The head of Internal Audit Department reports to both Mr. Ho Sai Hou (the Chief Financial Officer of the Group, an Executive Director, the Company Secretary and a member of SLT) and to the Audit Committee.

Auditor’s Remuneration

For the year under review, the fee paid/payable to the Group’s external auditor, Messrs. Deloitte Touche Tohmatsu, is set out as follows:

股東權益

本公司只有一個類別的股份。所有股份有相同的投票權及有權獲得宣派的股息。股東權益(除其他事項外)已列載於組織章程細則及開曼群島公司法。

股東召開股東大會的權利與程序

根據組織章程細則第68條，股東大會可應本公司兩名或以上股東之書面要求而召開，有關要求須送達本公司於香港之主要營業地點(或倘本公司不再設置上述主要營業地址，則為註冊辦事處)，當中列明大會之主要商議事項並由請求人簽署，惟該等請求人於送達要求之日須持有本公司不少於十分之一附帶於本公司股東大會投票權之繳足股本。

股東大會亦可應本公司任何一名股東(彼為一間認可結算所(或其代理人))之書面要求而召開，有關要求須送達本公司於香港之主要營業地點(或倘本公司不再設置上述主要營業地址，則為註冊辦事處)，當中列明大會之主要商議事項並由請求人簽署，惟該請求人於送達要求之日須持有本公司不少於十分之一附帶於本公司股東大會投票權之繳足股本。

倘董事會於送達要求之日起計二十一內並無按既定程序於往後的二十八日內召開大會，則請求人自身或代表彼等所持全部投票權50%以上之任何請求人可按盡量接近董事會召開大會之相同方式召開股東大會，惟按上述方式召開之任何大會不得於送達有關要求之日起計三個月屆滿後召開，且本公司須向請求人償付因應董事會未有召開大會而致使彼等須召開大會所合理產生之所有開支。

Shareholders' Rights

The Company has only one class of Shares. All Shares have the same voting rights and are entitled to all dividends declared. The rights of the Shareholders are set out in, amongst others, the Articles of Association and the Companies Law of the Cayman Islands.

Rights and Procedures for Shareholders to convene a General Meeting

Pursuant to Article 68 of the Articles of Association, a general meeting shall be convened on the written requisition of any two or more Shareholders deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company which carries the rights of voting at a general meeting.

A general meeting may also be convened on the written requisition of any one shareholder which is a recognised clearing house (or its nominee) deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitioner, provided that such requisitioner held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at a general meeting of the Company.

If the Board does not within 21 days from the date of deposit of the requisition duly proceed to convene the meeting to be held within a further 28 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

企業管治報告 Corporate Governance Report

股東召開股東大會的權利與程序 (續)

根據組織章程細則第116條，概無任何退任董事外之人士（除非獲董事會推薦）有資格於股東大會上參選董事一職，除非於一段為期最少七日之期間（須不早於寄發指定進行選舉之大會之通告後一日開始，且不遲於有關大會日期前七日結束）內，由一名有權出席有關通告所指之大會並於會上投票之本公司股東（並非獲建議參選之人士）向公司秘書發出其有意建議該名人士參選之書面通知，而該名獲建議參選之人士亦發出書面簽署通知表明其參選之意願。

於股東大會上提呈建議

有關遞呈必須列明會議目的，並由遞呈要求人士按上述「股東召開股東大會的權利與程序」指引簽署及將相關文件送到本公司位於香港的總部及主要營業地點，且可由多份相類似之文件（各文件須由一名或多名遞呈要求人士簽署）組成。

向董事會提出詢問

股東可以書面形式向董事會提出詢問。股東可將相關書面詢問郵寄到公司位於香港的總部及主要營業地點，或透過本公司網頁(<http://www.yipschemical.com>)的「聯絡我們」以電郵方式提出。

股東會議

董事會致力與股東維持溝通，為此本公司透過股東週年大會及其他股東大會與股東直接交流。

Rights and Procedures for Shareholders to convene a General Meeting (Continued)

Pursuant to Article 116 of the Articles of Association, no person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the dispatch of the notice of the meeting convened for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Company Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Putting Forward Proposals at Shareholders' Meeting

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the head office and principal place of business of the Company in Hong Kong, and may consist of several documents in like form each signed by one or more requisitionists.

Right to put enquiries to the Board

Shareholders may send their written enquiries to the Board by post to the head office and principal place of business of the Company in Hong Kong, or via e-mail through the Company's website (please refer to "Contact Us" at <http://www.yipschemical.com>).

Shareholders' Meetings

The Board strives to maintain an on-going dialogue with the Shareholders, and in particular, through annual general meetings and other general meetings to communicate with Shareholders directly.

企業管治報告
Corporate Governance Report

二零二一年股東週年大會於二零二一年六月三日舉行。各董事於該會議之出席情況載列如下：

The 2021 annual general meeting was held on 3 June 2021. The attendance of each Director at the meeting is shown in the table below:–

		股東週年大會的出席率 Attendance of Annual General Meeting
執行董事	Executive Directors	
葉子軒先生	Mr. Yip Tsz Hin	1/1
葉鈞先生	Mr. Ip Kwan	1/1
何世豪先生	Mr. Ho Sai Hou	1/1
		股東週年大會的出席率 Attendance of Annual General Meeting
非執行董事	Non-executive Director	
葉志成先生	Mr. Ip Chi Shing	1/1
		股東週年大會的出席率 Attendance of Annual General Meeting
獨立非執行董事	Independent Non-executive Directors	
王旭先生	Mr. Wong Yuk	1/1
何百川先生	Mr. Ho Pak Chuen, Patrick	1/1
古以道先生	Mr. Ku Yee Dao, Lawrence	1/1

於回顧年度內，本公司的組織章程文件並無重大變動。組織章程細則已登載於本公司及聯交所網站內，並可向公司秘書要求提供查閱。

During the year under review, there is no change in the Company's constitutional documents. The Articles and Association is available on the websites of the Company's and the Stock Exchange and from the Company Secretary upon request.

企業管治報告 Corporate Governance Report

投資者關係及股東通訊

集團致力在業務上每個環節維持高水平企業管治，適時從不同渠道向投資者及股東提供準確、一致、適時及具透明度的資訊，並力求與持份者保持良好的雙向溝通。

集團深明與投資者和股東保持適時溝通之重要性。因此，集團投資者關係及企業傳訊部定期與投資者和股東會面，透過持續性的對話，建立長期的良好關係。集團每年在公佈中期及全年業績後隨即舉行大型投資者簡介會或電話會議，並且其後安排網上錄播，讓關注本集團業績的香港、國內及海外的投資者及股東能適時了解集團的營運表現及重大的企業發展。除了業績公佈外，集團亦定期與投資者及股東安排一對一會面或電話會議，以直接回應他們對公司的問題及了解其觀點。集團舉辦的股東週年大會也是與股東保持良好雙向溝通的重要渠道，股東可直接向管理層發問、提供意見，以及投票表決集團的重大決策。

除了與機構投資者會面，集團亦重視與零售投資者的溝通。集團定期舉辦傳媒簡介會，向媒體更新集團的最新發展。為確保集團的重要資訊能一致地發佈，集團適時於集團網站上載中期及全年財務報告、公告、新聞稿和簡報等資料，讓投資者和股東便捷地於網站內查閱及下載所需資料，緊貼集團的最新業務發展。集團亦建立葉氏化工面書(Facebook)專頁及微信(WeChat)訂閱號，定期發放集團的最新資訊。集團於回顧年內一直密切留意新冠肺炎的疫情發展，集團按實際情況調整各種溝通形式，以降低病毒傳播風險。

Investor Relations and Communication with Shareholders

The Group strives to maintain a high level of corporate governance in every facet of its business; provide investors and Shareholders with accurate, consistent, timely and transparent information; and seek good two-way communication with stakeholders.

The Group fully understands the importance of maintaining timely communication with investors and Shareholders. In this regard, the Group's Investor Relations and Corporate Communications Department regularly holds meetings with investors and Shareholders so as to build a good long-term relationship through continuing dialogues. Immediately after the announcement of interim and annual results of the Group every year, the Group will hold an investor briefing or audio conference. Its webcast or recording will be uploaded subsequently so that investors and Shareholders from Hong Kong, Mainland China or overseas will be able to learn timely of the Group's operating performance and major development. Apart from results announcements, the Group will also arrange regular one-on-one meetings or teleconferences with investors and Shareholders to address their concerns and understand their views. The Group's annual general meeting, which also serves as a significant dialogue platform for the Group and its Shareholders, enables Shareholders to raise questions and suggestions to the management, and vote on major decisions of the Group.

In addition to meeting with institutional investors, the Group also values its communication with retail investors. Therefore, media briefings were held regularly to update the media the Group's latest development. To ensure the consistency of any announcements of the Group, the Group timely uses its corporate website for uploading interim and annual financial reports, announcements, press releases and presentation materials. Investors and Shareholders can thus quickly and easily browse or download the information they need so that they can keep abreast of the latest development of the Group. The Group has also set up Yip's Chemical Facebook page and WeChat subscription page for posting the Group's latest information regularly. In the year under review, the Group has been closely monitoring the development of COVID-19. The Group adjusts its engagement channels according to the actual implementations to reduce the risk of virus transmission.

獨立核數師報告 Independent Auditor's Report



Deloitte.

德勤

致葉氏化工集團有限公司
(於開曼群島註冊成立之有限公司)
股東

TO THE SHAREHOLDERS OF
YIP'S CHEMICAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

意見

本核數師行已審核刊載於第97頁至第300頁有關葉氏化工集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報告，此綜合財務報告包括於二零二一年十二月三十一日之綜合財務狀況表及截至該日止年度之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，以及綜合財務報告附註，包括主要會計政策概要。

本行認為，該等綜合財務報告已根據香港會計師公會頒佈之香港財務報告準則真實而中肯地反映貴集團於二零二一年十二月三十一日之綜合財務狀況及貴集團於截至該日止年度之綜合財務表現及綜合現金流，並已按照香港公司條例之披露規定妥為編製。

Opinion

We have audited the consolidated financial statements of Yip's Chemical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 97 to 300, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, 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 ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

獨立核數師報告 Independent Auditor's Report

意見之基礎

本行已根據香港會計師公會頒佈之香港核數準則進行審核。本行就該等準則承擔之責任在本報告核數師就審核綜合財務報告須承擔之責任一節作進一步闡述。根據香港會計師公會之專業會計師道德守則(「守則」)，本行獨立於貴集團，並已按照守則履行其他道德責任。本行相信，本行所獲得之審核憑證充足及適當地為本行之意見提供基礎。

關鍵審核事項

關鍵審核事項是根據本行之專業判斷，認為對審核本期綜合財務報告最為重要之事項。該等事項在本行審核整體綜合財務報告及出具意見時處理，而本行不會對該等事項提供單獨意見。

Basis for Opinion

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

Key Audit Matters

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

關鍵審核事項 (續)

關鍵審核事項	本行之審核如何處理 關鍵審核事項
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貿易應收款項之預期信貸損失估計

本行識別之貿易應收賬項預期信貸損失估計為關鍵審核事項，原因是貿易應收款項對貴集團之綜合財務狀況而言屬重大，且於評估貴集團貿易應收賬項於報告期末之預期信貸損失涉及主觀判斷及管理層估算。

於二零二一年十二月三十一日，貴集團之貿易應收賬項淨額（不包括已收到用以未來結算之票據之結餘）約為2,205,344,000港元，當中約549,142,000港元已逾期。

誠如綜合財務報告附註4及33所披露，貴集團管理層識別信貸減值之債務人，其中預期信貸損失獲個別評估。於考慮集團內部信貸評級、還款歷史及逾期狀況後，將具有類似損失模式之不同應收賬款分組，並按集體基準評估餘下金額2,199,930,000港元。估計損失率乃按應收賬款預期年期基於歷史觀察所得違約率以及前瞻性資料計算得出。

誠如綜合財務報告附註33所披露，貴集團本年已確認減值淨額54,741,000港元，而貴集團於二零二一年十二月三十一日貿易應收款項之全期預期信貸損失撥備約為94,037,000港元。

本行就貿易應收款項之預期信貸損失估計採用之程序包括：

- 了解管理層估算損失撥備時採用之主要控制；
- 抽樣測試管理層於二零二一年十二月三十一日制訂集體評估分組所用支持文件內資料之可信性；及
- 質疑管理層釐定於二零二一年十二月三十一日信貸損失撥備之基準及判斷，包括對出現信貸減值債務人之識別、管理層對集體評估之合理程度，以及應用不同債務人分組之估計損失率之基準（參照歷史違約率及前瞻性資料）。

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
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Expected credit losses assessment of trade receivables

We identified expected credit losses ("ECL") assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the ECL of the Group's trade receivables at the end of the reporting period.

As at 31 December 2021, the Group's net trade receivables, excluding balances associated with bills received for future settlement, amounting to approximately HK\$2,205,344,000, of which approximately HK\$549,142,000 were past due.

As disclosed in notes 4 and 33 to the consolidated financial statements, the management of the Group identified debtors that are credit-impaired, of which the ECL are assessed individually. The remaining amounts of HK\$2,199,930,000 are assessed on collective basis through grouping of various debtors that have similar loss patterns based on the Group's internal credit ratings, repayment history and past due status. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and forward-looking information.

As disclosed in note 33 to the consolidated financial statements, the Group recognised net impairment of HK\$54,741,000 for the year and the Group's lifetime ECL provision on trade receivables amounted to approximately HK\$94,037,000 as at 31 December 2021.

Our procedures in relation to ECL assessment of trade receivables included:

- Understanding key controls on how the management estimates the loss allowance;
- Testing the integrity of information used by management to formulate the grouping for collective assessment, as at 31 December 2021, on a sample basis, to the supporting documents; and
- Challenging management's basis and judgement in determining credit loss allowance as at 31 December 2021, including their identification of credit-impaired debtors, the reasonableness of management's collective assessment, and the basis of estimated loss rates applied in each grouping of various debtors (with reference to historical default rates and forward-looking information).

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關鍵審核事項 (續)

關鍵審核事項	本行之審核如何處理 關鍵審核事項
存貨撥備	
本行識別存貨撥備為關鍵審核事項，原因是存貨撥備以管理層對陳舊或過時存貨之識別，以及可變現淨值之估計及判斷為依據作出。誠如綜合財務報告附註4所披露，存貨撥備乃以管理層經考慮存貨之估計完成成本、當前市況、賬齡分析及其後售價後評估之可變現淨值為依據作出。	<p>本行就存貨撥備採用之程序包括：</p> <ul style="list-style-type: none"> 瞭解 貴集團之存貨撥備政策及管理層對存貨撥備評估之關鍵控制； 評價 貴集團之存貨撥備政策之合理程度； 抽樣測試支持文件內之存貨賬齡分析；及 抽樣測試支持文件內之存貨後續買賣或用途。
誠如綜合財務報告附註20所披露，於二零二一年十二月三十一日，扣除撥備之存貨賬面金額為1,296,801,000港元。	

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Allowance for inventories	
We identified the allowance for inventories as a key audit matter as the allowance for inventories is made based on management's identification of aged or obsolete inventories and estimation and judgement on estimating the net realisable value. As disclosed in note 4 to the consolidated financial statements, allowance is applied to inventories based on assessment of net realisable value by management, by considering the estimated costs of completion, current market conditions, aging analysis and subsequent selling prices of the inventories.	<p>Our procedures in relation to allowance for inventories included:</p> <ul style="list-style-type: none"> Obtaining an understanding of the Group's provision policy on inventory and key controls on the management's assessment on the allowance for inventories; Evaluating the reasonableness of the Group's provision policy on inventories; Testing the aging analysis of inventories, on a sample basis, to the supporting documents; and Testing the subsequent sales and purchases or usage of inventories, on a sample basis, to the supporting documents.
As disclosed in note 20 to the consolidated financial statements, as at 31 December 2021, the carrying amount of inventories, net of allowance, was HK\$1,296,801,000.	



其他資料

貴公司董事須對其他資料負責。其他資料包括年報內之資料，但不包括綜合財務報告及本行之相關核數師報告。

本行對綜合財務報告之意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式之鑒證結論。

就本行審核綜合財務報告之工作而言，本行有責任閱讀其他資料，而在此過程中，本行會考慮其他資料是否與綜合財務報告或本行在審核過程中之所知情況存在重大抵觸或者似乎存在重大錯誤陳述之情況。基於本行已執行之工作，如果本行之結論為其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行沒有任何報告。

董事及管治層就綜合財務報告須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而中肯之綜合財務報告，並對其認為為使綜合財務報告之編製不存在由於欺詐或錯誤而導致之重大錯誤陳述所需之內部控制負責。

在編製綜合財務報告時，董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或除如此行事外別無其他實際之替代方案。

管治層須負責監督貴集團的財務報告過程。

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

獨立核數師報告 Independent Auditor's Report

核數師就審核綜合財務報告須承擔之責任

本行之目標，是對綜合財務報告整體是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並按照本行所協定之應聘條款僅向閣下（作為整體）出具包括本行意見之核數師報告，除此之外，本報告別無其他目的。本行不會就本報告之內容向任何其他人士負上或承擔任何責任。合理鑒證是高水平之鑒證，但不能保證按照香港核數準則進行之審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可能由欺詐或錯誤引起，且倘合理預期該錯誤陳述（個別或整體）影響綜合財務報告使用者之經濟決策，則被視為重大錯誤陳述。

在根據香港核數準則進行審核之過程中，本行運用了專業判斷，保持了專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報告存在重大錯誤陳述之風險，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之審核憑證，作為本行意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審核相關之內部控制，以設計適當之審核程序，但目的並非對貴集團內部控制之有效性發表意見。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



核數師就審核綜合財務報告須承擔之責任 (續)

- 評價董事所採用會計政策之恰當性及作出會計估計及相關披露之合理性。
- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審核憑證，確定是否存在與事件或情況有關之重大不確定性，導致可能對貴集團之持續經營能力產生重大疑慮。如果本行總結存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報告中之相關披露，或假若有關披露不足，則修訂本行之意見。本行之結論是基於核數師報告日止所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能持續經營。
- 評價綜合財務報告(包括披露)之整體列報方式、結構和內容，以及綜合財務報告是否中肯地呈列相關交易和事件。
- 就貴集團內公司或業務活動之財務資料獲取充足、適當之審核憑證，以便對綜合財務報告發表意見。本行負責集團審核之方向、監督和執行。本行為審核意見承擔全部責任。

本行與管治層溝通(其中包括)審核之計劃範圍及時間以及重大審核發現，包括本行在審核中識別出內部控制之任何重大不足。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

獨立核數師報告
Independent Auditor's Report

核數師就審核綜合財務
報告須承擔之責任 (續)

本行亦向管治層提交聲明，表明本行已符合有關獨立性之相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性之所有關係及其他事項，以及在適用情況下為消除威脅所採取之行動或相關防範措施。

從與管治層溝通之事項中，本行確定哪些事項對本期綜合財務報告之審核最為重要，因而構成關鍵審核事項。本行在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見之情況下，如果合理預期在本行報告中溝通某事項造成之負面後果超過產生之公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告之審核項目合夥人是鍾振翔。

德勤•關黃陳方會計師行
執業會計師
香港

二零二二年三月二十四日

Auditor's Responsibilities for the
Audit of the Consolidated Financial
Statements (Continued)

We also provide those charged with governance 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 those charged with governance, 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 the independent auditor's report is Chung Chin Cheung.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

24 March 2022

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

			二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
	附註 NOTES			
營業額	Revenue	5	17,805,397	10,776,026
銷售成本	Cost of sales		(15,643,974)	(9,053,128)
毛利	Gross profit		2,161,423	1,722,898
其他收入	Other income	7a	66,175	81,918
其他收益及虧損	Other gains and losses	7b	30,787	(69,952)
出售附屬公司之收益	Gain on disposal of subsidiaries	31	2,336	1,500
銷售及經銷費用	Selling and distribution expenses		(595,916)	(465,206)
一般及行政費用	General and administrative expenses		(832,016)	(686,910)
財務費用	Finance costs	8	(50,055)	(48,231)
按公允值計入其他全面收益(「按公允值計入其他全面收益」)之債務工具的已確認減值虧損	Impairment losses recognised for debt instrument at fair value through other comprehensive income ("FVTOCI")		(42,826)	-
應佔聯營公司業績	Share of results of associates		(710)	(1,106)
除稅前溢利	Profit before taxation	9	739,198	534,911
稅項	Taxation	10	(164,647)	(131,335)
本年純利	Profit for the year		574,551	403,576
其他全面收益(支出)：	Other comprehensive income (expense)：			
不會重新分類為損益之項目：	Items that will not be reclassified to profit or loss：			
因折算至呈列貨幣而產生之匯兌差額	Exchange differences arising on translation to presentation currency		112,954	318,906
按公允值計入其他全面收益之金融資產的公允值變動	Fair value changes on financial assets at FVTOCI		(4,048)	(2,597)
			108,906	316,309
其後可重新分類為損益之項目：	Items that may be reclassified subsequently to profit or loss：			
對沖工具產生之淨調整	Net adjustment arising from hedging instruments		7,026	(12,517)
因折算海外業務而產生之匯兌差額	Exchange differences arising on translation of foreign operations		47,678	26,595
按公允值計入其他全面收益之債務工具的公允值變動	Fair value changes on debt instrument at FVTOCI		(42,826)	-
計入損益之按公允值計入其他全面收益之債務工具的減值虧損	Impairment losses for debt instrument at FVTOCI included in profit or loss		42,826	-
			54,704	14,078

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
		附註 NOTE	
本年其他全面收益	Other comprehensive income for the year	163,610	330,387
本年全面收益總額	Total comprehensive income for the year	738,161	733,963
本年純利應佔份額：	Profit for the year attributable to:		
本公司股東	Owners of the Company	406,280	302,575
非控股權益	Non-controlling interests	168,271	101,001
		574,551	403,576
本年全面收益總額	Total comprehensive income for the year attributable to:		
應佔份額：	Owners of the Company	544,938	587,419
本公司股東	Non-controlling interests	193,223	146,544
非控股權益		738,161	733,963
每股盈利	Earnings per share	12	
– 基本	– Basic		HK72.8 cents港仙
– 攤薄	– Diluted		HK53.8 cents港仙
			HK72.8 cents港仙
			HK53.8 cents港仙

綜合財務狀況表

Consolidated Statement of Financial Position

於二零二一年十二月三十一日 At 31 December 2021

			二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
	附註 NOTES			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	13	2,456,452	2,032,633
投資物業	Investment properties	14	135,118	344,096
於聯營公司之權益	Interests in associates	15	5,208	5,772
按公允值計入其他全面 收益之金融資產	Financial asset at FVTOCI	16(a)	15,035	19,083
按公允值計入損益 (「按公允值計入損 益」)之金融資產	Financial assets at fair value through profit or loss ("FVTPL")	16(b)	130,781	-
按公允值計入其他全面 收益之債務工具	Debt instrument at FVTOCI	16(c)	-	62,369
商譽	Goodwill	17	149,561	148,584
無形資產	Intangible assets	18	81,403	82,986
已付購買物業、廠房及 設備之訂金	Deposits paid for acquisition of property, plant and equipment		44,282	34,587
衍生金融工具	Derivative financial instruments	22	249	-
遞延稅項資產	Deferred tax assets	28	7,441	7,697
			3,025,530	2,737,807
流動資產	Current assets			
存貨	Inventories	20	1,296,801	1,169,493
貿易應收款項	Trade receivables	21(a)	4,589,944	3,474,539
其他應收賬款及 預付款項	Other debtors and prepayments	21(b)	715,996	492,222
衍生金融工具	Derivative financial instruments	22	8,472	-
按公允值計入損益之 金融資產	Financial asset at FVTPL	16(b)	6,678	-
按公允值計入其他全面 收益之債務工具	Debt instrument at FVTOCI	16(c)	18,351	-
短期銀行存款 — 原訂於三個月內到期	Short-term bank deposits – with original maturity within three months	23	10,644	34,894
銀行結餘及現金	Bank balances and cash	23	747,673	530,408
			7,394,559	5,701,556
流動負債	Current liabilities			
應付賬款及應計費用	Creditors and accrued charges	24	3,215,496	2,325,974
合約負債	Contract liabilities	25	58,504	44,028
應付稅款	Taxation payables		100,613	86,772
衍生金融工具	Derivative financial instruments	22	1,952	5,761
租賃負債	Lease liabilities	26	30,122	27,879
借貸 — 一年內到期	Borrowings – amount due within one year	27	1,247,042	706,887
			4,653,729	3,197,301
流動資產淨值	Net current assets		2,740,830	2,504,255
總資產減流動負債	Total assets less current liabilities		5,766,360	5,242,062

綜合財務狀況表
Consolidated Statement of Financial Position

於二零二一年十二月三十一日 At 31 December 2021

		附註 NOTES	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
非流動負債	Non-current liabilities			
衍生金融工具	Derivative financial instruments	22	778	3,755
租賃負債	Lease liabilities	26	104,446	64,404
借貸 — 一年後到期	Borrowings – amount due after one year	27	902,833	917,600
遞延稅項負債	Deferred tax liabilities	28	30,804	30,104
			1,038,861	1,015,863
			4,727,499	4,226,199
股本及儲備	Capital and reserves			
股本	Share capital	29	56,848	55,666
儲備	Reserves		3,745,525	3,350,258
本公司股東應佔權益	Equity attributable to owners of the Company		3,802,373	3,405,924
非控股權益	Non-controlling interests		925,126	820,275
			4,727,499	4,226,199

董事會已於二零二二年三月二十四日批准及授權刊發第97頁至第300頁之綜合財務報告，並由以下董事代表簽署：

The consolidated financial statements on pages 97 to 300 were approved and authorised for issue by the Board of Directors on 24 March 2022 and are signed on its behalf by:

葉子軒先生
董事

何世豪先生
董事

Mr. Yip Tsz Hin
DIRECTOR

Mr. Ho Sai Hou
DIRECTOR

綜合權益變動表

Consolidated Statement of Changes in Equity

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

		Attributable to owners of the Company 歸屬於本公司股東													Non-controlling interests		Total
		Share capital	Share premium	Share option reserve	Non-distributable reserve	Hedging reserve	Investment revaluation reserve	Translation reserve	Legal reserve	Other reserve	Capital redemption reserve	Property revaluation reserve	Retained profits	Total	Non-controlling interests	Total	
		股本	股份溢價	購股權儲備	不可分派儲備	對沖儲備	儲備	匯兌儲備	法定儲備	其它儲備	資本贖回儲備	物業重估儲備	保留溢利	合計	非控股權益	合計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元	
				(Note a) (附註a)					(Note b) (附註b)	(Note c) (附註c)							
於二零二零年一月一日	At 1 January 2020	56,403	505,188	4,103	48,866	3,285	(4,187)	(114,023)	155,335	-	5,416	121,287	2,159,806	2,941,479	620,718	3,562,197	
本年純利	Profit for the year	-	-	-	-	-	-	-	-	-	-	-	302,575	302,575	101,001	403,576	
因折算呈列貨幣而產生不會重新分類為損益之匯兌差額	Exchange differences arising on translation to presentation currency that will not be reclassified to profit or loss	-	-	-	-	-	-	273,363	-	-	-	-	-	273,363	45,543	318,906	
因折算海外業務而產生可重新分類為損益之匯兌差額	Exchange differences arising on translation of foreign operations that may be reclassified to profit or loss	-	-	-	-	-	-	26,595	-	-	-	-	-	26,595	-	26,595	
對沖工具產生之淨調整	Net adjustment arising from hedging instruments	-	-	-	-	(12,517)	-	-	-	-	-	-	-	(12,517)	-	(12,517)	
按公允值計入其他全面收益之權益工具之公允值變動	Fair value changes on equity instruments at FVTOCI	-	-	-	-	-	(2,597)	-	-	-	-	-	-	(2,597)	-	(2,597)	
本年全面(支出)收益總額	Total comprehensive (expense) income for the year	-	-	-	-	(12,517)	(2,597)	299,958	-	-	-	-	302,575	587,419	146,544	733,963	
小計	Sub-total	56,403	505,188	4,103	48,866	(9,232)	(6,784)	185,935	155,335	-	5,416	121,287	2,462,381	3,528,898	767,262	4,296,160	
終止確認時撥回	Release upon derecognition	-	-	-	-	-	4,187	-	-	-	-	-	(4,187)	-	-	-	
附屬公司撤銷註冊時撥回	Release upon deregistration of subsidiaries	-	-	-	-	-	-	(5,195)	-	-	-	-	5,195	-	-	-	
購股權失效及轉入保留溢利	Share options lapsed and transfer to retained profits	-	-	(365)	-	-	-	-	-	-	-	-	365	-	-	-	
出售部分附屬公司	Partial disposal of a subsidiary	-	-	-	-	-	-	-	3,262	-	-	-	-	3,262	67,590	70,852	
收購附屬公司(附註30)	Acquisition of subsidiaries (note 30)	-	-	-	-	-	-	-	-	-	-	-	-	-	9,871	9,871	
已贖回及註銷股份	Shares repurchased and cancelled	(737)	-	-	-	-	-	-	-	737	-	(19,206)	(19,206)	-	(19,206)		
轉撥	Transfer	-	-	-	207,015	-	-	36,005	-	-	-	(243,020)	-	-	-		
已付本公司股東股息	Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	-	-	(107,030)	(107,030)	-	(107,030)		
已付附屬公司非控股股東股息	Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(24,448)	(24,448)		
於二零二零年十二月三十一日	At 31 December 2020	55,666	505,188	3,738	255,881	(9,232)	(2,597)	180,740	191,340	3,262	6,153	121,287	2,094,498	3,405,924	820,275	4,226,199	

綜合權益變動表 Consolidated Statement of Changes in Equity

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

		Attributable to owners of the Company 歸屬於本公司股東													Non-controlling interests		Total
		Share capital	Share premium	Share option reserve	Non-distributable reserve	Investment Hedging reserve	Investment revaluation reserve	Translation reserve	Legal reserve	Other reserve	Capital redemption reserve	Property revaluation reserve	Retained profits	Total	interests	Total	
		股本	股份溢價	儲備	儲備	對沖儲備	儲備	匯兌儲備	法定儲備	其他儲備	儲備	儲備	保留溢利	合計	非控股權益	合計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元	
				(Note a)	(Note a)			(Note b)	(Note b)	(Note c)	(Note c)						
				(附註a)	(附註a)			(附註b)	(附註b)	(附註c)	(附註c)						
本年純利	Profit for the year	-	-	-	-	-	-	-	-	-	-	406,280	406,280	168,271	574,551		
因折算呈列貨幣而產生不會重新分類為損益之匯兌差額	Exchange differences arising on translation to presentation currency that will not be reclassified to profit or loss	-	-	-	-	-	-	88,002	-	-	-	-	88,002	24,952	112,954		
因折算海外業務而產生可重新分類為損益之匯兌差額	Exchange differences arising on translation of foreign operations that may be reclassified to profit or loss	-	-	-	-	-	47,678	-	-	-	-	-	47,678	-	47,678		
對沖工具產生之淨調整	Net adjustment arising from hedging instruments	-	-	-	7,026	-	-	-	-	-	-	-	7,026	-	7,026		
按公允值計入其他全面收益之權益工具之公允值變動	Fair value changes on equity instruments at FVTOCI	-	-	-	-	(4,048)	-	-	-	-	-	-	(4,048)	-	(4,048)		
按公允值計入其他全面收益之債務工具之公允值變動	Fair value changes on debt instrument at FVTOCI	-	-	-	-	(42,826)	-	-	-	-	-	-	(42,826)	-	(42,826)		
計入損益之按公允值計入其他全面收益之債務工具的減值虧損	Impairment losses for debt instrument at FVTOCI included in profit or loss	-	-	-	-	42,826	-	-	-	-	-	-	42,826	-	42,826		
本年全面收益總額	Total comprehensive income for the year	-	-	-	7,026	(4,048)	135,680	-	-	-	-	406,280	544,938	193,223	738,161		
小計	Sub-total	55,666	505,188	3,738	255,881	(2,206)	(6,645)	316,420	191,340	3,262	6,153	121,287	2,500,778	3,950,862	1,013,498	4,964,360	
出售附屬公司時撥回	Release upon disposal of subsidiaries	-	-	-	-	-	-	(655)	-	-	-	(118,219)	118,874	-	(27,597)	(27,597)	
已購回及註銷股份	Shares repurchased and cancelled	(278)	-	-	-	-	-	-	-	-	278	-	(10,309)	(10,309)	-	(10,309)	
轉撥	Transfer	-	-	-	-	-	-	22,609	-	-	-	-	(22,609)	-	-		
已付本公司股東股息	Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	-	-	-	(138,180)	(138,180)	-	(138,180)	
已付本公司股東之以股代息	Scrip dividends paid to owners of the Company	1,460	70,834	-	-	-	-	-	-	-	-	-	(72,294)	-	-		
已付附屬公司非控股股東股息	Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,775)	(60,775)	
於二零二一年十二月三十一日	At 31 December 2021	56,848	576,022	3,738	255,881	(2,206)	(6,645)	315,765	213,949	3,262	6,431	3,068	2,376,260	3,802,373	925,126	4,727,499	

綜合權益變動表 Consolidated Statement of Changes in Equity

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

附註：

- (a) 不可分派儲備指若干於中華人民共和國（「中國」）成立之附屬公司將保留溢利撥充資本，用於該等附屬公司之資本再投資及用作以下各項之資金：(i) 彌補以往年度虧損或(ii) 擴大生產運作。於截至二零二零年十二月三十一日止年度，洋紫荊油墨股份有限公司（前稱為洋紫荊油墨（浙江）有限公司）（「洋紫荊油墨」）金額為人民幣 175,556,000元（相當於約 207,015,000港元）的保留溢利於完成股改方案時轉移至不可分派儲備。
- (b) 不可分派之法定儲備為香港以外附屬公司根據有關註冊地點之法定要求撥入之溢利。
- (c) 本集團於截至二零二零年十二月三十一日止年度出售洋紫荊油墨 8.24%之權益，總代價為人民幣 65,883,000元。其他儲備指非控股權益於洋紫荊油墨所持權益比例與已收代價之間的差額。股本權益減少並未導致喪失對洋紫荊油墨的控制。

Notes:

- (a) The non-distributable reserve represents capitalisation of retained profits of certain subsidiaries established in the People's Republic of China (the "PRC") for capital re-investment in these subsidiaries and funds shall be used to (i) make up prior year losses or (ii) expand production operations. During the year ended 31 December 2020, retained profits of 洋紫荊油墨股份有限公司 (Bauhinia Ink Company Limited) ("Bauhinia Ink") (formerly known as 洋紫荊油墨(浙江)有限公司 (Bauhinia Variegata Ink & Chemicals (Zhejiang) Limited), amounting to RMB175,556,000 (equivalent to approximately HK\$207,015,000) was transferred to non-distributable reserve upon completion of share reform proposal.
- (b) The legal reserve is non-distributable and represents the transfer of profits of subsidiaries outside Hong Kong pursuant to the legal requirements in the relevant place of registration.
- (c) The Group disposed of 8.24% interest in Bauhinia Ink during the year ended 31 December 2020 at an aggregate consideration of RMB65,883,000. The other reserve represents the difference between the non-controlling interest's proportionate interest in Bauhinia Ink and the consideration received. The decrease in equity interest did not result in a loss of control over Bauhinia Ink.

綜合現金流量表

Consolidated Statement of Cash Flows

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

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
經營業務所產生之現金流	Cash flows from operating activities		
除稅前溢利	Profit before taxation	739,198	534,911
經以下調整：	Adjustments for:		
無形資產攤銷	Amortisation of intangible assets	2,047	2,134
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	218,252	212,595
投資物業公允價值變動之(收益)虧損	(Gain) loss on fair value change of investment properties	(66,000)	6,771
附屬公司撤銷註冊之收益	Gain on deregistration of subsidiaries	-	(241)
出售附屬公司之收益淨額	Gain on disposal of subsidiaries, net	(2,336)	(1,500)
財務費用	Finance costs	50,055	48,231
利息收入	Interest income	(12,087)	(16,015)
按公允價值計入損益之金融資產公允價值變動之收益	Gain from change in fair value of financial assets at FVTPL	(28,908)	(533)
外匯遠期合約公允價值變動之(收益)虧損	(Gain) loss on change in fair value of foreign exchange forward contracts	(7,899)	282
出售/註銷物業、廠房及設備之淨虧損	Net loss on disposals/written off of property, plant and equipment	6,690	14,859
應佔聯營公司業績	Share of results of associates	710	1,106
根據預期信貸損失模型就貿易及其他應收款項確認減值虧損淨額	Net impairment loss recognised on trade and other receivables under expected credit loss model	60,859	13,406
按公允價值計入其他全面收益之債務工具的已確認減值虧損	Impairment loss recognised for debt instrument at FVTOCI	42,826	-
註銷已付購買物業、廠房及設備之訂金	Written off on deposits paid for acquisition of property, plant and equipment	-	5,513
滯銷存貨撥備(撥備撥回)	Allowance for (Reversal of allowance for) slow-moving inventories	12,939	(7,853)
註銷存貨	Written off of inventories	9,671	10,314
外匯匯率變動對往來公司賬戶結餘所產生之影響	Effect of foreign exchange rate changes on intra-group balances	(2,055)	39,564
營運資金變動前之經營業務現金流	Operating cash flows before movements in working capital	1,023,962	863,544
存貨增加	Increase in inventories	(131,032)	(153,636)
貿易應收款項增加	Increase in trade receivables	(1,098,282)	(486,945)
其他應收賬款及預付款項增加	Increase in other debtors and prepayments	(174,185)	(75,610)
應付賬款及應計費用增加	Increase in creditors and accrued charges	781,151	179,949
合約負債增加	Increase in contract liabilities	13,287	6,982
營運所產生之現金	Cash generated from operations	414,901	334,284
已付中國所得稅	PRC Income Tax paid	(148,529)	(112,084)
經營業務所產生之淨現金	Net cash from operating activities	266,372	222,200

綜合現金流量表

Consolidated Statement of Cash Flows

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

	附註 NOTES	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
投資業務所用之現金流			
Cash flows used in investing activities			
購置物業、廠房及設備		(460,009)	(145,615)
購入按公允值計入損益之金融資產		(167,775)	-
購入按公允值計入其他全面收益之債務工具		-	(61,783)
出售按公允值計入損益之金融資產所得款項		66,580	-
出售按公允值計入其他全面收益之債務工具所得款項		-	59,539
退還已付購買物業、廠房及設備之訂金		-	5,359
收購聯營公司之權益		-	(5,750)
收購附屬公司之淨現金流出	30	-	(20,514)
已付購買物業、廠房及設備之訂金		(60,512)	(44,543)
出售附屬公司之所得款項淨額	31	289,160	1,500
已收利息		12,087	16,015
出售物業、廠房及設備之所得款項		3,909	11,390
投資業務所用之淨現金		(316,560)	(184,402)
Net cash used in investing activities			

綜合現金流量表

Consolidated Statement of Cash Flows

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

	附註 NOTE	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
融資業務所產生(所用) 之現金流			
新增借貸		2,475,009	840,757
償還借貸		(1,949,621)	(1,195,670)
已付股息		(138,180)	(107,030)
已付利息		(43,368)	(44,325)
已付附屬公司非控股 股東股息		(60,775)	(24,448)
支付租賃負債		(36,220)	(38,209)
已收出售部分附屬公司之 所得款項		-	70,852
股份購回	29	(10,309)	(19,206)
就結算用於對沖利率風險 之衍生金融工具已付 之現金		(5,547)	(3,184)
融資業務所產生(所用) 之淨現金		230,989	(520,463)
現金及現金等額淨增加 (減少)		180,801	(482,665)
年初之現金及現金等額		565,302	1,009,542
匯率變動所產生之影響		12,214	38,425
年末之現金及現金等額		758,317	565,302
現金及現金等額結餘分析			
原訂於三個月內到期之 短期銀行存款		10,644	34,894
銀行結餘及現金		747,673	530,408
		758,317	565,302

綜合財務報告附註

Notes to the Consolidated Financial Statements

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

1. 一般資料

本公司為一間在開曼群島註冊成立之獲豁免公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點地址於本年報公司資料內披露。

綜合財務報告以港元呈列，有別於本公司之功能貨幣人民幣。本公司選擇港元作為其呈報貨幣之原因，是基於本公司為一間股份於聯交所上市之公眾公司，而且大部分投資者位於香港。

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料、油墨及潤滑油、物業投資及持有物業以及其他業務（包括提供汽車保養服務及製造及買賣其他化工產品）。

1. GENERAL INFORMATION

The Company is an exempted company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the Company’s functional currency of Renminbi (“RMB”). The reason for selecting Hong Kong dollars as its presentation currency is because the Company is a public company with the shares listed on the Stock Exchange, where most of its investors are located in Hong Kong.

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacture of and trading in solvents, coatings, inks and lubricants, property investment and holding as well as other businesses including provision of car maintenance service and manufacturing of and trading in other chemical products.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

2. 應用香港財務報告準則之修訂

於本年度強制生效之香港財務報告準則之修訂

於本年度，本集團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之修訂，而就編製綜合財務報告而言，有關修訂乃就二零二一年一月一日或之後開始之年度期間強制生效：

香港財務報告準則第16號之修訂	新冠肺炎相關租金寬免
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂	利率基準改革 – 第二階段

除下文所述者外，於本年度應用香港財務報告準則之修訂對本集團本年度及過往年度之財務狀況及表現及／或本綜合財務報告所載之披露事項並無重大影響。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19 Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

Except as described below, the application of the amendments to HKFRSs in the current year has 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.

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

2. 應用香港財務報告準則之修訂 (續)

於本年度強制生效之香港財務報告準則之修訂 (續)

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

於本年度，本集團已首次應用該等修訂。該等修訂涉及因利率基準改革、特定對沖會計規定及應用香港財務報告準則第7號金融工具：披露（「香港財務報告準則第7號」）的相關披露規定，對金融資產、金融負債及租賃負債之合約現金流的釐定基準作出更改。於二零二一年一月一日，本集團擁有若干借貸及利率掉期，其利息與基準利率掛鈎，而基準利率將會或可能會受到利率基準改革影響。下表列示該等未履行合約之總金額。金融資產及負債之金額以其賬面值列示，而衍生工具則以其名義金額列示。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

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

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures* (“HKFRS 7”). As at 1 January 2021, the Group has several borrowings and interest rate swaps, the interests of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform. The following table shows the total amounts of these outstanding contracts. The amounts of financial assets and liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts.

		港元
		香港銀行
		同業拆息
		HKD
		Hong Kong
		Interbank
		Offered Rate
		(“HIBOR”)
		千港元
		HK\$'000
金融負債	Financial liabilities	
借貸	Borrowings	1,424,700
衍生工具	Derivative	
利率掉期	Interest rate swaps	9,232

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**2. 應用香港財務報告
準則之修訂** (續)

於本年度強制生效之香港財務報告準則之修訂
(續)

應用香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂利率基準改革 – 第二階段之影響 (續)

由於有關合約概無於本年度過渡至相關替代利率，故此有關修訂並無對綜合財務報告產生影響。本集團將就按攤銷成本計量的借貸及利率掉期因利率基準改革而導致的合約現金流變動應用實際可行權宜方法。香港財務報告準則第7號所規定的額外披露載於附註33。

**2. APPLICATION OF AMENDMENTS
TO HONG KONG FINANCIAL
REPORTING STANDARDS
("HKFRSs")** (Continued)

**Amendments to HKFRSs that are
mandatorily effective for the current
year** (Continued)

**Impacts on application of
Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16
Interest Rate Benchmark Reform –
Phase 2** (Continued)

The amendments have had no impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for borrowings and interest rate swaps measured at amortised cost. Additional disclosures as required by HKFRS 7 are set out in note 33.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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2. 應用香港財務報告準則之修訂 (續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂：

香港財務報告準則第17號	保險合約及相關修訂 ³
香港財務報告準則第3號之修訂	提述概念框架 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間出售或貢獻資產 ⁴
香港財務報告準則第16號之修訂	二零二一年六月三十日之後的新冠肺炎相關租金寬免 ¹
香港會計準則第1號之修訂	將負債分類為流動或非流動以及香港詮釋第5號(二零二零年)之相關修訂 ³
香港會計準則第1號及香港財務報告準則實務報告第2號之修訂	會計政策之披露 ³
香港會計準則第8號之修訂	會計估計之定義 ³
香港會計準則第12號之修訂	與單一交易產生之資產及負債有關之遞延稅項 ³
香港會計準則第16號之修訂	物業、廠房及設備 — 擬定用途前之所得款項 ²
香港會計準則第37號之修訂	有償合約 — 履行一份合約之成本 ²
香港財務報告準則之修訂	香港財務報告準則二零一八年至二零二零年之年度改進 ²

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 ²

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2. 應用香港財務報告準則之修訂 (續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂 (續)

- 1 就二零二一年四月一日或之後開始之年度期間生效。
- 2 就二零二二年一月一日或之後開始之年度期間生效。
- 3 就二零二三年一月一日或之後開始之年度期間生效。
- 4 就將予釐定之日期或之後開始之年度期間生效。

除下述新訂香港財務報告準則及香港財務報告準則之修訂外，本公司董事預期應用所有其他新訂香港財務報告準則及香港財務報告準則之修訂於可預見未來將不會對綜合財務報告造成重大影響。

香港財務報告準則第3號之修訂提述概念框架

該等修訂：

- 更新香港財務報告準則第3號業務合併的提述，並引用二零一八年六月頒佈之二零一八年財務報告概念框架（「概念框架」），取代編製及呈報財務報告框架（由二零一零年十月頒佈之二零一零年財務報告概念框架取代）；

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

- 1 Effective for annual periods beginning on or after 1 April 2021.
- 2 Effective for annual periods beginning on or after 1 January 2022.
- 3 Effective for annual periods beginning on or after 1 January 2023.
- 4 Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 *Business Combinations* so that it refers to the *Conceptual Framework for Financial Reporting 2018* issued in June 2018 (the “Conceptual Framework”) instead of *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting 2010* issued in October 2010);

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2. 應用香港財務報告準則之修訂 (續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂 (續)

香港財務報告準則第3號之修訂 *提述概念框架* (續)

- 添加一項規定，就香港會計準則第37號撥備、或然負債及或然資產或香港（國際財務報告詮釋委員會）— 詮釋第21號徵費範圍內的交易及其他事件而言，收購方應用香港會計準則第37號或香港（國際財務報告詮釋委員會）— 詮釋第21號而非概念框架以識別其於業務合併中所承擔的負債；及
- 添加一項明確聲明，即收購方不會確認於一項業務合併中所收購的或然資產。

對於收購日期為二零二二年一月一日或之後開始的第一個年度期間開始或之後之業務合併，本集團將前瞻性應用該等修訂。預期應用該等修訂不會對本集團之財務狀況及表現造成重大影響。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKFRS 3 *Reference to the Conceptual Framework* (Continued)

- add a requirement that, for transactions and other events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC) – Int 21 *Levies*, an acquirer applies HKAS 37 or HK(IFRIC) – Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

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2. 應用香港財務報告準則之修訂 (續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂 (續)

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

該等修訂為評估將結算期限延遲至報告日期後最少12個月的權利提供澄清及額外指引，以將負債分類為流動或非流動，當中：

- 訂明負債應基於報告期末存在的權利而分類為流動或非流動。具體而言，該等修訂澄清：
 - (i) 該分類不受管理層在12個月內結算負債的意圖或預期所影響；及
 - (ii) 倘若該權利以遵守契諾為條件，則該權利會在報告期末符合條件的情況下存在，即使貸款人在較後日期才測試是否符合條件；及
- 澄清倘若負債具有條款，可由對手方選擇透過轉讓實體本身的權益工具進行結算，則僅當實體應用香港會計準則第32號金融工具：呈列將選擇權單獨確認為權益工具時，該等條款方不會對其分類為流動或非流動造成影響。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

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2. 應用香港財務報告準則之修訂 (續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂 (續)

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

此外，香港詮釋第5號乃因香港會計準則第1號之修訂而予以修改，以使相應措辭一致，結論不變。

根據本集團於二零二一年十二月三十一日之未償還負債，應用該等修訂將不會導致本集團負債重新分類。

香港會計準則第12號之修訂與單一交易產生之資產及負債有關之遞延稅項

有關修訂縮窄香港會計準則第12號所得稅第15及24段中遞延稅項負債及遞延稅項資產之確認豁免範圍，故其不再適用於初始確認時產生相等應課稅及可扣減暫時差額之交易。

誠如綜合財務報告附註4所披露，對於稅務扣減歸屬於租賃負債之租賃交易，本集團對相關資產及負債整體應用香港會計準則第12號之規定。與相關資產及負債有關之暫時差額按淨額基準評估。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (Continued)

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 December 2021, the application of the amendments will not result in reclassification of the Group's liabilities.

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

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

As disclosed in note 4 to the consolidated financial statements, for leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

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2. 應用香港財務報告準則之修訂 (續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂 (續)

香港會計準則第12號之修訂與單一交易產生之資產及負債有關之遞延稅項 (續)

應用該等修訂後，本集團將就與使用權資產及租賃負債有關之所有可扣減及應課稅暫時差額，確認遞延稅項資產（以可能有應課稅溢利可用於抵銷可扣減暫時差額為限）及遞延稅項負債。

此外，本集團將就與報廢及修復撥備以及確認為有關資產成本一部分之相應金額有關之所有可扣減及應課稅暫時差額，確認遞延稅項資產（以可能有應課稅溢利可用於抵銷可扣減暫時差額為限）及遞延稅項負債。

該等修訂於二零二三年一月一日或之後開始之年度報告期間生效，並允許提前應用。

於二零二一年十二月三十一日，受該等修訂影響之使用權資產及租賃負債賬面值分別為349,810,000港元及134,568,000港元。本集團仍在評估應用該等修訂之全面影響。初步應用該等修訂之累積影響將確認為對所呈列最早比較期間期初時保留溢利（或其他權益項目（如適用））之期初餘額之調整。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

In addition, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the provisions for decommissioning and restoration and the corresponding amounts recognised as part of the cost of the related assets.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

As at 31 December 2021, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to HK\$349,810,000 and HK\$134,568,000 respectively. The Group is still in process of assessing the full impact of the application of the amendments. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of retained profits (or other component of equity, as appropriate) at the beginning of the earliest comparative period presented.

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3. 編製綜合財務報告之基準及主要會計政策

3.1 編製綜合財務報告之基準

綜合財務報告乃按照香港會計師公會所頒佈之香港財務報告準則編製。就編製綜合財務報告而言，倘資料合理預期將影響主要使用者作出的決定，則有關資料被視為重大。此外，綜合財務報告包括聯交所證券上市規則（「上市規則」）及香港公司條例所規定之適用披露事項。

綜合財務報告乃按歷史成本法編製，惟如下文所載會計政策所闡述於各報告期末按公允值計量之若干投資物業及金融工具除外。

歷史成本一般以交換貨品及服務所付代價之公允值為基礎。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with the HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.1 編製綜合財務報告之基準 (續)

公允值為於市場參與者之間在計量日進行之有序交易中出售一項資產所收取或轉移一項負債所支付之價格，無論該價格為直接觀察到之結果或是採用其他估值技術作出之估計。在估計一項資產或負債公允值時，本集團會計及在市場參與者於計量日為該資產或負債定價時將會考慮之資產或負債特徵。在本綜合財務報告作計量及／或披露用途之公允值乃按此基準釐定，惟香港財務報告準則第2號以股份為基礎付款範圍內之以股份為基礎付款交易、根據香港財務報告準則第16號入賬之租賃交易，以及與公允值類似但並非公允值之計量（如香港會計準則第2號存貨中之可變現淨值或香港會計準則第36號資產減值中之使用價值）除外。

非金融資產之公允值計量計及市場參與者以最高及最佳用途使用資產，或透過出售資產予將會以最高及最佳用途使用資產之另一市場參與者而產生經濟利益之能力。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based payment* ("HKFRS 2"), leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets* ("HKAS 36").

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.1 編製綜合財務報告之基準 (續)

就按公允值交易之金融工具及投資物業，以及於其後期間計量公允值時使用不可觀察輸入數據之估值技術而言，該估值技術會作校正，致使於初始確認時，估值技術結果相等於交易價格。

此外，就財務報告而言，公允值計量基於公允值計量之輸入數據可觀察程度及公允值計量之輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據為實體於計量日可取得相同資產或負債之活躍市場報價（未經調整）；
- 第二級輸入數據為就資產或負債可直接或間接觀察之輸入數據（第一級包括之報價除外）；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策

綜合基準

綜合財務報告包含本公司及由本公司及其附屬公司控制之實體之財務報告。取得控制權乃指本公司：

- 對被投資方擁有權力；
- 因參與被投資方業務而承受或有權獲得可變回報；及
- 有能力行使其權力以影響其回報。

倘事實及情況顯示上述三項控制權因素其中一項或多項改變，則本集團會重估是否仍然控制被投資方。

本集團於取得附屬公司之控制權時開始將該附屬公司綜合入賬，並於失去附屬公司之控制權時停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出由本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團終止控制該附屬公司當日為止。

損益及其他全面收益各項目歸屬於本公司股東及非控股權益。附屬公司之全面收益總額歸屬於本公司股東及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

綜合基準 (續)

本集團會在必要時對附屬公司之財務報告作出調整，以令其會計政策與本集團者一致。

與本集團成員公司間交易有關之所有集團內公司間之資產及負債、權益、收入、支出及現金流於綜合賬目時完全抵銷。

於附屬公司之非控股權益與本集團於其中之權益分開呈列，其指賦予持有人權利於清盤時按比例分佔相關附屬公司淨資產之目前所有權權益。

本集團於現有附屬公司之權益變動

本集團於附屬公司的權益變動並無導致本集團喪失該等附屬公司的控制權，則入賬列作權益交易。本集團的相關權益部分與非控股權益的賬面金額均會作出調整，以反映彼等於附屬公司的相對權益變動，包括按照本集團與非控股權益的權益比例，將本集團與非控股權益之間的相關儲備重新歸屬。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Basis of consolidation (Continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

綜合基準 (續)

本集團於現有附屬公司之權益變動 (續)

經非控股權益調整的金額與所付或所收代價的公允值之間的任何差額，均直接於權益確認並歸屬於本公司股東。

當本集團失去附屬公司之控制權時，本集團會終止確認該附屬公司之資產及負債以及非控股權益(如有)。收益或虧損乃於損益確認，並按(i)已收代價公允值及任何保留權益公允值之總額與(ii)資產(包括商譽)之賬面金額及本公司股東應佔該附屬公司負債之差額計算。本集團會將先前就該附屬公司於其他全面收益確認之所有金額入賬，猶如本集團已直接出售該附屬公司之相關資產或負債(即按適用香港財務報告準則所指明／允許重新分類至損益或轉撥至另一權益類別)。於失去控制權當日於前附屬公司保留之任何投資之公允值將根據香港財務報告準則第9號於其後入賬時被列作初步確認之公允值，或(如適用)於聯營公司或合資企業之初步確認投資成本。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Basis of consolidation (Continued)

Changes in the Group's interests in existing subsidiaries (Continued)

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

業務合併或資產收購

選擇性集中程度測試

由二零二一年一月一日起，本集團可選擇按個別交易基準應用選擇性集中程度測試，該測試允許簡單評估所收購的一組活動及資產是否屬於業務。若所收購總資產之絕大部分公允值集中於單一可識別資產或一組類似的可識別資產，則通過集中程度測試。該評估下之總資產不包括現金及現金等額、遞延稅項資產以及由遞延稅項負債效果下產生之商譽。倘通過集中程度測試，則該組活動及資產不會被釐定為業務，並毋須進一步評估。

資產收購

當本集團收購一組不構成業務之資產及負債，本集團首先將購買價分配至其後根據公允值模型計量的投資物業及金融資產／金融負債各自之公允值，隨後按於購買日期各自相對之公允值將購買價餘額分配至其他個別可識別資產及負債，藉此識別並確認所收購之個別可識別資產及所承擔負債。該項交易並無產生商譽或議價收購收益。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 January 2021, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

業務合併或資產收購 (續)

業務合併

收購業務利用收購法入賬。於業務合併中轉讓之代價按公允值計量，而公允值乃按本集團為交換被收購方控制權轉讓之資產、本集團向被收購方前擁有人產生之負債及本集團發行之股本權益於收購日之公允值總和計算。收購相關成本一般於產生時在損益確認。

除若干確認豁免外，所收購之可識別資產及所承擔之負債必須符合編製及呈列財務報告之框架（於二零一零年十月被財務報告概念框架所取代）下資產及負債之定義。

於收購日，所收購可識別資產及所承擔負債乃按公允值確認，惟以下情況除外：

- 遞延稅項資產或負債及僱員福利安排相關資產或負債分別按照香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Business combinations or asset acquisitions

(Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting* issued in October 2010).

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

業務合併或資產收購 (續)

業務合併 (續)

- 有關被收購方以股份為基礎付款安排或為取代被收購方以股份為基礎付款安排訂立之本集團以股份為基礎付款安排之負債或權益工具，於收購日按照香港財務報告準則第2號計量（參閱有關以股份為基礎付款交易之會計政策）；
- 按照香港財務報告準則第5號持作出售之非流動資產及已終止經營業務分類為持作出售之資產（或出售組別）按照該準則計量；及
- 租賃負債按剩餘租賃付款（定義見香港財務報告準則第16號）之現值確認及計量，猶如所收購租賃於收購日期屬新租賃，惟(a) 租期於收購日期12個月內屆滿；或(b) 相關資產屬低價值之租賃除外。使用權資產按與相關租賃負債相同之金額確認及計量，並作調整以反映優於或遜於市場條款之租賃條款。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Business combinations or asset acquisitions

(Continued)

Business combinations (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy on share-based payment transactions);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

業務合併或資產收購 (續)

業務合併 (續)

商譽按所轉讓代價、被收購方任何非控股權益金額與收購方先前所持被收購方股本權益(如有)之公允值之總和,超出所收購可識別資產及所承擔負債於收購日之淨額之差額計量。倘經重新評估後,所收購可識別資產與所承擔負債之淨額高於所轉讓代價、被收購方任何非控股權益金額與收購方以往所持被收購方權益之公允值(如有)之總和,則差額即時於損益確認為議價收購收益。

非控股權益(屬於目前擁有權權益及於進行清盤時賦予持有人權利按比例分佔相關附屬公司淨資產)初始按非控股權益佔被收購方可識別淨資產已確認金額之比例或公允值計量。計量基準乃按個別交易基準選取。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Business combinations or asset acquisitions

(Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

業務合併或資產收購 (續)

業務合併 (續)

當本集團於業務合併中轉讓之代價包括或然代價安排時，或然代價乃按收購日之公允值計量，並計入作為於業務合併中轉讓之代價之一部分。合資格作計量期間調整之或然代價之公允值變動會追溯調整。計量期間調整為於「計量期間」(不得超過由收購日起計一年)因取得於收購日已存在事實及情況之額外資料而作出之調整。

不符合作為計量期間調整之或然代價之其後會計處理，取決於或然代價如何分類。分類為權益之或然代價於其後報告日期不會重新計量，其後結算於權益內入賬。分類為資產或負債之或然代價於其後報告日期重新計量至公允值，而相應收益或虧損乃於損益確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Business combinations or asset acquisitions

(Continued)

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that does not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

綜合財務報告附註
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截至二零二一年十二月三十一日止年度 For the year ended 31 December 2021

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

業務合併或資產收購 (續)

業務合併 (續)

當業務合併分階段完成時，本集團先前於被收購方持有之股本權益重新計量至收購日期（即本集團取得控制權當日）之公允值，而所產生之收益或虧損（如有）於損益或其他全面收益（如適用）中確認。倘收購日期前被收購方之權益產生的金額先前已於其他全面收益確認並根據香港財務報告準則第9號計量，將按本集團直接出售先前所持有的股本權益所規定的同一基準入賬。

商譽

收購業務產生之商譽按於業務收購日（參閱有關業務合併或資產收購之會計政策）之成本減累計減值虧損（如有）列賬。

為進行減值測試，商譽會分配至本集團各個（或各組）預期因合併協同效應而得益之現金產生單位，而該個或該組單位指就內部管理目的監控商譽之最低水平且不超過一個經營分類。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Business combinations or asset acquisitions

(Continued)

Business combinations (Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of business (see the accounting policy on business combinations or asset acquisitions) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

商譽 (續)

獲分配商譽之現金產生單位 (或現金產生單位組別) 每年或於單位有減值跡象時更頻密地進行減值測試。就於某報告期因收購而產生之商譽，獲分配商譽之現金產生單位 (或現金產生單位組別) 於該報告期末前進行減值測試。倘現金產生單位之可收回金額低於賬面金額，則減值虧損會先作分配以減低任何分配至該單位之商譽之賬面金額，其後則按該個單位 (或該現金產生單位組別) 內各項資產賬面金額之比例分配至單位內其他資產。

當出售相關現金產生單位或相關現金產生單位組別內任何現金產生單位時，商譽之應佔金額會於釐定出售損益之金額時計算在內。當本集團出售現金產生單位 (或某組現金產生單位內之現金產生單位) 內之一項經營時，所出售商譽之金額基於所出售之經營 (或現金產生單位) 及該個現金產生單位 (或該現金產生單位組別) 所保留部分之相對價值計量。

本集團有關收購聯營公司產生之商譽之政策於下文描述。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Goodwill (Continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

於聯營公司之權益

聯營公司為本集團對其擁有重大影響力之公司。重大影響力為參與決定被投資方財務及經營政策之權力，但非對該等政策之控制權或共同控制權。

聯營公司之業績及資產與負債利用權益會計法列入該等綜合財務報告。就權益會計目的採用之聯營公司財務報告利用與本集團於類似情況下就同類交易及事件採用之一致會計政策編製。根據權益法，於聯營公司之投資初始於綜合財務狀況表按成本確認，並於其後就確認本集團應佔該聯營公司溢利或虧損及其他全面收益調整。當本集團應佔一間聯營公司之虧損超出本集團於該聯營公司之權益(包括實質上構成本集團於聯營公司淨投資一部分之任何長期權益)時，本集團會終止確認其應佔之進一步虧損。額外虧損僅以本集團已產生法定或推定責任或代表該聯營公司付款時的程度予以確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

於聯營公司之權益 (續)

於一間聯營公司之投資自被投資方成為聯營公司當日起利用權益法入賬。收購於一間聯營公司之權益時，投資成本超出本集團應佔被投資方可識別資產及負債公允淨值之任何差額乃確認為商譽，並計入該項投資之賬面金額內。本集團應佔可識別資產及負債公允淨值超出投資成本之任何差額經重新評估後，即時於收購該項投資之期間在損益確認。

本集團會評估是否有客觀證據顯示於一間聯營公司之權益可能出現減值。當存在任何客觀證據時，該項投資（包括商譽）之全部賬面金額會按照香港會計準則第36號以單一資產方式進行減值測試，方法是比較其可收回金額（使用價值與公允值減出售成本之較高者）與其賬面金額。任何已確認之減值虧損不會分配至構成該項投資賬面金額組成部分之任何資產（包括商譽）。有關減值虧損之任何撥回乃於該項投資之可收回金額其後增加的程度按照香港會計準則第36號確認。

當某集團公司與本集團一間聯營公司進行交易時，在本集團之綜合財務報告確認之與該聯營公司進行交易所產生之損益，僅限於與本集團無關之聯營公司權益的程度。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Interests in associates (Continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the interest in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within 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 the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

客戶合約收益

本集團會於履約責任達成時(即當特定履約責任相關貨品或服務之「控制權」轉移至客戶時)(或隨着履約責任達成)確認收益。

履約責任指一項或一組明確貨品或服務或一系列大致相同之明確貨品或服務。

倘符合下列其中一項條件，則控制權乃隨時間轉移，而收益會參照全面達成相關履約責任之進度隨時間確認：

- 隨着本集團履約，客戶同時收取及耗用本集團履約所帶來之利益；
- 隨着本集團履約，本集團履約創造或增強客戶所控制之資產；或
- 本集團履約並無創造對本集團有替代用途之資產，且本集團享有可強制執行權利收取迄今已履約部分之付款。

否則，收益於客戶取得明確貨品或服務之控制權的時間點確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

客戶合約收益 (續)

合約負債指本集團向客戶轉移貨品或服務之責任，而本集團已就此向該客戶收取代價（或代價已到期收取）。

在一段時間內確認收益：全面達成履約責任之計量

根據香港財務報告準則第15號客戶合約收益之控制權轉移方法，銷售產品之收益一般於貨品已送達或運送至客戶特定地點時（即客戶有能力指示產品用途並取得產品絕大部分餘下利益之時間點）確認。

隨時間推移確認收益：全面達成履約責任之進度之計量

對於在同日完成履約責任的合同，本集團根據本集團發出發票之權利確認收益。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Revenue from contracts with customers

(Continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A point in time revenue recognition: measurement of complete satisfaction of a performance obligation

Under the transfer-of-control approach in HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15"), revenue from sales of product is generally recognised when the goods have been delivered or shipped to customer's specific location, which is the point of time when the customer has the ability to direct the use of the product and obtain substantially all of the remaining benefits of the product.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

For contracts in which performance obligations are completed within the same day, the Group recognises revenue based on the Group's right to invoice.

綜合財務報告附註
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**3. 編製綜合財務報告
之基準及主要會計
政策 (續)**

3.2 主要會計政策 (續)

租賃

租賃之定義

倘某合約給予權利在一段時間內控制所識別資產之用途以換取代價，則該合約屬租賃或包含租賃。

就於初始應用日期或之後訂立或修改或因業務合併而產生之合約而言，本集團於開始、修改日期或收購日期（如適用）基於香港財務報告準則第16號下之定義評估合約是否屬租賃或包含租賃。除非合約條款及條件其後有變，否則該合約將不作重新評估。

**3. BASIS OF PREPARATION OF
CONSOLIDATED FINANCIAL
STATEMENTS AND SIGNIFICANT
ACCOUNTING POLICIES (Continued)**

3.2 Significant accounting policies

(Continued)

Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人

將代價分配至合約之組成部分

就包含一項租賃組成部分及一項或以上附加租賃或非租賃組成部分之合約而言，本集團按租賃組成部分之相對單獨價格及非租賃組成部分之彙總單獨價格的基準，將合約代價分配至各個租賃組成部分，包括收購物業擁有權權益之合約（包括租賃土地及非租賃樓宇部分），惟不能可靠地作出相關分配時，則作別論。非租賃組成部分與租賃組成部分分開並透過應用其他適用準則入賬。

短期租賃

本集團對於租賃年期為自開始日期起計12個月或以內且不包含購買選擇權之員工宿舍租賃應用短期租賃確認豁免。短期租賃之租賃付款於租賃年內以直線法或另一系統化基準確認為開支。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably. Non-lease components are separated from lease component and are accounted by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

使用權資產

使用權資產之成本包括：

- 初始計量租賃負債之金額；
- 於開始日期或之前支付之任何租賃付款減任何已收租賃獎勵；
- 本集團產生之任何初始直接成本；及
- 本集團將於拆除及移除相關資產、復修相關資產位處之場址或將相關資產復修至租賃條款規定之狀況時產生之估計成本。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。

使用權資產於估計可使用年期與租賃年期兩者之較短者以直線法計算折舊。

本集團於「物業、廠房及設備」內呈列使用權資產，所屬分項與呈列如擁有相應相關資產者相同。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

可退回租賃按金

已付之可退回租賃按金根據香港財務報告準則第9號入賬，初始按公允值計量。對於初始確認時公允值之調整會被視為額外租賃付款，並計入使用權資產之成本。

租賃負債

於租賃開始日期，本集團按於該日未支付之租賃付款之現值確認及計量租賃負債。計算租賃付款之現值時，倘租賃內含之利率無法輕易地釐定，則本集團會使用於租賃開始日期之遞增借貸利率。

租賃付款包括固定付款(包括實質固定付款)減任何應收租賃獎勵。

於開始日期後，租賃負債乃透過利息孳長及租賃付款調整。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

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.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債 (續)

每當出現下列情況時，本集團會重新計量租賃負債（並對相關使用權資產作出相應調整）：

- 租賃年期已更改，在此情況下，相關租賃負債乃透過利用於重新評估日期之經修訂貼現率貼現經修訂租賃付款重新計量。
- 因檢討市場租金後市場租金率有變而引致租賃付款變動，在此情況下，相關租賃負債乃透過利用初始貼現率貼現經修訂租賃付款重新計量。

本集團於綜合財務狀況表內呈列租賃負債為單一分項。

本集團作為出租人

租賃分類及計量

本集團為出租人之租賃分類為融資租賃或經營租賃。每當租賃條款將相關資產擁有權所附帶之絕大部分風險及回報轉移予承租人時，該合約會分類為融資租賃。所有其他租賃均分類為經營租賃。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為出租人 (續)

租賃分類及計量 (續)

經營租賃之租金收入於相關租賃年期內以直線法在損益確認。磋商及安排經營租賃產生之初始直接成本加進租賃資產之賬面金額，而該等成本於租賃年期內以直線法確認為開支。

於本集團日常業務過程中產生之租金收入呈列為營業額。

可退回租賃按金

已收之可退回租賃按金根據香港財務報告準則第9號入賬，初始按公允值計量。對於初始確認時公允值之調整會被視為承租人之額外租賃付款。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Leases (Continued)

The Group as a lessor (Continued)

Classification and measurement of leases (Continued)

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備乃持有用於生產或提供貨品或服務或作行政用途之有形資產(下述在建物業除外)。物業、廠房及設備於綜合財務狀況表按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

正在建造以作生產、供應或行政用途之樓宇按成本減任何已確認之減值虧損列賬。成本包括將資產送達及達致可按管理層計劃方式運作之所需地點及狀況直接應佔之任何成本，以及(就合資格資產而言)按照本集團會計政策撥充資本之借貸成本。此等資產之折舊基準與其他物業資產相同，乃於資產可作擬定用途時開始計算。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that 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.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備 (續)

於租賃土地及樓宇之所有權權益

當本集團支付包括租賃土地及樓宇部分之物業所有權權益付款時，整項代價按於初始確認時之相對公允值比例在租賃土地與樓宇部分之間分配。

按相關付款能可靠地分配的程度，於租賃土地之權益於綜合財務狀況表分類為使用權資產及計入「物業、廠房及設備」，除該等按公允值模型分類及計入為投資物業外。當代價不能於非租賃樓宇部分與相關租賃土地之未分割權益之間分配時，整項物業分類為物業、廠房及設備。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Property, plant and equipment (Continued)

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is classified as right-of-use assets and included in “property, plant and equipment” in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備 (續)

於租賃土地及樓宇之所有權權益 (續)

倘物業因結束業主自用令用途改變而變為投資物業，則該項目（包括分類為使用權資產的相關租賃土地）賬面金額與公允值之任何差額於轉移日在其他全面收益確認及於物業重估儲備累計。相關重估儲備將於日後物業出售或報廢時直接轉入保留溢利。

除在建工程外，本集團會確認折舊，以於資產之估計可使用年期內利用直線法註銷扣除剩餘價值後之資產成本。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動之影響按前瞻性基準入賬。

物業、廠房及設備項目於處置時或當繼續使用該資產預期不會產生未來經濟利益時終止確認。因處置或報廢物業、廠房及設備項目而產生之任何收益或虧損按該資產之出售所得款項與賬面金額之差額釐定並於損益確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Property, plant and equipment (Continued)

Ownership interests in leasehold land and building (Continued)

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

投資物業

投資物業為持作賺取租金及／或資本增值之物業。

投資物業初始按成本(包括任何直接引起之開支)計量。於初始確認後，投資物業按公允值計量，並作調整以撇除任何預付或應計經營租賃收入。

投資物業公允值變動產生之收益或虧損於產生期間計入損益。

投資物業於處置或永久不再使用及預期其處置不會產生未來經濟利益時終止確認。因終止確認該物業而產生之任何收益或虧損按該資產之處置所得款項淨額與賬面金額之差額計算，並於該物業終止確認期間計入損益。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

無形資產

分開收購之無形資產

分開收購且具有限定可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有限定可使用年期之無形資產於估計可使用年內以直線法確認攤銷。估計可使用年期及攤銷方法於各報告期末審閱，而任何估計變動之影響乃按前瞻性基準入賬。獨立收購且具有限定可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

於業務合併中收購之無形資產

於業務合併中收購之無形資產與商譽分開確認，並初始按於收購日之公允值(被視為成本)確認。

於初始確認後，於業務合併中收購且具有限定可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列報，基準與獨立收購之無形資產相同。於業務合併中收購且具有限定可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that acquired separately are carried at costs less accumulated amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

無形資產 (續)

於業務合併中收購之無形資產 (續)

無形資產於處置或當使用或處置預期不會產生未來經濟利益時終止確認。因終止確認無形資產而產生之收益或虧損按該資產之處置所得款項淨額與賬面金額之差額計量，並於該資產終止確認時在損益確認。

物業、廠房及設備 (包括使用權資產) 及無形資產，而商譽除外之減值

於報告期末，本集團檢討其物業、廠房及設備 (包括使用權資產) 及具有有限可使用年期之無形資產之賬面金額，以確定有否跡象顯示該等資產出現減值虧損。倘若有該等跡象，本集團會估計相關資產之可收回金額以釐定減值虧損之程度 (如有)。具有無限定可使用年期之無形資產及尚未可供使用之無形資產至少每年及當有跡象顯示可能減值時進行減值測試。

物業、廠房及設備 (包括使用權資產) 及無形資產之可收回金額乃個別估計。當不大可能個別估計可收回金額時，本集團會估計該資產所屬現金產生單位之可收回金額。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination (Continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment (including right-of-use assets) and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment (including right-of-use assets) and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment (including right-of-use assets) and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

綜合財務報告附註
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截至二零二一年十二月三十一日止年度 For the year ended 31 December 2021

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備(包括使用權資產)及無形資產，而商譽除外之減值 (續)

進行現金產生單位之減值測試時，倘能建立合理及一致之分配基準，公司資產會獲分配至相關現金產生單位，或於其他情況下，按可識別之合理及一致分配基準分配至現金產生單位之最小組合。可收回金額由公司資產所屬的現金產生單位或現金產生單位組別確定，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

可收回金額乃公允值減出售成本及使用價值之較高者。於評估使用價值時，估計未來現金流使用反映貨幣時間價值之當前市場評估，以及反映資產(或現金產生單位)(未調整估計未來現金流)之特定風險之稅前貼現率，貼現至其現值。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Impairment on property, plant and equipment (including right-of-use assets) and intangible assets other than goodwill

(Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備(包括使用權資產)及無形資產，而商譽除外之減值 (續)

倘一項資產(或一個現金產生單位)之可收回金額估計會低於其賬面金額，則資產(或現金產生單位)之賬面金額會調低至其可收回金額。就不能按合理一致之基準分配至現金產生單位之公司資產或部分公司資產而言，本集團會比較一組現金產生單位之賬面金額(包括已分配至該組現金產生單位之公司資產或部分公司資產之賬面金額)與該組現金產生單位之可收回金額。於分配減值虧損時，減值虧損首先分配作扣減任何商譽之賬面金額(如適用)，其後根據該單位或該組現金產生單位內各項資產之賬面金額，按比例分配至其他資產。一項資產之賬面金額不會調低至低於其公允值減出售成本(如可計量)、其使用價值(如可釐定)及零(以最高者為準)。由此本應已分配至該項資產之減值虧損金額會按比例分配至該單位或該組現金產生單位內其他資產。減值虧損會即時於損益確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Impairment on property, plant and equipment (including right-of-use assets) and intangible assets other than goodwill

(Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備 (包括使用權資產) 及無形資產，而商譽除外之減值 (續)

倘減值虧損其後撥回，則資產 (或一項現金產生單位或一組現金產生單位) 之賬面金額會調高至其經修訂之估計可收回金額，惟增加後之賬面金額不得超過以往年度假設並無就資產 (或一項現金產生單位或一組現金產生單位) 確認減值虧損下釐定之賬面金額。減值虧損撥回會即時於損益確認。

存貨

存貨以成本及可變現淨值兩者之較低者列賬。存貨成本按加權平均法釐定。可變現淨值指存貨估計售價減成交之所有估計成本及達致銷售所需成本。達致銷售所需成本包括銷售直接應佔的增量成本及本集團為達致銷售所需產生的非增量成本。倘用於生產存貨的材料及其他補給品所生產的製成品預期以成本或高於成本的價格售出，材料及其他補給品則不撇減至低於成本。

金融工具

金融資產及金融負債於集團公司成為工具合約條文之訂約方時確認。所有按常規途徑進行之金融資產買賣按結算日基準確認及終止確認。常規買賣指須於市場規例或慣例訂立之時限內交付資產之金融資產買賣。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Impairment on property, plant and equipment (including right-of-use assets) and intangible assets other than goodwill (Continued)

(Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement 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 market place.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產及金融負債初始按公允值計量，惟初始按照香港財務報告準則第15號計量之客戶合約所產生貿易應收款項除外。收購或發行金融資產及金融負債直接引起之交易成本(按公允值計入損益之金融資產或金融負債除外)乃於初始確認時加入金融資產或金融負債之公允值或自金融資產或金融負債之公允值扣除(如適用)。收購按公允值計入損益之金融資產或金融負債直接引起之交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債攤銷成本及於相關期間內分配利息收入及利息支出之方法。實際利率為於金融資產或金融負債預期年期或(如適用)更短期間內將估計日後現金收款及付款(包括所有構成實際利率組成部分之已付或已收費用及款項、交易成本及其他溢價或折讓)精確貼現至於初始確認時之賬面淨額之利率。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or 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 effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產

金融資產之分類及其後計量

金融資產如符合以下條件，則其後以按攤銷成本計量：

- 該金融資產於旨在收取合約現金流之業務模型內持有；及
- 合約條款於特定日期產生現金流，而該現金流僅為支付本金及未償還本金的利息。

金融資產如符合以下條件，則其後以按公允值計入其他全面收益計量：

- 該金融資產於旨在出售及收取合約現金流之業務模型內持有；及
- 合約條款於特定日期產生現金流，而該現金流僅為支付本金及未償還本金的利息。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

所有其他金融資產其後以按公允值計入損益之方式計量，惟於初始確認金融資產日期，本集團可以不可撤回地選擇於其他全面收益呈列股本投資（倘其既非持作買賣亦非收購方於香港財務報告準則第3號業務合併適用範圍內之業務合併中確認之或然代價）之其後公允值變動。

金融資產如屬下述情況，即持作買賣：

- 購入之主要目的為於短期內出售；或
- 於初始確認時為本集團合併管理之已識別金融工具組合之一部分，且近期有短期獲利之實際模式；或
- 其為並非指定而有效的對沖工具之衍生工具。

此外，本集團可以不可撤回地將一項須按攤銷成本或按公允值計入其他全面收益計量之金融資產，指定按公允值計入損益計量，前提為此舉抵銷或大幅降低會計錯配情況。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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**3. 編製綜合財務報告
之基準及主要會計
政策 (續)**

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

攤銷成本及利息收入

其後按攤銷成本計量之金融資產之利息收入利用實際利率法確認。利息收入透過對金融資產之賬面總額應用實際利率計算，惟其後出現信貸減值之金融資產除外(見下文)。對於其後出現信貸減值之金融資產，利息收入透過自下一個報告期起對金融資產之攤銷成本應用實際利率確認。倘出現信貸減值之金融工具之信貸風險改善，使金融資產不再出現信貸減值，則利息收入透過釐定資產不再出現信貸虧損後之報告期初起對該金融資產之賬面總額應用實際利率確認。

**3. BASIS OF PREPARATION OF
CONSOLIDATED FINANCIAL
STATEMENTS AND SIGNIFICANT
ACCOUNTING POLICIES (Continued)**

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

指定按公允值計入其他全面收益之於債務工具之投資

分類為按公允值計入其他全面收益之債務工具，其賬面值之後續變動會於損益中確認，有關變動乃由實際利率法計算之利息收入所致。該等債務工具賬面值之所有其他變動均於其他全面收益中確認，並於投資重估儲備累計。於損益中確認之減值撥備連同其他全面收益之相應調整並無減少該等債務工具之賬面值。如該等債務工具被終止確認，則先前於其他全面收益確認之累計收益或虧損將重新分類至損益。

指定按公允值計入其他全面收益之於權益工具之投資

按公允值計入其他全面收益之於權益工具之投資其後按公允值計量，公允值變動產生之收益及虧損於其他全面收益確認並於投資重估儲備累計；且無須進行減值評估。累積收益或虧損將不會於權益投資處置時重新分類至損益，並將轉撥至保留溢利。

當本集團收取股息之權利確立時，來自此等於權益工具之投資之股息會於損益確認，除非股息明確代表收回部分投資成本。股息計入損益內之「其他收入」分項。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Investment in debt instrument designated at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated in the investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Investment in equity instrument designated at FVTOCI

Investment in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investment, and will be transferred to retained profits.

Dividends from the investment in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

按公允值計入損益之金融資產

不符合按攤銷成本或按公允值計入其他全面收益或指定為按公允值計入其他全面收益計量條件之金融資產按公允值計入損益計量。

按公允值計入損益之金融資產於各報告期末按公允值計量，任何公允值收益或虧損於損益確認。於損益確認之淨收益或虧損不包括就金融資產賺取之任何利息，並計入損益內之「其他收益及虧損」分項。

金融資產減值

本集團以預期信貸損失模型對根據香港財務報告準則第9號須進行減值評估之金融資產（包括貿易應收款項、其他應收賬款、短期銀行存款及銀行結餘）進行減值評估。預期信貸損失金額於各報告日期更新，以反映信貸風險自初始確認以來之變動。

全期預期信貸損失指於相關工具之預期可使用年期內所有可能發生之違約事件產生之預期信貸損失。相反，12個月預期信貸損失指預期於報告日期後12個月內可能發生之違約事件導致之全期預期信貸損失部分。評估乃基於本集團之歷史信貸損失經驗進行，並就債務人之特定因素、整體經濟狀況以及對於報告日期當前狀況之評估以及對未來狀況之預測調整。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest earned on the financial asset, and is included in the “other gains and losses” line item in profit or loss.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, other debtors, short-term bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done 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 conditions at the reporting date as well as the forecast of future conditions.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

本集團一直就貿易應收款項及租賃應收款項確認全期預期信貸損失。

就所有其他工具而言，本集團計量之損失撥備等於12個月預期信貸損失，除非信貸風險自初始確認以來顯著增加，本集團會確認全期預期信貸損失。對是否確認全期預期信貸損失之評估乃基於自初始確認以來發生違約之可能性或風險顯著增加。

(i) 信貸風險顯著增加

於評估自初始確認以來信貸風險是否已顯著增加時，本集團會比較於報告日期金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險。在進行該評估時，本集團會考慮合理且具理據支持之定量及定性資料，包括歷史經驗及無需付出不必要成本或努力即可獲得之前瞻性資料。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Group always recognises lifetime ECL for trade receivables and lease receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險顯著增加 (續)

尤其是，在評估信貸風險是否已顯著增加時會考慮以下資料：

- 金融工具之外部 (如能獲得) 或內部信貸評級實際或預期會顯著惡化；
- 信貸風險之外部市場指標顯著惡化，如信貸息差 (即債務人之信貸違約掉期價格) 大幅增加；
- 預計會導致債務人履行其債務義務之能力大幅下降之業務、財務或經濟狀況之現有或預測不利變化；
- 債務人之經營業績實際或預期顯著惡化；
- 導致債務人履行其債務義務之能力大幅下降之債務人監管、經濟或技術環境之實際或預期之重大不利變化。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- 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, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- 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;
- 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.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險顯著增加 (續)

不論上述評估之結果如何，本集團假定，當合約付款逾期超過30天時，自初始確認以來信貸風險已顯著增加，除非本集團另有合理且具理據支持之資料證明有其他狀況則作別論。

本集團定期監察識別信貸風險有否大幅增加時所用標準之成效，並作出適當修訂，以確保該等標準足以於款項逾期前識別顯著增加之信貸風險。

(ii) 違約之定義

就內部信貸風險管理而言，本集團認為，當內部編製或來自外界資料來源之資料顯示債務人不大可能向其債權人(包括本集團)清償所有款項(不計本集團持有之任何抵押品)時，即發生違約事件。

不論上述結果如何，本集團認為，當某項金融資產逾期超過90天時，即出現違約，除非本集團有合理且具理據支持之資料顯示延遲違約標準更為恰當。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk 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.

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.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when 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).

Irrespective of the above, 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.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

- (iii) 出現信貸減值之金融資產
- 當發生一項或多項事件，對某項金融資產之估計未來現金流構成不利影響時，該項金融資產已出現信貸減值。金融資產出現信貸減值之證據包括與以下事件有關之可觀察數據：
- (a) 發行人或借款人出現重大財政困難；
 - (b) 違反合約，例如欠付或拖欠事件；
 - (c) 基於與借款人財政困難有關之經濟或合約理由，借款人之一名或多名貸款人給予借款人在其他情況下不會考慮之一項或多項優惠；或
 - (d) 借款人有可能面臨破產或其他財務重組。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (iii) 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:
- (a) significant financial difficulty of the issuer or the borrower;
 - (b) a breach of contract, such as a default or past due event;
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(iv) 註銷政策

當有資料顯示交易對方面對嚴重財政困難，且無實際收回希望（例如交易對方已遭清盤或進入破產程序）時，本集團會註銷金融資產。本集團仍可能在適當情況下考慮法律意見，然後根據其收回程序就已註銷之金融資產採取強制執行行動。註銷構成終止確認事件。任何其後收回乃於損益確認。

- (v) 預期信貸損失之計量及確認
預期信貸損失之計量為違約概率、違約損失（即違約之損失程度）及違約時風險敞口之函數。違約概率及違約損失之評估乃基於歷史數據及前瞻性資料。預期信貸損失之估計反映中肯地就發生各種違約風險之概率加權釐定之金額。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

- (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸損失之計量及確認 (續)

一般而言，預期信貸損失為按照合約應付本集團之所有合約現金流與本集團預期收取之所有現金流之差額（按初始確認時釐定之實際利率貼現）。

若干貿易應收賬款之全期預期信貸損失乃經計及逾期資料及前瞻性宏觀經濟資料等相關信貸資料後，按整體基準考慮。

就集體評估而言，本集團在制定分組時經計及以下特徵：

- 逾期情況；
- 債務人之性質、規模及行業；及
- 外部及／或內部信貸評級（如可獲得）。

管理層定期檢討分組，確保各組合中之成員繼續具備類似之信貸風險特徵。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External and/or internal credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸損失之計量及確認 (續)

利息收入基於金融資產之賬面總額計算，除非金融資產出現信貸減值，在此情況下，利息收入基於金融資產之攤銷成本計算。

本集團藉由調整所有金融工具之賬面值於損益中確認其減值收益或虧損，惟貿易應收款項除外，其相應調整於虧損撥備賬確認。

終止確認金融資產

本集團僅於收取資產現金流之合約權利屆滿時，或向另一公司轉讓金融資產及資產擁有權絕大部分風險及回報時終止確認金融資產。倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報，則本集團繼續確認該金融資產，亦就已收取之所得款項確認已抵押借貸。

於終止確認按攤銷成本計量之金融資產時，資產賬面金額與已收及應收代價總和之差額，會於損益確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

終止確認金融資產 (續)

於終止確認本集團於初始確認時已選擇按公允值計入其他全面收益計量之於權益工具之投資時，以往於投資重估儲備累計之累積收益或虧損不會重新分類至損益，惟轉撥至保留溢利。

金融負債及權益工具

分類為債務或權益

由集團公司發行之債務及權益工具乃按照合約安排之實質內容與金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具為證明擁有本集團資產剩餘權益(經扣除其所有負債)之任何合約。本集團發行之權益工具按已收所得款項(經扣除直接發行成本後)確認。

購回本公司自身之權益工具將於權益中確認並直接扣除。購買、銷售、發行或註銷本公司自身之權益工具時，並未於損益中確認收益或虧損。

按攤銷成本計量之金融負債

金融負債(包括應付賬款及借貸)其後利用實際利率法按攤銷成本計量。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Financial instruments (Continued)

Derecognition of financial assets (Continued)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity instruments

Classification as debt or equity

Debts and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities including creditors and borrowings are subsequently measured at amortised cost, using the effective interest method.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

終止確認金融負債

當且僅當本集團之責任獲解除、取消或已到期時，本集團方會終止確認金融負債。已終止確認之金融負債賬面金額與已付及應付代價之差額會於損益確認。

因利率基準改革導致釐定合約現金流之基準變動

就因利率基準改革導致應用攤銷成本計量釐定金融資產或金融負債的合約現金流之基準變動，本集團應用實際可行權宜方法，以更新實際利率將該等變動入賬，而該等實際利率的變動一般對相關金融資產或金融負債的賬面值並無重大影響。

當且僅當滿足以下兩個條件時，利率基準改革方要求釐定合約現金流之基準變動：

- 因利率基準改革的直接後果而導致必須作變動；及
- 釐定合約現金流的新基準在經濟上等同於過往基準（即緊接變動前的基準）。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Derecognition of financial liabilities

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 is recognised in profit or loss.

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

綜合財務報告附註
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3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

衍生金融工具

衍生工具初始按衍生工具合約訂立當日之公允值確認，其後按報告期末之公允值重新計量。所產生之收益或虧損即時於損益確認，除非該衍生工具是指定而有效之對沖工具，在此情況下，於損益確認之時間取決於對沖關係之性質。

對銷金融資產與金融負債

當且僅當本集團現時擁有可依法強制執行權利對銷已確認金額，且有意按淨額基準結算或同時變現資產及結算負債時，金融資產與金融負債方會對銷，淨額於綜合財務狀況表呈列。

對沖會計法

本集團指定若干衍生工具為現金流對沖之對沖工具(即利率掉期合約)。

於對沖關係開始時，本集團記錄對沖工具與被對沖項目之關係，連同其風險管理目標及其進行各類對沖交易之策略。再者，於對沖開始及進行期間，本集團記錄對沖工具是否能高度有效地對銷被對沖項目因被對沖風險而引致之現金流變動。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Financial instruments (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair values at the date when derivative contracts are entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges (i.e. interest rate swap contracts).

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

對沖會計法 (續)

對沖關係及成效之評估

就對沖成效評估而言，本集團於對沖關係符合以下所有對沖成效要求時，考慮對沖工具是否有效對銷被對沖項目因被對沖風險而引致之現金流變動：

- 被對沖項目與對沖工具間存在經濟關係；
- 信貸風險之影響不主導因該經濟關係而引起之價值變動；及
- 對沖關係之對沖比率與本集團實際對沖之被對沖項目數目以及公司實際用於對沖被對沖項目數目之對沖工具數量之間之對沖比率相同。

倘對沖關係不再符合有關對沖比率之對沖成效要求，但指定之對沖關係風險管理目標保持不變，則本集團會調整對沖關係之對沖比率（即重新平衡對沖），以再次符合資格標準。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

對沖會計法 (續)

對沖關係及成效之評估 (續)

於評估被對沖項目與對沖工具之經濟關係時，本集團假設對沖之現金流量及／或對沖風險（合約或非合約指定）所依據之利率基準，或對沖工具之現金流量所依據之利率基準並無因利率基準改革而改變。

對於利率基準改革要求而對對沖風險、被對沖項目或對沖工具作出的變更，本集團修訂對沖關係的正式指派，反映於期內作出相關變更的報告期末的變更。對沖關係正式指派的有關修訂不構成對沖關係的終止亦不構成新對沖關係的指派。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Assessment of hedging relationship and effectiveness
(Continued)

In assessing the economic relationship between the hedged item and the hedging instrument, the Group assumes that the interest rate benchmark on which the hedged cash flows and/or the hedged risk (contractually or non-contractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

For changes made to the hedged risk, hedged item or hedging instrument required by interest rate benchmark reform, the Group amends the formal designation of a hedging relationship to reflect the changes by the end of the reporting period during which the relevant changes were made. Such an amendment to the formal designation of the hedging relationship constitutes neither the discontinuation of the hedging relationship nor the designation of a new hedging relationship.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

對沖會計法 (續)

現金流對沖

指定及符合現金流對沖之衍生工具及其他合資格對沖工具之公允值變動之有效部分於其他全面收益確認及於對沖儲備項下累計，惟以被對沖項目自開始對沖起之累積公允值變動為限。與無效部分有關之收益或虧損即時於損益確認及計入「其他收益及虧損」分項。

當現金流對沖的被對沖項目乃為反映利率基準改革要求變更而修訂時，現金流對沖儲備的累計金額視為基於釐定對沖未來現金流的替代基準利率。

在重新分類現金流量對沖儲備內之累計收益及虧損金額以釐定預期會否產生對沖未來現金流量時，本集團假設對沖之現金流量（合約或非合約指定）所依據之利率基準並無因利率基準改革而改變。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the “other gains and losses” line item.

When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the interest rate benchmark reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

For the purpose of reclassifying the amount of gains and losses accumulated in the cash flow hedge reserve in order to determine whether the hedged future cash flows are expected to occur, the Group assumes the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

對沖會計法 (續)

現金流對沖 (續)

先前於其他全面收益確認及於權益累計之金額於被對沖項目在損益確認之期間重新分類至損益，一併列於已確認之被對沖項目。然而，當被對沖之預測交易導致確認非金融資產或非金融負債時，先前於其他全面收益確認及於對沖儲備累計之收益及虧損自權益（即對沖儲備）內轉出，並計入非金融資產或非金融負債成本之初始計量中。此轉賬不會影響其他全面收益。再者，倘本集團預期於現金流對沖儲備累計之部分或全部虧損不會於未來收回，則該金額即時重新分類至損益。

終止對沖會計法

本集團僅會於對沖關係（或其部分）不再達至合資格條件（於重新平衡後（如適用））時，方會按前瞻性基準終止對沖會計法。此舉包括對沖工具到期或出售、終止或獲行使的情況。終止對沖會計法可以影響整項或僅一部分的對沖關係，而在後者的情況下，餘下的對沖關係繼續使用對沖會計法。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Cash flow hedges (Continued)

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in the hedging reserve are transferred from the equity (i.e. hedging reserve) and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

對沖會計法 (續)

終止對沖會計法 (續)

就現金流對沖而言，於其他全面收益確認及當時於權益累計之任何收益或虧損於權益保留，並於預測交易最終確認時於損益確認。當預料一項預測交易不再發生，於權益累計之收益或虧損即時於損益確認。

外幣

於編製各個別集團公司之財務報告時，以該公司功能貨幣以外之貨幣（外幣）進行之交易按交易日之通行匯率確認。於報告期末，以外幣定值之貨幣項目按該日之通行匯率重新折算。按公允值列賬並以外幣定值之非貨幣項目按於公允值釐定當日之通行匯率重新折算。按外幣過往成本計量之非貨幣項目不予重新折算。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Financial instruments (Continued)

Hedge accounting (Continued)

Discontinuation of hedge accounting (Continued)

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

**3. 編製綜合財務報告
之基準及主要會計
政策 (續)**

3.2 主要會計政策 (續)

外幣 (續)

結算貨幣項目及重新折算貨幣項目所產生之匯兌差額於產生之期間在損益確認，惟因既無計劃亦不大可能發生結算之應收或應付海外業務之貨幣項目（因此構成於海外業務淨投資之一部分）之匯兌差額除外，該等匯兌差額初始於其他全面收益確認，並於處置或部分處置本集團權益時自權益重新分類至損益。

就呈列綜合財務報告而言，本集團業務之資產及負債按於報告期末之通行匯率折算為本集團之呈列貨幣（即港元）。收入及支出按該期間之平均匯率折算，除非匯率於該期間內大幅波動，於此情況下，則採用於交易日之通行匯率。所產生之匯兌差額（如有）於其他全面收益確認及於權益內的匯兌儲備項下累計（歸屬於非控股權益，如適用）。

**3. BASIS OF PREPARATION OF
CONSOLIDATED FINANCIAL
STATEMENTS AND SIGNIFICANT
ACCOUNTING POLICIES (Continued)**

3.2 Significant accounting policies

(Continued)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

外幣 (續)

出售海外業務(即出售本集團於海外業務之全部權益,或涉及喪失對包括海外業務在內之附屬公司控制權之出售事項)時,就本公司股東應佔該項業務於權益累計之所有匯兌差額會重新分類至損益。此外,就出售部分附屬公司但未導致本集團失去對該附屬公司之控制權而言,其按比例應佔累計匯兌差額重新歸屬於非控股權益,且不會於損益確認。就所有其他部分出售(即部分出售聯營公司或合營安排但未導致本集團失去重大影響力或失去共同控制權)而言,相應比例之累計匯兌差額重新分類至損益。

有關將本集團以人民幣呈列之資產淨值重新換算為本集團呈列貨幣(即港元)之匯兌差額直接於其他全面收益確認,並在匯兌儲備中累計。匯兌儲備中累計的該等匯兌差額其後不會重新分類至損益。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Foreign currencies (Continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Exchange differences relating to the retranslation of the Group's net assets in Renminbi to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in translation reserve. Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

外幣 (續)

於二零零五年一月一日或之後，於收購海外業務時就所收購可識別資產產生之商譽及公允值調整乃視為該海外經營業務之資產及負債處理，並按於報告期末之通行匯率折算。所產生之匯兌差額於其他全面收益確認。

於二零零五年一月一日前，於收購海外業務時產生之商譽乃視為收購方之非貨幣外幣項目處理，並以收購日之通行歷史成本入賬。

借貸成本

收購、建造或生產合資格資產(為需耗用長時間以達致擬定用途或可供出售之資產)之直接應佔借貸成本計入該等資產之成本，直至該等資產大致可達致擬定用途或可供出售時為止。

於相關資產可達致擬定用途或可供出售後仍未償還之任何特定借貸，計入一般借貸總項中以計算一般借貸之資本化比率。特定借貸在等候作合資格資產開支前，用作短期投資所得之投資收入會從合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生之期間在損益確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Foreign currencies (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

Goodwill arising on acquisition of foreign operations before 1 January 2005 are treated as non-monetary foreign currency items of the acquirer and reported using the historical cost prevailing at the date of the acquisition.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing 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. 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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

政府補助金

於有合理保證本集團將會符合政府補助金所附條件及收取補助金前，本集團不會確認政府補助金。

補償已產生支出或虧損或為向本集團提供即時財務資助而不涉及日後相關費用之應收收入相關政府補助金，於成為應收之期間在損益確認。相關補助金於「其他收入」呈列。

稅項

稅項指當期應課稅額與遞延稅項之總和。

當期應課稅額以本年應課稅溢利為基礎。應課稅溢利有別於除稅前溢利，乃由於在其他年度應課稅或可扣減之收入或支出，以及永不課稅及扣減之項目。本集團當期稅項負債按報告期末時已執行或實質上已執行之稅率計算。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

稅項 (續)

就綜合財務報告內資產及負債賬面金額與計算應課稅溢利時使用之相應稅基之暫時差異確認遞延稅項。一般就所有應課稅暫時差異確認遞延稅項負債，並一般在日後可能有應課稅溢利可供使用可扣減暫時差異之情況下就所有可扣減暫時差異確認遞延稅項資產。如暫時差異來自既不影響應課稅溢利亦不影響會計溢利之交易中初始確認(業務合併除外)其他資產及負債，則不會確認該等遞延資產及負債。此外，倘暫時差異來自初始確認商譽，則不會確認遞延稅項負債。

本集團按與於附屬公司及聯營公司之投資相關之應課稅暫時差異確認遞延稅項負債，惟倘本集團可控制暫時差異之撥回及暫時差異有可能於可見將來不會撥回則作別論。僅在很可能取得足夠應課稅溢利可供使用暫時差異之利益，且暫時差異預期於可見未來撥回之情況下，方會確認與該等投資相關之可扣稅暫時差異所產生之遞延稅項資產。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

(Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with 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. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面金額會於每個報告期末檢討，並在不大可能有足夠應課稅溢利以供收回全部或部分資產時按程度扣減。

計量遞延稅項資產及負債之稅率乃預期於清償負債或變現資產之期間應用之稅率（基於以報告期末已執行或實質上已執行之稅率（及稅法））。

遞延稅項負債及資產之計量反映本集團於報告期末預期收回或清償其資產及負債之賬面金額之方式所導致之稅務後果。

為計量利用公允值模型計量之投資物業之遞延稅項，該等物業之賬面金額乃假定透過銷售全數收回，除非該假定被推翻。當投資物業可予折舊及以於旨在隨時間而非透過銷售耗用投資物業所含所有經濟利益絕大部分之業務模型內持有時，有關假定會被推翻。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the 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 assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

稅項 (續)

為本集團確認使用權資產及相關租賃負債之租賃交易計量遞延稅項而言，本集團首先釐定稅項扣減是否源自使用權資產或租賃負債。

就稅項扣減乃源自租賃負債之租賃交易而言，本集團對租賃交易整體應用香港會計準則第12號所得稅之規定。與使用權資產及租賃負債有關之暫時差異按淨額基準評估。使用權資產折舊超出租賃負債本金部分之租賃付款導致產生可扣減暫時差異淨額。

當本集團擁有可依法強制執行權利對銷當期稅項資產與當期稅項負債，且當遞延稅項資產及負債與由同一稅務機關向同一課稅公司徵收之所得稅有關時，本集團會對銷遞延稅項資產及負債。

當期稅項及遞延稅項會於損益確認，惟當其與於其他全面收益或直接於權益確認之項目相關時，當期稅項及遞延稅項亦分別於其他全面收益或直接於權益確認。倘因對業務合併進行初始會計處理而產生當期稅項或遞延稅項，則稅務影響乃計入業務合併之會計處理。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

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 to the same taxable entity by the same taxation authority.

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

僱員福利

退休福利成本

當僱員已提供服務賦予彼等權利獲得供款時，向約定供款退休福利計劃作出之付款會確認為支出。

短期僱員福利

短期僱員福利按預期於僱員提供服務時支付之福利之未貼現金額確認。所有短期僱員福利會確認為支出，除非另一項香港財務報告準則規定或允許將福利計入資產成本。

於扣除任何已付金額後，本集團就僱員累算福利(如工資及薪金以及年假)確認負債。

以股份為基礎付款交易

以權益結算以股份為基礎付款交易

授予僱員之購股權

向僱員及其他提供類似服務之人士作出之以權益結算以股份為基礎付款按權益工具於授出日期之公允值計量。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as expenses when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

綜合財務報告附註
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截至二零二一年十二月三十一日止年度 For the year ended 31 December 2021

3. 編製綜合財務報告之基準及主要會計政策 (續)

3.2 主要會計政策 (續)

以股份為基礎付款交易 (續)

以權益結算以股份為基礎付款交易 (續)

授予僱員之購股權 (續)

於授出日期釐定以權益結算以股份為基礎付款之公允值(並無考慮所有非市場歸屬條件)，於歸屬期(按照本集團估計最終將會歸屬之權益工具計算)以直線法支銷，並相應增加權益(購股權儲備)。於各報告期末，基於對所有相關非市場歸屬條件之評估，本集團修改預期歸屬之估計權益工具數目。修改原估計之影響(如有)於損益確認，致使累計支出反映經修改估計，並相應調整購股權儲備。

當購股權獲行使時，以往於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日仍未獲行使時，以往於購股權儲備確認之金額將轉撥至保留溢利。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies

(Continued)

Share-based payment transactions (Continued)

Equity-settled share-based payment transactions

(Continued)

Share options granted to employees (Continued)

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

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

4. 重大會計判斷及估計不明朗因素之主要來源

於應用附註3所述之本集團會計政策時，本公司董事須就不能隨時從其他來源得出之資產及負債賬面金額作出判斷、估計及假設。該等估計及相關假設乃基於歷史經驗及被視為有關之其他因素作出。實際結果可能有別於該等估計。

該等估計及相關假設乃按持續基準檢討。倘會計估計之修改僅影響修改估計之期間，有關修改於該期間確認；倘修改影響本期間及未來期間，則於作出修改期間及未來期間確認。

應用會計政策之關鍵判斷

下文為本公司董事於應用本集團會計政策過程中作出，且對綜合財務報告確認之金額有最重大影響之關鍵判斷，惟涉及估計者除外。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimation, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

綜合財務報告附註
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4. 重大會計判斷及估計不明朗因素之主要來源 (續)

應用會計政策之關鍵判斷 (續)

投資物業之遞延稅項

就計量使用公允值模型計量之投資物業所產生之遞延稅項負債而言，本公司董事已審閱本集團之投資物業組合，並總結本集團之投資物業並非根據旨在隨時間消耗投資物業內含所有經濟利益絕大部分之業務模型持有。因此，本公司董事已釐定並無推翻使用公允值模型計量之投資物業之賬面金額全數透過出售收回之「出售」前設。就位於香港之投資物業而言，在相應出售該等投資物業無須繳納所得稅的情況下，本集團並無確認投資物業公允值變動產生之任何遞延稅項。就位於中華人民共和國（「中國」）的投資物業而言，本公司董事在出售該等投資物業時已考慮潛在的土地增值稅和企業所得稅。

估計不明朗因素之主要來源

管理層已作出以下對綜合財務報告已確認金額有最重大影響，且極具風險導致對下一個財政年度之資產及負債賬面金額作出重大調整之估計。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Critical judgements in applying accounting policies (Continued)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the investment property portfolio of the Group and concluded that none of the investment properties of the Group are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, the directors of the Company have determined that the “sale” presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. For investment properties located in Hong Kong, the Group has not recognised any deferred taxes on changes in fair value of investment properties to the extent in which the disposals of those investment properties are not subject to income taxes. For investment properties located in the People’s Republic of China (“PRC”), the directors of the Company have considered potential Land Appreciation Tax and Enterprise Income Tax upon disposal of those investment properties.

Key sources of estimation uncertainty

Management had made the following estimations that have the most significant effect on the amounts recognised in the consolidated financial statements and a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

4. 重大會計判斷及估計不明朗因素之主要來源 (續)

估計不明朗因素之主要來源 (續)

商譽及具有無限可使用年期之無形資產之估計減值

決定商譽及具有無限可使用年期之無形資產有否減值時須估計獲分配商譽及具有無限可使用年期之無形資產之現金產生單位(或現金產生單位組別)之可收回金額(使用價值與公允值減出售成本之較高者)。在計算使用價值時,本集團須估計該現金產生單位(或現金產生單位組別)預期產生之未來現金流,並以適當之貼現率計算現值。倘實際未來現金流量低於預期,或導致未來現金流量下調或貼現率上調之事實及情況變動,則可能產生重大減值虧損或進一步減值虧損。此外,由於不確定新冠肺炎疫情的發展及演變以及金融市場的波動,若干現金產生單位(或現金產生單位組別)的估計現金流量及貼現率於本年度的預測不確定性程度將會更大。

於二零二一年十二月三十一日,商譽及具有無限可使用年期之無形資產之賬面金額分別為149,561,000港元及51,825,000港元(二零二零年:148,584,000港元及51,388,000港元)。可收回金額計算方法之詳情於附註19披露。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty *(Continued)*

Estimated impairment of goodwill and intangible assets with indefinite useful lives

Determining whether goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of the recoverable amount of the cash-generating units (or group of cash-generating units) to which goodwill and intangible assets with indefinite useful lives have been allocated, which is the higher of the value in use or fair value less costs of disposed. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than 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. Furthermore, the estimated cash flows and discount rate for certain cash-generating units (or group of cash-generating units) are subject to higher degree of estimation uncertainties in the current year due to uncertainty on how the Covid-19 pandemic may progress and evolve and volatility in financial markets.

As at 31 December 2021, the carrying amount of goodwill and intangible assets with indefinite useful lives were HK\$149,561,000 and HK\$51,825,000 (2020: HK\$148,584,000 and HK\$51,388,000), respectively. Details of the recoverable amount calculation are disclosed in note 19.

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4. 重大會計判斷及估計不明朗因素之主要來源 (續)

估計不明朗因素之主要來源 (續)

貿易應收款項之預期信貸損失撥備

信貸減值的貿易應收款項就預期信貸損失作獨立評估。此外，個別非重大的貿易應收款項或倘本集團並無毋須過多成本或精力即可獲得的合理可靠資料以按個別基準計量預期信貸損失金額時，則根據本集團內部信貸評級按債務人分組進行集體評估。本集團管理層於考慮每筆貿易應收款項之還款歷史及逾期狀況後，將具有類似損失模式之不同應收賬款分組，並按照據此得出之集體評估估算貿易應收款項全期預期信貸損失金額。估計損失率乃基於債務人預期年期的歷史觀察所得違約率及前瞻性資料。預期信貸損失撥備容易受估計變動所影響。有關預期信貸損失及本集團貿易應收款項的信息於附註21及33披露。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty (Continued)

Provision of ECL for trade receivables

Trade receivables that are credit-impaired are assessed for ECL individually. In addition, for trade receivables which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings. The management of the Group estimates the amount of lifetime ECL of trade receivables based on collective assessment through grouping of various debtors that have similar loss patterns, after considering repayment history and past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and forward-looking information. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 21 and 33.

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

4. 重大會計判斷及估計不明朗因素之主要來源 (續)

估計不明朗因素之主要來源 (續)

估計存貨撥備

本集團管理層於各報告期末審閱賬齡分析，並根據管理層對陳舊或過時存貨之識別及估算變現淨值之估計及判斷計提撥備。可變現淨值之估計建基於存貨估計成交成本、當前市況、賬齡分析及其後存貨或相關製成品之售價。倘可變現淨值低於賬面金額，則存貨撇減至可變現淨值的金額應於撇減期間確認為開支。於二零二一年十二月三十一日，存貨之賬面金額約為1,296,801,000港元（已扣除滯銷存貨撥備23,451,000港元）（二零二零年：1,169,493,000港元（已扣除滯銷存貨撥備12,642,000港元））。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty *(Continued)*

Estimated allowance for inventories

The management of the Group reviews an aged analysis at the end of each reporting period, and makes allowance based on management identification of aged or obsolete inventories and estimation and judgement on estimating the net realisable value. Estimation of net realisable value is based on estimated costs of completion, current market conditions, aging analysis and subsequent selling prices of the inventories or the related finished products. Where the net realisable value is less than the carrying amount, the amount of write-down of inventories to net realisable value shall be recognised as expense in the period the write-down occurs. As at 31 December 2021, the carrying amount of inventories is approximately HK\$1,296,801,000 (net of allowance for slow-moving inventories of HK\$23,451,000) (2020: HK\$1,169,493,000 (net of allowance for slow-moving inventories of HK\$12,642,000)).

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4. 重大會計判斷及估計不明朗因素之主要來源 (續)

估計不明朗因素之主要來源 (續)

投資物業公允值

投資物業乃根據獨立專業估值師進行之估值按公允值列賬。公允值之釐定涉及附註14所載之市場條件假設。

於依賴估值報告時，本公司董事已運用彼等之判斷並信納估值方法乃可反映現行市場狀況。儘管本集團認為本集團投資物業之估值為最佳估計，惟由於新冠肺炎疫情持續發生，市場波動較大，且視乎新冠肺炎疫情的發展及演變而定，導致本年度估值存在較大不確定性。該等假設之變動，包括宏觀經濟環境變化、香港及中國實施的旅行限制或其他突發事件導致的任何市場波動、政策、地域政治及社會變動或其他突發事件的潛在風險，都將導致本集團投資物業之公允值之變化，並對綜合損益及其他全面收益表所呈報之收益或虧損金額進行相應調整。

於二零二一年十二月三十一日，本集團投資物業之賬面金額為135,118,000港元（二零二零年：344,096,000港元）。

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty (Continued)

Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in note 14.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Whilst the Group considers valuations of the Group's investment properties are the best estimates, the ongoing Covid-19 pandemic has resulted in greater market volatility depending on how the Covid-19 pandemic may progress and evolve, which have led to higher degree of uncertainties in respect of the valuations in the current year. Changes to these assumptions, including the potential risk of any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, travel restrictions implemented in HK and the PRC or other unexpected incidents would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2021, the carrying amount of the Group's investment properties is HK\$135,118,000 (2020: HK\$344,096,000).

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5. 營業額及分類資料

營業額指年內就向客戶銷售貨品及提供服務已收及應收之款項(扣除折扣及銷售相關稅項)以及已收及應收租戶之租金收入。

(a) 營業額分析

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received and receivable for goods sold and services provided to customers, net of discounts and sales related taxes, and rental income received and receivable from tenants during the year.

(a) Disaggregation of revenue

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
於某一時間點確認：	Recognised at a point in time:		
產品銷售營業額	Revenue from sales of products		
— 溶劑	— solvents	13,811,286	7,758,881
— 塗料	— coatings	2,036,804	1,442,662
— 油墨	— inks	1,497,907	1,244,183
— 潤滑油	— lubricants	332,472	219,866
— 汽車保養及其他 化工產品	— car maintenance and other chemical products	71,243	70,690
於一段時間內確認：	Recognised over time:		
汽車保養服務	Car maintenance service	45,894	31,248
客戶合約營業額	Revenue from contracts with customers	17,795,606	10,767,530
物業租賃收入	Lease income from properties	9,791	8,496
		17,805,397	10,776,026
根據客戶位置之地區市場：	Geographical market based on location of customers:		
中國	The PRC	13,229,857	8,676,930
香港	Hong Kong	87,098	66,638
海外(主要包括東南亞國家)	Overseas (mainly including countries in South East Asia)	4,488,442	2,032,458
		17,805,397	10,776,026

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5. 營業額及分類資料 (續)

(a) 營業額分析 (續)

客戶合約之履約責任

產品銷售

產品銷售之營業額於貨品之控制權轉移的時間點(即貨品已交付或船運至客戶指定地點(交付))確認。在客戶獲得控制權前發生之交易及裝卸活動均被視為履約活動。交付後,客戶可全權酌情使用及銷售貨品,於轉售貨品時已具主要責任並承擔與貨品有關之過時及虧損風險。一般信貸期為交付後30至90日。

汽車保養服務

一般而言,汽車保養服務在同日完成及對該等服務沒有給予信貸期。本集團的表現增強了客戶所控制之資產。提供汽車保養服務之營業額根據本集團發出發票之權利隨時間確認。

本集團使用可行權宜方法不披露資料,包括於報告期末分配至尚未償付履約責任的交易價總額,由於該等銷售或服務原預計到期為一年或以下。

5. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Disaggregation of revenue

(Continued)

Performance obligations for contracts with customers

Sales of products

Revenue from sales of products is recognised at a point in time when control of the goods has transferred, being when the goods have been delivered or shipped to the customer's specific location (delivery). Transactions and handling activities that occur before the customer obtains control are considered as fulfilment activities. Following the delivery, the customer has full discretion to use and 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. The normal credit term is 30 to 90 days upon delivery.

Car maintenance service

Generally, the car maintenance services are completed within the same day and there is no credit term granted for these services. The Group's performance enhances the assets controlled by the customers. Revenue from the provision of car maintenance service is recognised over time based on the Group's right to invoice.

The Group uses a practical expedient for not disclosing the information including the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period as these sales or services have an original expected duration of one year or less.

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

5. 營業額及分類資料 (續)**(b) 分類營業額及業績**

為便於管理，本集團根據香港財務報告準則第8號之可呈報分類包含五個業務部門，即(i)溶劑、(ii)塗料、(iii)油墨、(iv)潤滑油及(v)物業。本集團乃按該等部門呈報其經營分類資料。

本集團可呈報分類之主要業務如下：

溶劑	— 製造及買賣單體溶劑及相關產品
塗料	— 製造及買賣塗料及相關產品
油墨	— 製造及買賣油墨及相關產品
潤滑油	— 製造及買賣潤滑油產品
物業	— 物業投資及持有本集團並非用作生產廠房、研發、中央行政辦公室，亦不用作其他經營分類之物業，包括但不限於供出租之物業

5. REVENUE AND SEGMENT INFORMATION (Continued)**(b) Segment revenue and results**

For management purposes, the Group's reportable segments under HKFRS 8 included five business divisions, namely (i) solvents, (ii) coatings, (iii) inks, (iv) lubricants and (v) properties. These divisions are the basis on which the Group reports its operating segments information.

Principal activities of the Group's reportable segments are as follows:

Solvents	—	manufacture of and trading in raw solvents and related products
Coatings	—	manufacture of and trading in coatings and related products
Inks	—	manufacture of and trading in inks and related products
Lubricants	—	manufacture of and trading in lubricants products
Properties	—	property investment and holding of the Group's properties not used for production plants, research and development, central administration office, and not used for other operating segments, including but not limited to properties for rental

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5. 營業額及分類資料 (續)

(b) 分類營業額及業績

(續)

此外，本集團有關製造及買賣其他化工產品的業務連同從事買賣汽車保養產品及汽車保養服務的業務於本年度及過往年度(如適用)均無達到可呈報分類的量化要求，故該等分類於「其他」合併呈列。

本集團乃按該等分部呈報其經營分類資料。經營分類的會計政策與本集團於附註3所述的會計政策相同。

分類業績指本年各分類在未分配應佔聯營公司業績、利息收入、中央行政費用、財務費用及未分配其他收入前賺取之溢利或產生之虧損。此乃向本公司行政總裁(本集團之主要營運決策者)呈報之資料，旨在作出資源分配及表現評估。

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment revenue and results

(Continued)

In addition, the Group's operation relating to the manufacture of and trading in other chemical products together with the business engaging in trading of car maintenance products and car maintenance services do not meet the quantitative threshold for reportable segment in both current and prior year (if applicable). Accordingly these were aggregated and presented in 'Others'.

These divisions are the basis on which the Group reports its operating segment information. The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

Segment results represent the profit earned or loss incurred for the year by each segment without allocation of share of results of associates, interest income, central administration costs, finance costs and unallocated other income. This is the information reported to the Chief Executive Officer of the Company, the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

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5. 營業額及分類資料 (續)

(b) 分類營業額及業績

(續)

本集團於回顧年度按可呈報及經營分類劃分之分類營業額及業績分析如下：

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment revenue and results

(Continued)

An analysis of the Group's segment revenue and results by reportable and operating segments for the year under review is as follows:

		溶劑	塗料	油墨	潤滑油	物業	可呈報分類		綜合
							總計	其他	
		Solvents	Coatings	Inks	Lubricants	Properties	Reportable segment total	Elimination	Consolidated
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
截至二零二一年十二月三十一日止年度	Year ended 31 December 2021								
分類營業額	Segment revenue								
客戶合約營業額	Revenue from contracts with customers								
對外銷售	External sales	13,811,286	2,036,804	1,497,907	332,472	-	17,678,469	117,137	17,795,606
分類間銷售	Inter-segment sales	215,985	94	541	742	-	217,362	22,143	(239,505)
對外租金收入(根據香港財務報告準則第16號)	External rental income (under HKFRS 16)	-	-	-	-	9,791	9,791	-	9,791
分類間租金收入	Inter-segment rental income	-	-	-	-	372	372	-	(372)
總額	Total	14,027,271	2,036,898	1,498,448	333,214	10,163	17,905,994	139,280	(239,877)
業績	Results								
分類業績	Segment results	830,262	(123,503)	47,337	19,735	67,579	841,410	(32,463)	333
應佔聯營公司業績	Share of results of an associate								(710)
未分配收入	Unallocated income								12,266
未分配費用	Unallocated expenses								(31,583)
財務費用	Finance costs								(50,055)
除稅前溢利	Profit before taxation								739,198

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5. 營業額及分類資料 (續)

(b) 分類營業額及業績
(續)

5. REVENUE AND SEGMENT
INFORMATION (Continued)

(b) Segment revenue and results
(Continued)

		溶劑	塗料	油墨	潤滑油	物業	可呈報分類 總計	其他	抵銷	綜合
		Solvents	Coatings	Inks	Lubricants	Properties	Reportable segment total	Others	Elimination	Consolidated
		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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
截至二零二一年十二月三十一日止年度	Year ended 31 December 2020									
分類營業額	Segment revenue									
客戶合約營業額	Revenue from contracts with customers									
對外銷售	External sales	7,758,881	1,442,662	1,244,183	219,866	-	10,665,592	101,938	-	10,767,530
分類間銷售	Inter-segment sales	108,992	28	363	107	-	109,490	34,945	(144,435)	-
對外租金收入(根據香港財務報告準則第16號)	External rental income (under HKFRS 16)	-	-	-	-	8,496	8,496	-	-	8,496
分類間租金收入	Inter-segment rental income	-	-	-	-	408	408	-	(408)	-
總額	Total	7,867,873	1,442,690	1,244,546	219,973	8,904	10,783,986	136,883	(144,843)	10,776,026
業績	Results									
分類業績	Segment results	471,454	51,156	60,767	7,593	981	591,951	(12,130)	(316)	579,505
應佔聯營公司業績	Share of results of associates									(1,106)
未分配收入	Unallocated income									16,132
未分配費用	Unallocated expenses									(11,389)
財務費用	Finance costs									(48,231)
除稅前溢利	Profit before taxation									534,911

收取分類間銷售／租金收入與收取對外銷售／租金收入之條款相近。

Inter-segment sales/rental income are charged at the similar terms as external sales/rental income.

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5. 營業額及分類資料 (續)

(c) 其他資料

於計量分類損益或分類資產時包括下列金額：

5. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Other information

Amounts included in the measurement of segment profit or loss or segment assets:

	Year ended	Solvents	Coatings	Inks	Lubricants	Properties	可呈報分類	Others	Corporate	Consolidated
							總計			
		千港元	千港元	千港元	千港元	千港元	Reportable segment	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	total	HK\$'000	HK\$'000	HK\$'000
截至二零二一年十二月三十一日止年度	Year ended 31 December 2021									
非流動資產添置(附註)	Additions to non-current assets (Note)	649,528	35,156	105,808	2,372	-	792,864	13,217	1,364	807,445
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	89,215	53,527	47,105	4,722	1,163	195,732	18,632	3,888	218,252
無形資產攤銷	Amortisation of intangible assets	-	1,900	147	-	-	2,047	-	-	2,047
貿易及其他應收款項於預期信貸損失模型下之已確認減值虧損(撥回)淨額	Net impairment loss (reversal of) under ECL model recognised on trade and other receivables	(3,307)	68,053	1,223	(7,110)	-	58,859	2,000	-	60,859
按公允值計入其他全面收益之債務工具之已確認減值虧損	Impairment loss recognised for debt instrument at FVTOCI	-	42,826	-	-	-	42,826	-	-	42,826
滯銷存貨撥備	Allowance for slow-moving inventories	6,998	1,538	1,689	985	-	11,210	1,729	-	12,939
註銷存貨	Written off of inventories	6,444	1,077	1,917	120	-	9,558	113	-	9,671
出售/註銷物業、廠房及設備之虧損(收益)淨額	Net loss (gain) on disposals/ written off of property, plant and equipment	1,394	1,854	1,611	6	(169)	4,696	1,990	4	6,690
出售附屬公司之收益(虧損)	Gain (loss) on disposal of subsidiaries	-	-	-	-	3,268	3,268	(932)	-	2,336
投資物業公允值變動之收益	Gain on fair value change of investment properties	-	-	-	-	66,000	66,000	-	-	66,000

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5. 營業額及分類資料 (續)

(c) 其他資料 (續)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Other information (Continued)

		溶劑	塗料	油墨	潤滑油	物業	可呈報分類 總計	其他	企業	綜合
		Solvents	Coatings	Inks	Lubricants	Properties	Reportable segment total	Others	Corporate	Consolidated
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
截至二零二零年十二月三十一日止年度	Year ended 31 December 2020									
非流動資產添置(附註)	Additions to non-current assets (Note)	115,022	17,344	35,312	4,490	-	172,168	79,491	987	252,646
商譽添置	Additions to goodwill	-	-	-	-	-	-	33,298	-	33,298
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	100,061	48,448	39,940	4,045	1,103	193,597	15,095	3,903	212,595
無形資產攤銷	Amortisation of intangible assets	-	1,900	234	-	-	2,134	-	-	2,134
貿易應收款項於預期信貸 損失模型下之已確認減 值虧損(撥回)淨額	Net impairment loss (reversal of) under ECL model recognised on trade receivables	2,194	4,091	(251)	7,377	(5)	13,406	-	-	13,406
滯銷存貨(撥備撥回)撥備	(Reversal of allowance for) allowance for slow-moving inventories	(3,499)	851	(3,396)	(1,885)	-	(7,929)	76	-	(7,853)
註銷存貨	Written off of inventories	3,804	797	5,458	252	-	10,311	3	-	10,314
出售/註銷物業、廠房及 設備之虧損(收益) 淨額	Net loss (gain) on disposals/ written off of property, plant and equipment	10,885	2,918	1,160	27	(131)	14,859	-	-	14,859
出售一間附屬公司之收益	Gain on disposal of a subsidiary	-	1,500	-	-	-	1,500	-	-	1,500
投資物業公允值變動之 虧損	Loss on fair value change of investment properties	-	-	-	-	6,771	6,771	-	-	6,771
註銷已付購買物業、廠房 及設備之訂金	Written off on deposits paid for acquisition of property, plant and equipment	5,513	-	-	-	-	5,513	-	-	5,513

附註：非流動資產不包括商譽、金融工具、於聯營公司之權益及遞延稅項資產。

Note: Non-current assets excluded goodwill, financial instruments, interests in associates and deferred tax assets.

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5. 營業額及分類資料 (續)

(d) 本集團按可呈報及經營分類劃分的分類資產及分類負債分析如下：

5. REVENUE AND SEGMENT INFORMATION (Continued)

(d) An analysis of the Group's segment assets and segment liabilities by reportable and operating segments is as follows:

		溶劑	塗料	油墨	潤滑油	物業	可呈報分類	其他	綜合
							總計		
		Solvents	Coatings	Inks	Lubricants	Properties	Reportable segments total	Others	Consolidated
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零二一年十二月三十一日	At 31 December 2021								
資產	Assets								
可呈報分類資產	Reportable segment assets	5,572,675	1,591,914	1,643,829	250,742	194,937	9,254,097	119,743	9,373,840
遞延稅項資產	Deferred tax assets								7,441
其他未分配資產	Other unallocated assets								1,038,808
綜合總資產	Consolidated total assets								10,420,089
負債	Liabilities								
可呈報分類負債	Reportable segment liabilities	2,454,446	672,769	681,542	56,095	3,297	3,868,149	54,403	3,922,552
應付稅款	Taxation payables								100,613
遞延稅項負債	Deferred tax liabilities								30,804
其他未分配負債	Other unallocated liabilities								1,638,621
綜合總負債	Consolidated total liabilities								5,692,590
於二零二零年十二月三十一日	At 31 December 2020								
資產	Assets								
可呈報分類資產	Reportable segment assets	4,081,726	1,458,571	1,441,038	168,189	364,357	7,513,881	200,209	7,714,090
遞延稅項資產	Deferred tax assets								7,697
其他未分配資產	Other unallocated assets								717,576
綜合總資產	Consolidated total assets								8,439,363
負債	Liabilities								
可呈報分類負債	Reportable segment liabilities	1,313,935	559,864	466,568	55,651	3,410	2,399,428	70,419	2,469,847
應付稅款	Taxation payables								86,772
遞延稅項負債	Deferred tax liabilities								30,104
其他未分配負債	Other unallocated liabilities								1,626,441
綜合總負債	Consolidated total liabilities								4,213,164

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5. 營業額及分類資料 (續)

(e) 為監控分類表現及於各分類間分配資源：

- 除遞延稅項資產、短期銀行存款、銀行結餘及現金、衍生金融工具、按公允值計入其他全面收益之金融資產、若干按公允值計入損益之金融資產、於聯營公司之權益及其他未分配資產外，所有資產分配至經營分類；及
- 除應付稅款、遞延稅項負債、若干衍生金融工具、若干借貸及其他未分配負債外，所有負債分配至經營分類。

地區資料

本集團之營業額根據客戶之地理位置已於附註5(a)呈列。除中國及香港外，由於並無用於內部報告故此類資料欠奉，因此沒有呈報海外國家之個別國家的進一步分析。

本集團非流動資產根據資產之地理位置分析呈報如下(附註)：

中國(所在地)	The PRC (place of domicile)
香港	Hong Kong

附註：非流動資產不包括於聯營公司之權益、遞延稅項資產及金融工具。

5. REVENUE AND SEGMENT INFORMATION (Continued)

(e) For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets, short-term bank deposits, bank balances and cash, derivative financial instruments, financial asset at FVTOCI, certain financial assets at FVTPL, interests in associates and other unallocated assets; and
- all liabilities are allocated to operating segments other than taxation payables, deferred tax liabilities, certain derivative financial instruments, certain borrowings and other unallocated liabilities.

Geographical information

The Group's revenue based on geographical location of customers has been presented in note 5(a). Other than the PRC and Hong Kong, no further analysis by individual countries is presented for overseas countries because such information is not available as not being used for internal reporting.

The analysis of the Group's non-current assets by geographical location of assets is presented as follows (note):

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
中國(所在地)	The PRC (place of domicile)	2,725,531	2,281,861
香港	Hong Kong	141,285	361,025
		2,866,816	2,642,886

Note: Non-current assets excluded interests in associates, deferred tax assets and financial instruments.

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5. 營業額及分類資料 (續)

主要客戶

於兩個報告期內，本集團沒有個別客戶貢獻本集團營業額超過10%。

6. 董事薪酬及僱員酬金

已付或應付予7位(二零二零年：9位)董事各自之酬金如下：

5. REVENUE AND SEGMENT INFORMATION (Continued)

Major customers

No individual customer of the Group has contributed over 10% of the revenue of the Group for both reporting periods.

6. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the 7 (2020: 9) directors were as follows:

	執行董事			非執行董事		獨立非執行董事		合計	行政管理人員
	Executive directors			Non-executive directors		Independent non-executive directors			
	葉子軒	葉鈞	何世豪	葉志成	王旭 [†]	古以道 [†]	何百川		
	Yip Tsz Hin	Ip Kwan	Ho Sai Hou	Ip Chi Shing	Wong Yuk [†]	Dao, Lawrence [†]	Chuen, Patrick	Total	Management executives
	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
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(附註c)	(附註c)	(附註c)	(附註c)	(附註c)	(附註c)	(附註c)	(附註c)	(附註c)
	(Note c)	(Note c)	(Note c)	(Note c)	(Note c)	(Note c)	(Note c)	(Note c)	(Note c)
截至二零二一年十二月三十一日止年度	Year ended 31 December 2021								
袍金	-	-	-	-	200	200	200	600	-
其他酬金	Other emoluments								
薪金及其他福利(附註a)	4,057	2,352	2,532	1,491	320	-	-	10,752	11,030
酌情花紅(附註b)	2,649	825	949	-	-	-	-	4,423	3,835
退休福利計劃供款	295	217	226	-	-	-	-	738	719
酬金總額	7,001	3,394	3,707	1,491	520	200	200	16,513	15,584

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6. 董事薪酬及僱員酬金 (續)

6. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

(Continued)

	執行董事		非執行董事			獨立非執行董事			合計	行政管理人員		
	Executive directors		Non-executive directors			Independent non-executive directors						
	葉子軒	葉鈞	何世豪	葉志成	王旭 [#]	黃廣志 [@]	古以道 [^]	古遠芬 [%]	何百川	合計	行政管理人員	
	Yip	Ip	Ho	Ip	Wong	Wong	Ku Yee Dao,	Ku	Ho Pak		Management	
	Tsz Hin	Kwan	Sai Hou	Chi Shing	Yuk [#]	Kong Chi [@]	Lawrence [^]	Yuen Fun [%]	Chuen, Patrick	Total	executives	
	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	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(附註c)	(附註c)										
	(Note c)	(Note c)										
截至二零二零年十二月三十一日止年度	Year ended 31 December 2020											
袍金	Fees	-	-	-	-	200	200	100	100	200	800	-
其他酬金	Other emoluments											
薪金及其他福利 (附註a)	Salaries and other benefits (Note a)	3,935	2,028	2,391	1,459	120	-	-	-	-	9,933	9,904
酌情花紅 (附註b)	Discretionary bonus (Note b)	2,507	1,188	1,273	-	-	-	-	-	-	4,968	4,745
退休福利計劃供款	Retirement benefit scheme contributions	286	187	221	-	-	-	-	-	-	694	642
酬金總額	Total emoluments	6,728	3,403	3,885	1,459	320	200	100	100	200	16,395	15,291

以上所示執行董事之酬金主要涉及彼等就管理本公司及本集團事務提供之服務。以上所示非執行董事及獨立非執行董事之酬金主要涉及彼等作為本公司董事及顧問提供之服務。

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors and consultant of the Company.

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6. 董事薪酬及僱員酬金 (續)

附註：

- (a) 截至二零二一年十二月三十一日止年度，以上所載董事之薪金及其他福利包括租賃租金960,000港元（二零二零年：960,000港元）。
- (b) 酌情花紅乃參考年度經營業績、個人表現及可比市場統計數據決定。
- (c) 葉子軒先生及葉鈞先生分別為本公司之行政總裁及副行政總裁，上文所披露彼等之酬金包括彼等作為最高行政人員所提供服務之酬金。
- # 已調任為本公司獨立非執行董事，於二零二一年一月一日起生效。
- ® 已榮休及辭任本公司獨立非執行董事，於二零二一年一月一日起生效。
- ^ 已獲委任為本公司獨立非執行董事，於二零二零年七月一日起生效。
- % 已榮休及辭任本公司獨立非執行董事，於二零二零年七月一日起生效。

6. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

(Continued)

Notes:

- (a) The directors' salaries and other benefits above included leases rentals of HK\$960,000 (2020: HK\$960,000) for the year ended 31 December 2021.
- (b) The discretionary bonus is determined with reference to the operating results, individual performance and comparable market statistics during the year.
- (c) Mr. Yip Tsz Hin and Mr. Ip Kwan were the Chief Executive Officer and Deputy Chief Executive Officer of the Company, respectively, and their emoluments disclosed above included those for services rendered by them as the Chief Executive.
- # Re-designated as an independent non-executive director of the Company with effect from 1 January 2021.
- ® Retired and resigned as an independent non-executive director of the Company with effect from 1 January 2021.
- ^ Appointed as an independent non-executive director of the Company with effect from 1 July 2020.
- % Retired and resigned as an independent non-executive director of the Company with effect from 1 July 2020.

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6. 董事薪酬及僱員酬金 (續)

本集團5位酬金最高人士中3位(二零二零年：3位)為本公司董事，彼等之酬金已於上文披露。其餘2位(二零二零年：2位)人士之酬金如下：

薪金及其他福利	Salaries and other benefits
酌情花紅	Discretionary bonus
退休福利	Retirement benefits

二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
4,267	4,349
5,253	3,319
87	171
9,607	7,839

在兩個報告期內，本集團並無向董事及5位最高薪人士(包括董事)支付吸引其加入本集團或當其加入本集團時之酬金或離職賠償。此外，沒有董事在兩個報告期內放棄任何酬金。

其餘2位(二零二零年：2位)人士之酬金範圍如下：

2,500,001港元至 3,000,000港元	HK\$2,500,001 to HK\$3,000,000
3,000,001港元至 3,500,000港元	HK\$3,000,001 to HK\$3,500,000
4,500,001港元至 5,000,000港元	HK\$4,500,001 to HK\$5,000,000
6,000,001港元至 6,500,000港元	HK\$6,000,001 to HK\$6,500,000

6. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

(Continued)

Of the five individuals with the highest emoluments in the Group, three (2020: three) were directors of the Company whose emoluments are disclosed above. The emoluments of the remaining two (2020: two) individuals were as follows:

During both reporting periods, no emoluments were paid by the Group to the directors and five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no director waived any emoluments during both reporting periods.

The emoluments of the remaining two (2020: two) individuals were within the following bands:

二零二一年 2021 僱員人數 No. of employees	二零二零年 2020 僱員人數 No. of employees
–	1
1	–
–	1
1	–
2	2

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6. 董事薪酬及僱員酬金 (續)

行政管理人員(不包括本公司董事)之酬金範圍如下:

6. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

(Continued)

The emoluments of the management executives (excluding the directors of the Company) were within the following bands:

		二零二一年 2021 僱員人數 No. of employees	二零二零年 2020 僱員人數 No. of employees
0港元至1,000,000港元	HK\$0 to HK\$1,000,000	–	1
1,000,001港元至1,500,000港元	HK\$1,000,001 to HK\$1,500,000	1	–
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000	1	1
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000	3	1
2,500,001港元至3,000,000港元	HK\$2,500,001 to HK\$3,000,000	–	2
4,500,001港元至5,000,000港元	HK\$4,500,001 to HK\$5,000,000	–	1
6,000,000港元至6,500,000港元	HK\$6,000,000 to HK\$6,500,000	1	–
		6	6

7. 其他收入以及其他收益及虧損

(a) 本集團之其他收入主要包括:

7. OTHER INCOME AND OTHER GAINS AND LOSSES

(a) The Group's other income mainly comprises:

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
利息收入	Interest income	12,087	16,015
已確認之政府補助 (附註i)	Government grants recognised (note i)	16,584	22,094
補償收入(附註ii)	Compensation income (note ii)	17,326	10,265

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7. 其他收入以及其他
收益及虧損 (續)

(b) 本集團之其他收益(虧損)包括：

7. OTHER INCOME AND OTHER
GAINS AND LOSSES (Continued)

(b) The Group's other gains (losses) comprise of:

	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
因外幣結餘及交易而產生之淨匯兌虧損	(4,471)	(29,895)
出售／註銷物業、廠房及設備之淨虧損	(6,690)	(14,859)
投資物業公允值變動之收益(虧損)(附註14)	66,000	(6,771)
根據預期信貸損失模型貿易及其他應收款項確認減值虧損	(60,859)	(13,406)
按公允值計入損益之金融資產公允值變動之收益	28,908	533
外匯遠期合約公允值變動之收益(虧損)	7,899	(282)
附屬公司撤銷註冊之收益	-	241
註銷已付購買物業、廠房及設備之訂金(附註iii)	-	(5,513)
	30,787	(69,952)

附註：

- (i) 於截至二零二零年十二月三十一日止年度，本集團就新冠肺炎相關補貼確認政府補助4,877,000港元(二零二一年：零)，其中4,071,000港元(二零二一年：零)與香港政府提供的保就業計劃有關。
- (ii) 該金額主要指與火災事故有關的保險申索賠付11,801,000港元(二零二零年：6,221,000港元)，其於賠償應收時於損益確認。
- (iii) 指就位於中國的廠房已付訂金的未退還部分。

Notes:

- (i) During the year ended 31 December 2020, the Group recognised government grants of HK\$4,877,000 (2021: Nil) in respect of Covid-19 related subsidies, of which HK\$4,071,000 (2021: Nil) is related to Employment Support Scheme provided by the government in Hong Kong.
- (ii) The amount mainly represented the compensation from insurance claims in relation to a fire incident amount of HK\$11,801,000 (2020: HK\$6,221,000), which was recognised in profit or loss when the compensation became receivable.
- (iii) This represented the non-refundable portion of deposit paid on a plant located in the PRC.

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8. 財務費用

8. FINANCE COSTS

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
銀行借貸之利息	Interest on bank borrowings	39,387	39,406
租賃負債之利息	Interest on lease liabilities	5,835	5,240
		45,222	44,646
重新分類被指定為按浮息 債務現金流對沖之利率 掉期從對沖儲備轉出之 淨虧損	Reclassification of net loss from hedging reserve on interest rate swaps designated as cash flow hedges of floating rate debts	4,833	3,585
		50,055	48,231

9. 除稅前溢利

9. PROFIT BEFORE TAXATION

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
除稅前溢利乃於扣除 下列各項後達致：	Profit before taxation has been arrived at after charging:		
物業、廠房及設備之 折舊	Depreciation of property, plant and equipment	218,252	212,595
減：於存貨中撥充資本	Less: capitalised in inventories	(119,304)	(113,989)
		98,948	98,606
員工成本，包括董事薪酬 (附註6)	Staff costs, including directors' remuneration (note 6)	741,380	591,544
減：於存貨中撥充資本	Less: capitalised in inventories	(243,548)	(196,000)
		497,832	395,544
短期租賃開支	Short-term leases expense	7,045	6,390
無形資產攤銷	Amortisation of intangible assets	2,047	2,134
核數師酬金	Auditor's remuneration	2,800	3,200
確認為開支之存貨成本 (附註a)	Cost of inventories recognised as expense (note a)	15,643,974	9,053,128
其他開支(附註b)	Other expenses (note b)	3,820	6,865

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9. 除稅前溢利 (續)

附註：

- (a) 於截至二零二一年十二月三十一日止年度，於存貨確認撥備撥回淨值12,939,000港元(二零二零年：7,853,000港元)，乃由於若干滯銷原材料用於生產，且存貨隨後以高於淨可變現價值的價格出售。於截至二零二一年十二月三十一日止年度，確認為開支之存貨註銷為9,671,000港元(二零二零年：10,314,000港元)。
- (b) 該金額指有關建議從事製造及買賣油墨及相關產品的附屬公司於中國證券交易所獨立上市之專業費用。

9. PROFIT BEFORE TAXATION (Continued)

Notes:

- (a) During the year ended 31 December 2021, net reversal of allowance recognised on inventories amounting to HK\$12,939,000 (2020: HK\$7,853,000) as certain slow-moving raw materials were utilised for production and inventories sold subsequently at price higher than net realisable value. Written off of inventories amounting to HK\$9,671,000 (2020: HK\$10,314,000) was recognised as an expense during the year ended 31 December 2021.
- (b) The amount represented the professional fee in relation to the proposed separate listing of the subsidiary engaging in manufacturing and trading of inks and related products on a stock exchange in the PRC.

10. 稅項

10. TAXATION

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
即期稅項 — 中國	Current tax – the PRC		
本年度	Current year	149,153	110,806
預扣稅	Withholding tax	16,487	13,188
		165,640	123,994
即期稅項 — 海外	Current tax – Overseas	1,068	–
過往年度超額撥備 — 中國	Overprovision in prior year – the PRC	(5,578)	–
遞延稅項(抵免)支出 (附註28)	Deferred tax (credit) charge (note 28)		
香港	Hong Kong	(290)	428
中國	The PRC	3,807	6,913
		3,517	7,341
		164,647	131,335

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「該條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日簽署成為法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體首二百萬港元的溢利將按8.25%的稅率課稅，而超過二百萬港元的溢利將按16.5%的稅率課稅。不符合利得稅兩級制的集團實體的溢利將繼續按16.5%的統一稅率課稅。

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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10. 稅項 (續)

本公司董事認為，實行利得稅兩級制所涉及之金額，對綜合財務報告而言並不重大。該兩個年度的香港利得稅按估計應課稅溢利的16.5%計算。

根據中國企業所得稅法及企業所得稅法實施條例，中國附屬公司之稅率自二零零八年一月一日起為25%。

本集團若干於中國經營之附屬公司符合資格作為高新技術企業或設於中國西部地區之鼓勵類產業企業，有權享有15%之所得稅率。中國企業所得稅已於計入該等稅務優惠後計提撥備。

預扣稅主要指就貸款予中國附屬公司產生之利息收入及從若干中國附屬公司自二零零八年一月一日起賺取之溢利中分派之股息確認之稅項。而中國企業所得稅法實施條例規定，源自中國之利息收入須按7%（二零二零年：7%）之稅率確認預扣稅，並須就從若干中國附屬公司賺取之溢利中分派之股息確認預扣稅，從有關溢利中向股東分派之股息須按5%（二零二零年：5%）之稅率繳納預扣稅。於截至二零二一年十二月三十一日止年度，本集團根據企業所得稅法按10%之稅率就出售中國一間附屬公司股份確認預扣稅人民幣3,375,000元（相等於約4,052,000港元）（二零二零年：零）。於截至二零二零年十二月三十一日止年度，本集團根據企業所得稅法按10%之稅率就有關集團重組而出讓中國一間附屬公司股份確認預扣稅人民幣3,049,000元（相等於約3,338,000港元）（二零二一年：零）。

於其他司法權區產生之稅項乃按有關司法權區之通行稅率計算。

10. TAXATION (Continued)

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the PRC is 25% from 1 January 2008 onwards.

Certain of the Group's subsidiaries operating in the PRC are either eligible as High and New Technology Enterprise or operating in encouraged industries in Western Region of China, and are entitled to an income tax rate of 15%. EIT of the PRC has been provided for after taking these tax incentives into account.

The withholding tax mainly represented taxation recognised in respect of interest income derived from loans to subsidiaries in the PRC and dividends to be distributed from profits earned by certain subsidiaries in the PRC starting from 1 January 2008. The withholding tax is recognised for interest income derived from the PRC at tax rate of 7% (2020: 7%) and dividends to be distributed from profits earned by certain subsidiaries in the PRC in accordance with the Implementation Regulation of the EIT Law of the PRC that requires withholding tax with tax rate at 5% (2020: 5%) for dividend upon the distribution of such profits to the shareholders. During the year ended 31 December 2021, the Group recognised the withholding tax of RMB3,375,000 (equivalent to approximately HK\$4,052,000) (2020: Nil) in respect of disposal of a subsidiary in the PRC with tax rate of 10% under EIT law. During the year ended 31 December 2020, the Group recognised the withholding tax of RMB3,049,000 (equivalent to approximately HK\$3,338,000) (2021: Nil) in respect of shares transfer of a subsidiary in relation to group reorganisation in the PRC with tax rate of 10% under EIT law.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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10. 稅項 (續)

年內開支與除稅前溢利的對賬如下：

10. TAXATION (Continued)

The charge for the year can be reconciled to the profit before taxation as follows:

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
除稅前溢利	Profit before taxation	739,198	534,911
按本地所得稅稅率25% (二零二零年：25%) 計算之稅項支出(附註)	Tax charge at the domestic income tax rate of 25% (2020: 25%) (note)	184,800	133,728
不可扣稅開支之 稅務影響	Tax effect of expenses not deductible for tax purposes	59,736	28,245
無須課稅收入之 稅務影響	Tax effect of income not taxable for tax purposes	(44,496)	(17,045)
未確認稅項虧損之 稅務影響	Tax effect of tax losses not recognised	44,498	46,382
使用之前未確認稅項 虧損之稅務影響	Tax effect of utilisation of tax losses previously not recognised	(4,021)	(6,231)
過往年度超額撥備	Overprovision in respect of prior years	(5,578)	–
若干附屬公司之優惠稅率 對所得稅之影響	Effect of income tax on concessionary rates for certain subsidiaries	(91,637)	(71,563)
未分派溢利對預扣稅之 影響	Effect of withholding tax on undistributed profits	14,712	18,612
出售一間附屬公司之 預扣稅影響	Effect of withholding tax on disposal of a subsidiary	4,052	–
轉讓一間附屬公司之 預扣稅影響	Effect of withholding tax on transfer of a subsidiary	–	3,338
其他	Others	2,581	(4,131)
本年稅項	Taxation for the year	164,647	131,335

附註：本地所得稅稅率乃使用本集團絕大部分業務所在司法權區之稅率。

Note: The domestic income tax rate is a tax rate in the jurisdiction where the operation of the Group is substantially based.

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11. 股息

11. DIVIDENDS

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
年內確認為派發之股息：	Dividends recognised as distribution during the year:		
二零二一年中期股息 每股12港仙及特別股息 每股10港仙(二零二零年： 二零二零年中期股息 每股6港仙)	Interim dividend for 2021 of HK12 cents and special dividend of HK10 cents (2020: interim dividend for 2020 of HK6 cents) per share	121,853	33,706
二零二零年期末股息 每股16港仙(二零二零年： 二零一九年期末股息 每股13港仙)	Final dividend for 2020 of HK16 cents (2020: Final dividend for 2019 of HK13 cents) per share	88,621	73,324
		210,474	107,030

董事建議就截至二零二一年十二月三十一日止年度派發相等於每股18港仙(二零二零年：每股16港仙)之期末股息，總金額不少於102,327,000港元(二零二零年：88,621,000港元)。股息待股東在應屆股東週年大會上批准。

年內，就二零二一年中期股息及特別股息提供以股代息之選擇。若干普通股股東接受該等以股代息之選擇，詳情如下：

Final dividend equivalent to HK18 cents (2020: HK16 cents) per share totalling not less than HK\$102,327,000 (2020: HK\$88,621,000), in respect of the year ended 31 December 2021 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

During the year, scrip dividend alternatives were offered in respect of the 2021 interim dividend and special dividend. These scrip dividend alternatives were accepted by certain ordinary shareholders, as follows:

		二零二一年 2021 千港元 HK\$'000
股息：	Dividends:	
現金	Cash	49,559
普通股選擇	Ordinary share alternative	72,294
		121,853

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12. 每股盈利

本公司股東應佔每股基本及攤薄盈利乃基於下列數據計算：

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
本公司股東應佔本年純利以及用於計算每股基本及攤薄盈利之盈利	Profit for the year attributable to owners of the Company and earnings for the purposes of calculating basic and diluted earnings per share	406,280	302,575
		股份數目 Number of shares	
		千股 '000	千股 '000
用於計算每股基本及攤薄盈利之加權平均股數	Weighted average number of shares for the purpose of calculating basis and diluted earnings per share	558,240	562,669

計算每股攤薄盈利時並無假設本公司之購股權按5.942港元(二零二零年：5.942港元)之行使價獲行使，原因是二零二一年及二零二零年該等購股權之行使價高於股份之平均市價。

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

The computation of diluted earnings per share does not assume the exercise of the Company's options of exercise prices of HK\$5.942 (2020: HK\$5.942) because the exercise prices of those options were higher than the average market price for shares for both 2021 and 2020.

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13. 物業、廠房及設備

13. PROPERTY, PLANT AND EQUIPMENT

		在建工程	租賃土地	租賃物業	自置物業	傢俬、裝置及		汽車	廠房及機器	合計
						辦公室設備	傢俬、裝置及			
		Construction	Leasehold	Leased	Owned	and office	Furniture, fixtures	Motor	Plant and	Total
		in progress	land	properties	properties	equipment		vehicles	machinery	
		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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
成本值	AT COST									
於二零二零年一月一日	At 1 January 2020	64,036	226,130	74,397	983,827	175,351	28,760	1,576,692	3,129,193	
貨幣調整	Currency realignment	4,113	12,042	5,029	58,454	9,330	1,872	111,002	201,842	
重新分類	Reclassifications	(71,708)	-	-	19,695	-	-	52,013	-	
添置	Additions	37,667	25,722	22,701	2,734	19,184	2,074	50,235	160,317	
出售/註銷	Disposals/written off	-	-	(4,146)	-	(2,356)	(2,982)	(41,041)	(50,525)	
收購附屬公司(附註30)	Acquisition of subsidiaries (note 30)	-	-	33,713	-	9,647	461	6,261	50,082	
於二零二零年	At 31 December 2020									
十二月三十一日		34,108	263,894	131,694	1,064,710	211,156	30,185	1,755,162	3,490,909	
貨幣調整	Currency realignment	468	6,978	2,981	28,130	38,154	1,772	16,928	95,411	
重新分類	Reclassifications	(127,439)	-	-	-	-	-	127,439	-	
添置	Additions	119,845	17,011	22,858	67	20,364	2,921	446,408	629,474	
出售/註銷	Disposals/written off	-	-	(21,446)	(338)	(34,739)	(2,252)	(25,603)	(84,378)	
出售一間附屬公司(附註31)	Disposal of a subsidiary (note 31)	-	(12,578)	-	(16,267)	(2,391)	(603)	(12,297)	(44,136)	
於二零二一年	At 31 December 2021									
十二月三十一日		26,982	275,305	136,087	1,076,302	232,544	32,023	2,308,037	4,087,280	

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13. 物業、廠房及設備 (續)

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

		傢俬、裝置及 Furniture, fixtures and office equipment						汽車 vehicles	廠房及機器 Plant and machinery	合計 Total
		在建工程 Construction in progress	租賃土地 Leasehold land	租賃物業 Leased properties	自置物業 Owned properties	辦公室設備 and office equipment	廠房及機器 Plant and machinery			
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
折舊及攤銷	DEPRECIATION AND AMORTISATION									
於二零二零年一月一日	At 1 January 2020	-	44,860	16,820	250,182	129,298	19,903	711,501	1,172,564	
貨幣調整	Currency realignment	-	313	3,544	22,211	6,025	1,584	63,716	97,393	
本年折舊	Depreciation for the year	-	4,911	26,088	31,308	17,059	2,279	130,950	212,595	
出售/註銷時抵銷	Eliminated on disposals/ written off	-	-	(3,647)	-	(1,948)	(2,759)	(15,922)	(24,276)	
於二零二零年 十二月三十一日	At 31 December 2020	-	50,084	42,805	303,701	150,434	21,007	890,245	1,458,276	
貨幣調整	Currency realignment	-	1,413	1,289	8,733	34,050	1,713	5,256	52,454	
本年折舊	Depreciation for the year	-	5,711	30,413	33,638	20,678	2,447	125,365	218,252	
出售/註銷時抵銷	Eliminated on disposals/ written off	-	-	(14,832)	(133)	(34,051)	(2,027)	(24,055)	(75,098)	
出售一間附屬公司時抵銷 (附註31)	Eliminated on disposal of a subsidiary (note 31)	-	(907)	-	(8,067)	(2,228)	(500)	(11,354)	(23,056)	
於二零二一年 十二月三十一日	At 31 December 2021	-	56,301	59,675	337,872	168,883	22,640	985,457	1,630,828	
賬面值	CARRYING VALUES									
於二零二一年 十二月三十一日	At 31 December 2021	26,982	219,004	76,412	738,430	63,661	9,383	1,322,580	2,456,452	
於二零二零年 十二月三十一日	At 31 December 2020	34,108	213,810	88,889	761,009	60,722	9,178	864,917	2,032,633	

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13. 物業、廠房及設備 (續)

以上所述之物業、廠房及設備項目(不包括在建工程)乃以直線法按以下年率折舊:

租賃土地	以租賃之尚餘年期計算
租賃物業	以租賃年期計算
自置物業	以租賃年期或2.5%，以較短者計算
傢俬、裝置及辦公室設備	4.5%至25%
汽車	9%至25%
廠房及機器	5%至20%

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Leasehold land	Over the remaining term of the lease
Leased properties	Over the term of lease
Owned properties	Over the shorter of the term of the lease or 2.5%
Furniture, fixtures and office equipment	4.5% to 25%
Motor vehicles	9% to 25%
Plant and machinery	5% to 20%

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13. 物業、廠房及設備 (續)

本集團作為承租人
使用權資產 (計入物業、廠
房及設備)

13. PROPERTY, PLANT AND
EQUIPMENT (Continued)

The Group as lessee
Right-of-use assets (included in property,
plant and equipment)

		租賃土地 Leasehold land 千港元 HK\$'000	租賃物業 Leased properties 千港元 HK\$'000	廠房及機器 Plant and machinery 千港元 HK\$'000	合計 Total 千港元 HK\$'000
於二零二一年 十二月三十一日	As at 31 December 2021				
賬面金額	Carrying amounts	219,004	76,412	54,394	349,810
於二零二零年 十二月三十一日	As at 31 December 2020				
賬面金額	Carrying amounts	213,810	88,889	979	303,678
截至二零二一年十二月 三十一日止年度	For the year ended 31 December 2021				
折舊費用	Depreciation charge	5,711	30,413	6,694	42,818
與短期租賃有關之開支 (附註a)	Expense relating to short-term leases (note a)				7,045
租賃現金流出總額	Total cash outflow for leases				49,100
添置使用權資產 (附註b)	Additions to right-of-use assets (note b)				100,028
截至二零二零年 十二月三十一日 止年度	For the year ended 31 December 2020				
折舊費用	Depreciation charge	4,911	26,088	7,868	38,867
與短期租賃有關之開支 (附註a)	Expense relating to short-term leases (note a)				6,390
租賃現金流出總額	Total cash outflow for leases				49,839
添置使用權資產 (附註b)	Additions to right-of-use assets (note b)				89,227

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

13. 物業、廠房及設備 (續)

本集團作為承租人 (續) 使用權資產 (計入物業、廠房及設備) (續)

附註：

- (a) 本集團就員工宿舍及廠房及機器定期訂立短期租賃，其中本集團員工宿舍租賃應用短期租賃確認豁免。於二零二一年十二月三十一日及二零二零年十二月三十一日，運用實際權宜方法的短期租賃組合與上文披露短期租賃開支之短期租賃組合相近。
- (b) 該金額包括因新訂立的租賃而添置使用權資產100,028,000港元(二零二零年：55,514,000港元)。此外，於截至二零二零年十二月三十一日止年度，該金額包括因收購附屬公司而添置使用權資產33,713,000港元(二零二一年：無)。

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group as lessee (Continued)

Right-of-use assets (included in property, plant and equipment) (Continued)

Notes:

- (a) The Group regularly entered into short-term leases for staff quarters and plant and machinery, of which the Group applies the short-term lease recognition exemption to leases of staff quarters. As at 31 December 2021 and 31 December 2020, the portfolio of short-term leases in which practical expedient was applied is similar to the portfolio of short-term leases to which the short-term leases expense disclosed above.
- (b) The amount included addition of right-of-use assets from new leases entered amounting to HK\$100,028,000 (2020: HK\$55,514,000). In addition, the amount included additions of right-of-use assets from acquisition of subsidiary amounting to HK\$33,713,000 (2021:Nil) for the year ended 31 December 2020.

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

13. 物業、廠房及設備 (續)

本集團作為承租人 (續)

使用權資產 (計入物業、廠房及設備) (續)

本集團於兩個年度均就業務營運租用廠房及機器以及樓宇。已訂立租賃合約之固定租賃年期介乎1年至15年(並無延期或終止權)。租賃條款個別磋商,涵蓋眾多不同條款及條件。於釐定租賃年期及評估不可撤銷年期長短時,本集團應用合約之定義,並釐定合約可強制執行之年期。

此外,本集團自置若干工業樓宇(作為主要生產設施所在地)及辦公室樓宇。本集團為該等物業權益(包括相關租賃土地)之登記業主。本集團已為收購該等物業權益支付一筆過預付款項。該等自置物業之租賃土地組成部分只於款項可以可靠地分配時,方會分開呈列。

此外,於二零二一年十二月三十一日,已確認租賃負債134,568,000港元及相關使用權資產130,806,000港元(二零二零年:已確認租賃負債92,283,000港元及相關使用權資產89,868,000港元)。除出租人持有的租賃資產抵押權益外,租賃協議並無施加任何契約。租賃資產不得用作借貸抵押。

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group as lessee (Continued)

Right-of-use assets (included in property, plant and equipment) (Continued)

For both years, the Group leases plant and machinery and buildings for its operations. Lease contracts are entered into for fixed term of 1 year to 15 years with no extension or termination options. 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.

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 land. 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.

In addition, lease liabilities of HK\$134,568,000 are recognised with related right-of-use assets of HK\$130,806,000 as at 31 December 2021 (2020: lease liabilities of HK\$92,283,000 are recognised with related right-of-use assets of HK\$89,868,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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

14. 投資物業

本集團根據經營租賃出租若干辦公室及倉庫，租金應每月支付。辦公室及倉庫的租賃包含於租賃年期內固定的租賃付款。

由於所有租賃均以相關集團公司之功能貨幣定值，故本集團並無因該等租賃安排而面對外幣風險。該等租賃合約並無載列剩餘價值擔保或承租人於租賃年期結束時購買物業之選擇權。

14. INVESTMENT PROPERTIES

The Group leases out various offices and warehouses under operating leases with rentals payable monthly. The leases of offices and warehouses contain lease payments that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee or lessee's option to purchase the property at the end of lease term.

		千港元 HK\$'000
公允值	FAIR VALUE	
於二零二零年一月一日	At 1 January 2020	344,001
貨幣調整	Currency realignment	6,866
公允值減少	Decrease in fair value	(6,771)
於二零二零年十二月三十一日	At 31 December 2020	344,096
貨幣調整	Currency realignment	3,022
公允值增加	Increase in fair value	66,000
出售一間附屬公司(附註31)	Disposals of a subsidiary (note 31)	(278,000)
於二零二一年十二月三十一日	At 31 December 2021	135,118

於截至二零二一年十二月三十一日止年度內，投資物業公允值之變動(屬未變現收益)66,000,000港元(二零二零年：未變現虧損6,771,000港元)已計入損益(計入其他收益及虧損)。

The change in fair value, being an unrealised gain, on investment properties amounted to HK\$66,000,000 (2020: unrealised loss HK\$6,771,000) during the year ended 31 December 2021 is included in profit or loss (included in other gains and losses).

綜合財務報告附註 Notes to the Consolidated Financial Statements

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

14. 投資物業 (續)

本集團投資物業於二零二一年十二月三十一日及二零二零年十二月三十一日之公允值乃按與本集團並無關連之獨立合資格專業估值師於報告期末進行之估值釐定。管理層與合資格外聘估值師緊密合作，建立適當之估值技術及模型之輸入數據。管理層每半年向本公司董事會匯報調查結果，以解釋投資物業公允值波動的原因。視乎新冠肺炎疫情可能如何發展及演化，正在肆虐的新冠肺炎疫情已導致更大的市場波幅，從而導致本年度估值更大的不確定性。

本集團投資物業於二零二一年十二月三十一日及二零二零年十二月三十一日之估值乃使用直接比較法釐定，當中假設這些物業在現況下交吉出售並參考有關市場上可用之可資比較銷售交易，或使用收入法釐定，當中計及當前轉移物業權益之市場租金，及就任何潛在復歸收入計提適當撥備。直接比較法建基於類似地點之類似物業近期市場可觀察交易。收入法建基於類似地點之類似物業近期市場可觀察租金收入。

於估計物業之公允值時，物業之最高及最佳用途為目前用途。若干投資物業之公允值已作調整，以剔除預付應計經營租賃收入，避免重複入賬。

本集團位於香港及中國之投資物業之公允值分類為公允值級別第3級。兩個年度均無轉入或轉出第3級。

14. INVESTMENT PROPERTIES (Continued)

The fair values of the Group's investment properties as at 31 December 2021 and 31 December 2020 have been arrived at on the basis of valuations carried out at the end of the reporting period by an independent qualified professional valuer, which is not connected with the Group. The management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the board of directors of the Company every half-year to explain the cause of fluctuations in the fair value of the investment property. The ongoing Covid-19 pandemic has resulted in greater market volatility depending on how the Covid-19 pandemic may progress and evolve, which has led to higher degree of uncertainties in respect of the valuations in the current year.

The valuation of Group's investment properties at 31 December 2021 and 31 December 2020 was arrived at by using direct comparison approach assuming sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market, or by using income approach taking into account the current market rent passing of the property interest with due provision for any reversionary income potential. The direct comparison approach is based on market observable recent transactions of similar properties in similar location. The income approach is based on market observable recent rental income of similar properties in similar locations.

In estimating the fair values of the properties, the highest and best use of the properties is their current use. The fair values of certain investment properties have been adjusted to exclude prepaid on accrued operating lease income to avoid double counting.

The fair values of the Group's investment properties situated in Hong Kong and the PRC are classified as Level 3 of the fair value hierarchy. There were no transfers into or out of Level 3 during both years.

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14. 投資物業 (續)

下表載列於二零二一年十二月三十一日及二零二零年十二月三十一日有關如何釐定該等投資物業之公允值(尤其是所使用之估值技術及輸入數據), 以及公允值計量按照其輸入數據之可觀察程度進行分類之公允值級別之資料。

14. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of these investment properties as at 31 December 2021 and 31 December 2020 are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements is observable.

於綜合財務狀況表內本集團

所持投資物業之賬面值 Carrying value of investment properties held by the Group in the consolidated statement of financial position	公允值級別 Fair value hierarchy	估值技術 Valuation technique(s)	重大無法觀察輸入數據 Significant unobservable input(s)	無法觀察輸入數據與公允值之關係 Relationship of unobservable inputs to fair value
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於二零二一年十二月三十一日
At 31 December 2021

位於香港之富通大廈27樓 若干部分21,342,000港元 (二零二零年: 21,342,000港元)	第3級	直接比較法, 假設在現況下銷售 及經參照有關市場上可供查閱 之可資比較銷售交易。	每平方呎價格(採用市場直接可 資比較數據, 並計及地點及 其他個別因素(例如大小、樓 宇設施、樓層、樓齡等))介 乎22,700港元至26,000港元 (二零二零年: 21,300港元至 26,000港元)。	每平方呎價格微升將大幅 提高公允值。
A certain portion of the 27th Floor of Fortis Tower in Hong Kong HK\$21,342,000 (2020: HK\$21,342,000)	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square feet, using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$22,700/ sq.ft to HK\$26,000/sq.ft (2020: HK\$21,300/sq.ft to HK\$26,000/sq.ft).	A slight increase in the price per square feet will increase significantly the fair value.

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14. 投資物業 (續)

14. INVESTMENT PROPERTIES (Continued)

於綜合財務狀況表內本集團 所持投資物業之賬面值 Carrying value of investment properties held by the Group in the consolidated statement of financial position	公允值級別 Fair value hierarchy	估值技術 Valuation technique(s)	重大無法觀察輸入數據 Significant unobservable input(s)	無法觀察輸入數據與公允值之關係 Relationship of unobservable inputs to fair value
位於中國廣東省江門市之 商業物業7,952,000港元 (二零二零年：7,741,000港元)	第3級	直接比較法，假設在現況下銷售 及經參照有關市場上可供查閱 之可資比較銷售交易。	每平方米價格(採用市場直接可 資比較數據，並計及地點及 其他個別因素(例如大小、樓 宇設施、樓層、樓齡等))介乎 7,100港元至7,700港元 (二零二零年：7,000港元至 7,660港元)。	每平方米價格微升將大幅 提高公允值。
Commercial properties in Jiangmen City, Guangdong Province, the PRC HK\$7,952,000 (2020: HK\$7,741,000)	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square meter, using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$7,100/sq.m to HK\$7,700/ sq.m (2020: HK\$7,000/sq.m to HK\$7,660/sq.m).	A slight increase in the price per square meter will increase significantly the fair value.
位於中國上海浦東區張江之 工業物業105,824,000港元 (二零二零年：103,013,000 港元)	第3級	直接比較法，假設在現況下銷售 及經參照有關市場上可供查閱 之可資比較銷售交易。	每平方米價格(採用市場直接可 資比較數據，並計及地點及 其他個別因素(例如大小、樓 宇設施、樓層、樓齡等))介 乎13,300港元至18,800港元 (二零二零年：11,900港元至 15,600港元)。	每平方米價格微升將大幅 提高公允值。
Industrial property in Pudong District, Zhang Jiang, Shanghai, the PRC HK\$105,824,000 (2020: HK\$103,013,000)	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square meter, using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$13,300/ sq.m to HK\$18,800/sq.m (2020: HK\$11,900/sq.m to HK\$15,600/sq.m).	A slight increase in the price per square meter will increase significantly the fair value.

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14. 投資物業 (續)

14. INVESTMENT PROPERTIES (Continued)

於綜合財務狀況表內本集團 所持投資物業之賬面值 Carrying value of investment properties held by the Group in the consolidated statement of financial position	公允值級別 Fair value hierarchy	估值技術 Valuation technique(s)	重大無法觀察輸入數據 Significant unobservable input(s)	無法觀察輸入數據與公允值之關係 Relationship of unobservable inputs to fair value
位於香港之葉氏化工大廈整棟樓連 同4個貨車停車位及4個私家車停 車位於二零二零年十二月三十一 日為212,000,000港元(二零二一 年：零)	第3級	收入法，經計及物業現有租賃所 得及／或當前市場可達致之租 金收入淨額，及就租賃之潛在 復歸收入計提適當撥備。	每平方米市場租金(採用市場直 接可資比較數據，並計及地點 及其他個別因素(例如大小、 樓宇設施、樓層、樓齡等))於 二零二零年十二月三十一日介 乎11港元至13港元(二零二一 年：不適用)及資本化比率於 二零二零年十二月三十一日為 4.0%(二零二一年：不適用)。	每平方米市場租金微升或資本化比 率微跌將大幅提高公允值。
The whole of Yip's Chemical Building together with 4 lorry parking spaces and 4 private car parking spaces in Hong Kong HK\$212,000,000 at 31 December 2020 (2021: Nil)	Level 3	Income approach taking into account the net rental income of the property derived from the existing lease and/ or achievable in the existing market with due allowance for the reversionary income potential of the lease.	Market rent per square feet, using market direct comparable and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which was ranging from HK\$11/sq.ft to HK\$13/sq.ft at 31 December 2020 (2021: N/A) and capitalisation rate was 4.0% at 31 December 2020 (2021: N/A).	A slight increase in the market rent per square feet or a slight decrease in the capitalisation rate used will increase significantly the fair value.

15. 於聯營公司之權益

15. INTERESTS IN ASSOCIATES

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
非上市聯營公司 投資成本	Cost of investment on associates, unlisted	5,750	5,750
應佔收購後虧損及其他 全面支出	Share of post-acquisition losses and other comprehensive expenses	(891)	(181)
貨幣調整	Currency realignment	349	203
		5,208	5,772

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15. 於聯營公司之權益 (續)

於報告期末，本集團聯營公司之詳情如下：

聯營公司名稱 Name of associate	註冊成立國家 Country of incorporation	主要營業地點 Principal place of business	本集團持有股本權益之百分比 Percentage of equity interest held by the Group		主要業務 Principal activity
			二零二一年 2021	二零二零年 2020	
佛山市妙想空間裝飾工程有限公司 (「妙想空間」)	中國 PRC	中國 PRC	20%	20% (附註a)	提供物業裝修服務 Provision of property renovation services

附註：

- (a) 於截至二零二零年十二月三十一日止年度，本集團訂立協議以人民幣5,000,000元（相等於約5,750,000港元）認購妙想空間的人民幣250,000元實繳資本。於交易完成後，妙想空間成為本集團的聯營公司。

由於聯營公司對本集團並不重大，因此未披露聯營公司之財務資料摘要。

15. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's associate at the end of the reporting period were as follows:

Note:

- (a) During the year ended 31 December 2020, the Group entered into an agreement to subscribe for RMB250,000 paid-up capital of 妙想空間 at RMB5,000,000 (equivalent to approximately HK\$5,750,000). Upon completion of the transaction, 妙想空間 becomes an associate of the Group.

No summarised financial information of associate is disclosed as the associate is not material to the Group.

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

**16. 按公允值計入損益
／按公允值計入其
他全面收益之金融
資產及按公允值計
入其他全面收益之
債務工具****(a) 按公允值計入其他
全面收益之金融資
產**

該金額指本集團於在開曼群島成立之私人公司之股本權益，本公司董事已選擇指定該於權益工具之投資為按公允值計入其他全面收益，原因是本集團擬持有該股本投資作長期策略用途。於二零二一年十二月三十一日及二零二零年十二月三十一日，該權益工具包括於Green Monday Holdings Limited之0.7%股本權益。

於二零二一年十二月三十一日，權益工具之公允值15,035,000港元（二零二零年：19,083,000港元）乃管理層經參考行業市銷率得出之估算。

**16. FINANCIAL ASSET(S) AT FVTPL/
FVTOCI AND DEBT INSTRUMENT
AT FVTOCI****(a) Financial assets at FVTOCI**

Amount represents the Group's equity interest in a private entity established in Cayman Islands and the directors of the Company have elected to designate this investment in equity instruments at FVTOCI as the Group intends to hold this equity investment for long term strategic purposes. As at 31 December 2021 and 31 December 2020, the equity instruments comprised of 0.7% equity interest in Green Monday Holdings Limited.

As at 31 December 2021, the fair value of the equity instruments of HK\$15,035,000 (2020: HK\$19,083,000) was derived by the management estimation with reference to the price to sales ratio of the industry.

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**16. 按公允值計入損益
／按公允值計入其
他全面收益之金融
資產及按公允值計
入其他全面收益之
債務工具 (續)**

**(b) 按公允值計入損益
之金融資產**

強制按公允值計入損益計量
之金融資產：

持作買賣的上市股本證券 Listed equity securities held for trading
非上市投資基金 Unlisted investment funds

二零二一年 十二月三十一日 31/12/2021 千港元 HK\$'000	二零二零年 十二月三十一日 31/12/2020 千港元 HK\$'000
6,678	-
130,781	-
137,459	-

**(c) 按公允值計入其他
全面收益之債務工
具**

於二零二一年十二月三十一日及二零二零年十二月三十一日，該金額指本集團於由一間公司（其股份於深圳證券交易所上市）發行的債務證券之投資，而債務工具按公允值計入其他全面收益分類。有關減值評估之詳情載於附註33。

**16. FINANCIAL ASSET(S) AT FVTPL/
FVTOCI AND DEBT INSTRUMENT
AT FVTOCI (Continued)**

(b) Financial assets at FVTPL

Financial assets mandatorily measured at FVTPL:

(c) Debt instrument at FVTOCI

As at 31 December 2021 and 31 December 2020, amount represents the Group's investment in a debt security issued by a company with its shares listed on the Shenzhen Stock Exchange and the debt instrument is classified at FVTOCI. Details of impairment assessment are set out in note 33.

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17. 商譽

17. GOODWILL

		千港元 HK\$'000
成本值	AT COST	
於二零二零年一月一日	At 1 January 2020	115,306
收購附屬公司(附註30)	Acquisition of subsidiaries (note 30)	33,298
貨幣調整	Currency realignment	2,510
於二零二零年十二月三十一日	At 31 December 2020	151,114
貨幣調整	Currency realignment	977
於二零二一年十二月三十一日	At 31 December 2021	152,091
減值	IMPAIRMENT	
於二零二零年一月一日、 二零二零年十二月三十一日及 二零二一年十二月三十一日	At 1 January 2020, 31 December 2020 and 31 December 2021	2,530
賬面值	CARRYING VALUE	
於二零二一年十二月三十一日	At 31 December 2021	149,561
於二零二零年十二月三十一日	At 31 December 2020	148,584

有關商譽減值測試之詳情於附註19披露。

Particulars regarding impairment testing of goodwill are disclosed in note 19.

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18. 無形資產

18. INTANGIBLE ASSETS

		商標及 專利品牌 Trademarks and patent brands 千港元 HK\$'000	客戶關係 Customer relationship 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值	AT COST			
於二零二零年 一月一日	At 1 January 2020	37,329	37,462	74,791
收購附屬公司 (附註30)	Acquisition of subsidiaries (note 30)	14,964	–	14,964
貨幣調整	Currency realignment	1,047	90	1,137
於二零二零年 十二月三十一日	At 31 December 2020	53,340	37,552	90,892
貨幣調整	Currency realignment	437	67	504
於二零二一年 十二月三十一日	At 31 December 2021	53,777	37,619	91,396
攤銷及減值	AMORTISATION AND IMPAIRMENT			
於二零二零年 一月一日	At 1 January 2020	1,854	3,893	5,747
貨幣調整	Currency realignment	–	25	25
年內撥備	Provided for the year	98	2,036	2,134
於二零二零年 十二月三十一日	At 31 December 2020	1,952	5,954	7,906
貨幣調整	Currency realignment	–	40	40
年內撥備	Provided for the year	–	2,047	2,047
於二零二一年 十二月三十一日	At 31 December 2021	1,952	8,041	9,993
賬面值	CARRYING VALUES			
於二零二一年 十二月三十一日	At 31 December 2021	51,825	29,578	81,403
於二零二零年 十二月三十一日	At 31 December 2020	51,388	31,598	82,986

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18. 無形資產 (續)

無形資產乃採用直線法於下列年期攤銷：

商標及專利品牌 (具有有限可使用年期)	10年
商標及專利品牌 (具有無限可使用年期)	不作攤銷
客戶關係	10-19年

客戶關係指就駱駝漆品牌名稱下塗料產品與客戶簽訂合同之做法，不論在收購日是否存在合同。

商標及專利品牌指所收購之品牌名稱，於市場上獲高度認可及具知名度。

於截至二零二零年十二月三十一日止年度內，透過收購附屬公司（詳情載於附註30）新收購之商標及專利品牌14,964,000港元乃具有無限可使用年期之無形資產，原因為本公司董事認為本集團可以且有能力持續使用該商用名稱。因此，本集團管理層認為該等商標及專利品牌具有無限可使用年期，原因為該等商標及專利品牌預計可無限地貢獻現金流入淨額。於確定為有限之可使用年期前，該等商標及專利品牌不會攤銷。然而，該等商標及專利品牌將每年及每當有跡象顯示可能出現減值時進行減值測試。

有關具有無限可使用年期之無形資產之減值測試詳情於附註19披露。

18. INTANGIBLE ASSETS (Continued)

Intangible assets are amortised on a straight-line basis over the following periods:

Trademarks and patent brands (with finite useful life)	10 years
Trademarks and patent brands (with indefinite useful life)	Not amortised
Customer relationship	10 – 19 years

Customer relationship represents the practice of establishing contracts with customers related to coating products under the brand name Camel, regardless of whether a contract existed as at acquisition date.

Trademarks and patent brands represent the brand names acquired which have high recognition and awareness in the market.

During the year ended 31 December 2020, the newly acquired trademarks and patent brands through acquisition of subsidiaries (details set out in note 30) amounting HK\$14,964,000 were intangible assets with indefinite useful life as the directors of the Company were of opinion that the Group could use the trade name continuously and had the ability to do so. As a result, the trademarks and patent brands were considered by the management of the Group as having an indefinite useful life because they were expected to contribute to net cash inflows indefinitely. The trademarks and patent brands would not be amortised until their useful life was determined to be finite. Instead they would be tested for impairment annually and whenever there was an indication that they might be impaired.

Particulars regarding impairment testing of intangible assets with indefinite useful live are disclosed in note 19.

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19. 商譽及具有無限可使用年期之無形資產之減值測試

為進行減值測試，附註17及18所載商譽、具有無限可使用年期之商標及專利品牌已分配至五個（二零二零年：五個）現金產生單位組別，包括溶劑分類中之三間附屬公司、塗料分類中之五間附屬公司及其他分類中之八間附屬公司。分配至該等單位之商譽及具有無限可使用年期之商標及專利品牌賬面金額（扣除累計減值虧損）如下：

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purposes of impairment testing, goodwill and trademarks and patent brands with indefinite useful lives set out in notes 17 and 18 have been allocated to five (2020: five) groups of cash generating units (CGUs), comprising three subsidiaries in the solvents segment, five subsidiaries in the coatings segment and eight subsidiaries in the others segment. The carrying amounts of goodwill and trademarks and patent brands with indefinite useful lives (net of accumulated impairment losses) allocated to these units are as follows:

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19. 商譽及具有無限可
使用年期之無形資
產之減值測試 (續)

19. IMPAIRMENT TESTING ON
GOODWILL AND INTANGIBLE
ASSETS WITH INDEFINITE USEFUL
LIVES (Continued)

		商譽		具有無限可使用年期之 商標及專利品牌	
		Goodwill		Trademarks and patent brands with indefinite useful lives	
		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
溶劑分類	Solvents segment				
- 謙信化工集團有限 公司、珠海謙信 新材料有限公司 及江門天誠溶 劑製品有限公司 (單位甲)	- 謙信化工集團有限 公司、珠海謙信新材 有限公司 and 江門 天誠溶劑製品有限 公司(Unit A)	17,343	17,343	-	-
- 惠州盛達化工有限 公司(單位乙)	- 惠州盛達化工有限公司 (Unit B)	40,328	40,328	-	-
塗料分類	Coatings segment				
- 紫荊花塗料(上海) 有限公司、紫荊 花化工(上海)有 限公司及紫荊花 製漆(成都)有限 公司(單位丙)	- 紫荊花塗料(上海) 有限公司、紫荊花化 工(上海)有限公司 and 紫荊花製漆(成都) 有限公司(Unit C)	11,261	11,261	-	-
- 葉氏駱駝(香港)有 限公司及恒昌 塗料(惠陽)有限 公司(單位丁)	- Yip's Camel (Hong Kong) Limited and 恒昌塗料 (惠陽)有限公司 (Unit D)	43,844	43,844	35,377	35,377
其他分類	Others segment				
- 河北大麥汽車維修 服務有限公司 (「河北大麥」)及 其附屬公司(單 位戊)	- 河北大麥汽車維修 服務有限公司 (「河北大麥」) and its subsidiaries (Unit E)	36,785	35,808	16,448	16,011
		149,561	148,584	51,825	51,388

除了上述商譽及具有無限可使用年期之商標及專利品牌，可產生現金流量之物業、廠房及設備、無形資產及使用權資產以及相關商譽及具有無限可使用年期之商標及專利品牌亦包括在各自的現金產生單位以進行減值評估。

In addition to goodwill and trademarks and patent brands with indefinite useful lives above, property, plant and equipment, intangible assets and right-of-use assets that generate cash flows together with the related goodwill and trademarks and patent brands with indefinite useful lives are also included in the respective CGU for the purpose of impairment assessment.

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19. 商譽及具有無限可使用年期之無形資產之減值測試 (續)

單位甲

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零二零年：五年期)財務預算及稅前貼現率6.67%(二零二零年：5.05%)進行之現金流量預測。單位之五年期(二零二零年：五年期)後現金流量基於行業增長預測以2%(二零二零年：2%)推算。使用價值計算法之其他主要假設涉及估計現金流入／流出，包括按介乎0%至5%(二零二零年：介乎0%至5%)之增長率計算之預算銷售，有關估計基於單位過往表現及管理層對市場發展之預期作出。

於截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度內，本集團管理層釐定該單位並無減值。管理層相信，任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。

單位乙

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零二零年：五年期)財務預算及稅前貼現率7.42%(二零二零年：5.98%)進行之現金流量預測。單位之五年期(二零二零年：五年期)後現金流量基於行業增長預測以2%(二零二零年：2%)推算。使用價值計算法之其他主要假設涉及估計現金流入／流出，包括按介乎0%至5%(二零二零年：介乎5%至7%)之增長率計算之預算銷售，有關估計基於單位過往表現及管理層對市場發展之預期作出。

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Unit A

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2020: a five-year period), and pre-tax discount rate of 6.67% (2020: 5.05%). The unit's cash flows beyond the five-year period (2020: five-year period) are extrapolated using a 2% (2020: 2%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate ranging from 0% to 5% (2020: ranging from 0% to 5%), such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 December 2021 and 31 December 2020, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount.

Unit B

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2020: a five-year period), and pre-tax discount rate of 7.42% (2020: 5.98%). The unit's cash flows beyond the five-year period (2020: five-year period) are extrapolated using a 2% (2020: 2%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate ranging from 0% to 5% (2020: ranging from 5% to 7%), such estimation is based on the unit's past performance and management's expectations for the market development.

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

19. 商譽及具有無限可使用年期之無形資產之減值測試 (續)

單位乙 (續)

於截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度內，本集團管理層釐定該單位並無減值。管理層相信，任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。

單位丙

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零二零年：五年期)財務預算及稅前貼現率7.3%(二零二零年：6.1%)進行之現金流量預測。單位之五年期(二零二零年：五年期)後現金流量基於行業增長預測以3%(二零二零年：3%)推算。使用價值計算法之其他主要假設涉及估計現金流入／流出，包括按3%(二零二零年：介乎5%至25%)之增長率計算之預算銷售，有關估計基於單位過往表現及管理層對市場發展之預期作出。

於截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度內，本集團管理層釐定該單位並無減值。管理層相信，任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。倘貼現率改為10.5%(二零二零年：17.8%)，而其他參數維持不變，則單位之可收回金額會相等於其賬面金額。

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Unit B (Continued)

During the years ended 31 December 2021 and 31 December 2020, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount.

Unit C

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2020: a five-year period), and pre-tax discount rate of 7.3% (2020: 6.1%). The unit's cash flows beyond the five-year period (2020: five-year period) are extrapolated using a 3% (2020: 3%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate at 3% (2020: ranging from 5% to 25%), such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 December 2021 and 31 December 2020, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount. If the discount rate was changed to 10.5% (2020: 17.8%), while other parameters remain constant, the recoverable amount of the unit would equal to its carrying amount.

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19. 商譽及具有無限可使用年期之無形資產之減值測試 (續)

單位丁

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零二零年：五年期)財務預算及稅前貼現率15.5%(二零二零年：14.6%)進行之現金流量預測。單位之五年期(二零二零年：五年期)後現金流量基於行業增長預測以3%(二零二零年：3%)推算。使用價值計算法之其他主要假設涉及估計現金流入／流出，包括按介乎4%至5%(二零二零年：介乎4%至8%)之增長率計算之預算銷售，有關估計基於單位過往表現及管理層對市場發展之預期作出。

於截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度內，本集團管理層釐定該單位並無減值。管理層相信，任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。倘貼現率改為20.2%(二零二零年：20.5%)，而其他參數維持不變，則單位之可收回金額會相等於其賬面金額。

單位戊

於截至二零二零年十二月三十一日止年度內，河北大麥及其附屬公司成為本公司的間接非全資附屬公司(詳情載於附註30)。就減值測試目的而言，上文所載的商譽、具有無限可使用年期的商標及專利品牌已分配至此分類中之此現金產生單位組別。

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Unit D

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2020: a five-year period), and pre-tax discount rate of 15.5% (2020: 14.6%). The unit's cash flows beyond the five-year period (2020: five-year period) are extrapolated using a 3% (2020: 3%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate ranging from 4% to 5% (2020: ranging from 4% to 8%), such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 December 2021 and 31 December 2020, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount. If the discount rate was changed to 20.2% (2020: 20.5%), while other parameters remain constant, the recoverable amount of the unit would equal to its carrying amount.

Unit E

During the year ended 31 December 2020, 河北大麥 and its subsidiaries became indirect non-wholly owned subsidiaries of the Company (details as set out in note 30). For the purposes of impairment testing, goodwill, trademarks and patent brands with indefinite useful lives set out above has been allocated to this group of CGUs in this segment.

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19. 商譽及具有無限可使用年期之無形資產之減值測試 (續)**單位戊** (續)

此單位之可收回金額乃基於使用價值計算法釐定。該計算法使用基於經管理層批准之五年期(二零二零年：五年期)財務預算及稅前貼現率18.4%(二零二零年：18.4%)進行之現金流量預測。單位之五年期後現金流量基於行業增長預測以2%(二零二零年：2%)推算。使用價值計算法之其他主要假設涉及估計現金流入／流出，包括按介乎22%至41%(二零二零年：介乎28%至81%)之增長率計算之預算銷售，有關估計基於單位過往表現及管理層對市場發展之預期作出。

於截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度內，本集團管理層釐定該單位並無減值。管理層相信，任何該等假設出現任何合理可能變動不會導致單位賬面金額超過其可收回金額。倘貼現率改為21.8%(二零二零年：20.6%)，而其他參數維持不變，則單位之可收回金額會相等於其賬面金額。

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)**Unit E** (Continued)

The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2020: five-year period), and pre-tax discount rate of 18.4% (2020: 18.4%). The unit's cash flows beyond the five-year period are extrapolated using a 2% (2020: 2%) based on industry growth forecasts. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows include budgeted sales with growth rate ranging from 22% to 41% (2020: ranging from 28% to 81%), such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 December 2021 and 31 December 2020, management of the Group determines that there is no impairment on the unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the unit to exceed its recoverable amount. If the discount rate was changed to 21.8% (2020: 20.6%), while other parameters remain constant, the recoverable amount of the unit would equal to its carrying amount.

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

20. 存貨

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
原料	Raw materials	691,718	697,832
在製品	Work in progress	35,174	26,774
製成品	Finished goods	569,909	444,887
		1,296,801	1,169,493

年內，滯銷存貨撥備淨值約12,939,000港元（二零二零年：撥回淨值7,853,000港元）及已註銷存貨9,671,000港元（二零二零年：10,314,000港元）分別已確認並計入銷售成本。

20. INVENTORIES

During the year, the net allowance of slow-moving inventories and written off of inventories amounting to approximately HK\$12,939,000 (2020: net reversal of HK\$7,853,000) and HK\$9,671,000 (2020: HK\$10,314,000), respectively, have been recognised and included in cost of sales.

21. 貿易應收款項、其他應收賬款及預付款項

(a) 貿易應收款項

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
來自客戶合約之貿易應收款項	Trade receivables from contracts with customers	4,683,981	3,533,739
減：預期信貸損失撥備	Less: allowance for ECL	(94,037)	(59,200)
		4,589,944	3,474,539

於二零二零年一月一日，來自客戶合約之貿易應收款項為2,794,945,000港元。

本集團已收票據指國內銀行承兌及擔保付款之銀行承兌匯票2,384,600,000港元（二零二零年：1,650,402,000港元），屬遠期匯票。本集團按個別情況接受客戶以國內銀行承兌之銀行承兌匯票結清貿易應收款項。

21. TRADE RECEIVABLES, OTHER DEBTORS AND PREPAYMENTS

(a) Trade receivables

As at 1 January 2020, trade receivables from contracts with customers amounted to HK\$2,794,945,000.

Bills received by the Group which represent 銀行承兌匯票 ("banker's acceptances") i.e. time drafts accepted and guaranteed for payment by the PRC banks, amounting to HK\$2,384,600,000 (2020: HK\$1,650,402,000). The Group accepts the settlement of trade receivables by customers using banker's acceptances accepted by the PRC banks on a case by case basis.

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21. 貿易應收款項、其他應收賬款及預付款項

(續)

(a) 貿易應收款項 (續)

該等出具或背書給本集團之銀行承兌匯票一般於由出具日起不超過十二個月內到期。銀行承兌匯票將由國內有銀行或商業銀行或金融機構於該等銀行承兌匯票到期日支付。

於報告期末，貿易應收款項（經扣除信貸損失撥備，不包括本集團因未來結算所持之票據）基於發票日期呈列之賬齡分析如下：

零至三個月	0 – 3 months
四至六個月	4 – 6 months
六個月以上	Over 6 months

本集團容許向貿易客戶提供介乎30天至90天之信貸期。本集團或會給予付款記錄良好之大額或長期客戶較長信貸期。

在接納任何新客戶前，本集團之內部信貸控制系統會評估潛在客戶之信貸質素，而董事會已授權管理層負責為客戶釐定信貸限額及信貸審批。本集團會定期審閱客戶之限額。

21. TRADE RECEIVABLES, OTHER DEBTORS AND PREPAYMENTS

(Continued)

(a) Trade receivables (Continued)

These banker's acceptances are issued to or endorsed to the Group and with maturity date in general not longer than twelve months from the date of issuance. The banker's acceptances will be settled by the banks, which are state-owned banks or commercial banks or financial institutions in the PRC, on the maturity date of such banker's acceptances.

An aged analysis of trade receivables net of allowance for credit losses (excluding bills held by the Group for future settlement), presented based on the invoice date at the end of the reporting period is as follows:

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
零至三個月	0 – 3 months	1,843,544	1,556,828
四至六個月	4 – 6 months	246,079	211,846
六個月以上	Over 6 months	115,721	55,463
		2,205,344	1,824,137

The Group allows a credit period ranging from 30 to 90 days to its trade customers. A longer credit period may be granted to large or long established customers with good payment history.

Before accepting any new customers, the Group has an internal credit control system to assess the potential customers' credit quality and the board of directors has delegated the management to be responsible for determination of credit limits and credit approvals for customers. Limits attributed to customers are reviewed periodically.

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21. 貿易應收款項、其他應收賬款及預付款項

(續)

(a) 貿易應收款項 (續)

於二零二一年十二月三十一日，約75%（二零二零年：82%）之貿易應收款項（不包括本集團因未來結算所持有之票據）既無逾期亦無出現減值，其原因為根據本集團所採用之信貸控制系統，該等貿易應收款項獲評為具有良好信貸評級。

於二零二一年十二月三十一日，本集團貿易應收款項（不包括本集團因未來結算所持有之票據）包括於報告日期已逾期之應收賬款，賬面總額為549,142,000港元（二零二零年：335,083,000港元）。

於二零二一年十二月三十一日，本集團向債權人背書若干銀行承兌匯票，金額達1,667,321,000港元（二零二零年：1,057,946,000港元），以向彼等結清貿易應付款項。本集團繼續確認該等已背書之銀行承兌匯票全額及應付債權人之相關款項，直至已背書銀行承兌匯票之到期日。

21. TRADE RECEIVABLES, OTHER DEBTORS AND PREPAYMENTS

(Continued)

(a) Trade receivables (Continued)

As at 31 December 2021, approximately 75% (2020: 82%) of the trade receivables (excluding bills held by the Group for future settlement) are neither past due nor impaired as they were assessed to be of good credit rating attributable under the credit control system used by the Group.

As at 31 December 2021, included in the Group's trade receivables (excluding bills held by the Group for future settlement) are debtors with aggregate carrying amount of HK\$549,142,000 (2020: HK\$335,083,000) which are past due as at the reporting date.

At 31 December 2021, the Group endorsed certain banker's acceptances with an amount of HK\$1,667,321,000 (2020: HK\$1,057,946,000) to creditors to settle the trade payables to them. The Group continued to recognise the full amount of these endorsed banker's acceptances and the relevant payable to creditors until the maturity date of the endorsed banker's acceptances.

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21. 貿易應收款項、其他應收賬款及預付款項

(續)

(a) 貿易應收款項 (續)

轉讓金融資產

以下為背書／貼現予供應商或銀行並具有全面追索權之本集團已收票據。由於本集團並無轉讓有關該等應收款項的重大風險及回報，其繼續悉數確認應收款項之賬面金額，並已將就轉讓所收取的現金確認為有抵押借款。該等應收款項按攤銷成本列入本集團之綜合財務狀況表。

21. TRADE RECEIVABLES, OTHER DEBTORS AND PREPAYMENTS

(Continued)

(a) Trade receivables (Continued)

Transfer of financial assets

The following were the Group's bills received that were endorsed/discounted to suppliers or banks with full recourse. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a collateralised borrowing. These receivables are carried at amortised cost in the Group's consolidated statement of financial position.

	背書予供應商並具有 全面追索權之應收票據 Bills receivables endorsed to suppliers with full recourse		貼現予銀行並具有 全面追索權之應收票據 Bills receivables discounted to banks with full recourse	
	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
已轉讓資產之賬面金額 Carrying amount of transferred assets	1,667,321	1,057,946	51,692	-
相關負債之賬面金額 Carrying amount of associated liabilities	(1,667,321)	(1,057,946)	(51,692)	-

綜合財務報告附註
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截至二零二一年十二月三十一日止年度 For the year ended 31 December 2021

21. 貿易應收款項、其他
應收賬款及預付款項

(續)

(b) 其他應收賬款及預
付款項

其他應收賬款及預付款項
主要包括墊付供應商款項
249,482,000港元(二零二
零年：194,251,000港元)、
應收供應商佣金27,722,000
港元(二零二零年：
23,977,000港元)及可收回
增值稅304,450,000港元(二
零二零年：141,422,000港
元)。

截至二零二一年十二月
三十一日及二零二零年十二
月三十一日止年度貿易應收
款項及其他應收賬款之減值
評估詳情載於附註33。

貿易應收款項及其他應收賬
款包括下列以有關集團公司
功能貨幣以外之貨幣定值之
款項：

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
美元	United States dollars ("USD")	167,494	245,998
港元	HK\$	104	4,014
日圓	Japanese Yen ("JPY")	-	1,559

21. TRADE RECEIVABLES, OTHER
DEBTORS AND PREPAYMENTS

(Continued)

(b) Other debtors and prepayments

Other debtors and prepayments mainly consist of
payments in advance to suppliers of HK\$249,482,000
(2020: HK\$194,251,000), commission receivable from
suppliers of HK\$27,722,000 (2020: HK\$23,977,000)
and value-added tax recoverable of HK\$304,450,000
(2020: HK\$141,422,000).

Details of impairment assessment of trade receivables
and other debtors for the years ended 31 December
2021 and 31 December 2020 are set out in note 33.

Included in trade receivables and other debtors are
the following amounts denominated in currencies
other than the functional currency of the group
entities to which they relate:

綜合財務報告附註
Notes to the Consolidated Financial Statements

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22. 衍生金融工具

22. DERIVATIVE FINANCIAL INSTRUMENTS

		流動 Current		非流動 Non-current	
		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
以對沖會計法處理之 衍生金融資產	Derivatives financial assets under hedge accounting				
利率掉期合約	Interest rate swap contracts	275	–	249	–
以對沖會計法處理之 衍生金融負債	Derivatives financial liabilities under hedge accounting				
利率掉期合約	Interest rate swap contracts	1,952	5,477	778	3,755
並非以對沖會計法處理 之衍生金融資產	Derivatives financial assets not under hedge accounting				
外匯遠期合約	Foreign exchange forward contracts	8,197	–	–	–
並非以對沖會計法處理 之衍生金融負債	Derivatives financial liabilities not under hedge accounting				
外匯遠期合約	Foreign exchange forward contract	–	284	–	–

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22. 衍生金融工具 (續)

(a) 以現金流對沖之利率掉期合約

本集團與多間商業銀行訂立多項利率掉期合約，通過將浮動利率轉換為固定利率，將若干港元浮息銀行貸款之現金流變動風險降至最低。該等合約之條款經磋商後與被對沖銀行貸款之條款一致（即名義面額與銀行貸款之本金額、幣值及利率指標相同）。本公司董事認為利率掉期合約屬高效對沖工具，並根據對沖會計法指定該等工具為現金流對沖工具。

就對沖利率波動之現金流風險而言，對沖為高度有效。截至二零二一年十二月三十一日止年度，以現金流對沖之對沖工具之公允值變動收益7,026,000港元（二零二零年：虧損12,517,000港元）已於其他全面收益確認及於對沖儲備內累計。本公司董事預期累計總和將於報告期後未來到期間中之不同日期撥回損益。

22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) Interest rate swap contracts under cash flow hedges

The Group entered into a number of interest rate swap contracts with the commercial banks to minimise its exposure to cash flow changes of its floating-rate Hong Kong dollars bank loans from banks by swapping floating interest rates to fixed interest rates. The terms of these contracts were negotiated to match with those of the hedged bank loans with the same notional amounts to principal amounts of bank loans, currency and interest rate index. The directors of the Company consider that the interest rate swap contracts are highly effective hedging instruments and have designated them as cash flow hedging instruments for hedge accounting purpose.

The hedges were highly effective in hedging cash flow exposure to interest rate movements. Fair value change on hedging instruments in cash flow hedge of gain of HK\$7,026,000 (2020: loss of HK\$12,517,000) for the year ended 31 December 2021 have been recognised in other comprehensive income and accumulated in hedging reserve. The directors of the Company expected the accumulated sum is to be released to profit or loss at various dates in the coming maturity periods after the reporting period.

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22. 衍生金融工具 (續)

(a) 以現金流對沖之利率掉期合約 (續)

於報告期末，附註27所披露之借貸包括現金流對沖項下之銀行貸款336,250,000港元（二零二零年：517,500,000港元），而以現金流對沖之利率掉期合約之主要條款如下：

22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) Interest rate swap contracts under cash flow hedges (Continued)

Included in borrowings as disclosed in note 27 were bank loans of HK\$336,250,000 (2020: HK\$517,500,000) which were under cash flow hedges and the major terms of the interest rate swap contracts under cash flow hedges at the end of the reporting period are as follows:

名義面額 Notional amount	到期期限範圍 Range of maturity	收取浮息 Receive floating	支付定息 Pay fixed
於二零二一年十二月三十一日 At 31 December 2021			
93,750,000港元 HK\$93,750,000	二零二一年一月二十九日至二零二二年四月二十九日 29.1.2021 – 29.4.2022	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	3.46厘 3.46%
62,500,000港元 HK\$62,500,000	二零二一年三月二十四日至二零二三年六月二十三日 24.3.2021 – 23.6.2023	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	2.68厘 2.68%
100,000,000港元 HK\$100,000,000	二零二二年十月五日至二零二四年十月四日 5.10.2022 – 4.10.2024	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	1.49厘 1.49%
80,000,000港元 HK\$80,000,000	二零二二年二月十一日至二零二四年十一月十一日 11.2.2022 – 11.11.2024	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	3.14厘 3.14%

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22. 衍生金融工具 (續)

(a) 以現金流對沖之利率掉期合約 (續)

名義面額 Notional amount	到期期限範圍 Range of maturity	收取浮息 Receive floating	支付定息 Pay fixed
於二零二一年十二月三十一日 At 31 December 2020			
93,750,000港元 HK\$93,750,000	二零二一年一月十九日至二零二一年四月十九日 19.1.2021 – 19.4.2021	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	2.44厘 2.44%
156,250,000港元 HK\$156,250,000	二零二一年一月二十九日至二零二二年四月二十九日 29.1.2021 – 29.4.2022	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	3.46厘 3.46%
87,500,000港元 HK\$87,500,000	二零二一年三月二十四日至二零二三年六月二十三日 24.3.2021 – 23.6.2023	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	2.68厘 2.68%
100,000,000港元 HK\$100,000,000	二零二二年十月五日至二零二四年十月四日 5.10.2022 – 4.10.2024	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	1.49厘 1.49%
80,000,000港元 HK\$80,000,000	二零二二年二月十一日至二零二四年十一月十一日 11.2.2022 – 11.11.2024	港元一個月香港銀行同業拆息 HK\$ 1-month HIBOR	3.14厘 3.14%

(b) 外匯遠期合約

於二零二一年十二月三十一日，合約公允值變動錄得收益7,899,000港元（二零二零年：虧損282,000港元）並於損益確認。該等合約為訂立的可交付遠期合約，其目的是通過訂立以美元計值的銷售合約鎖定現貨與遠期外匯市場之間的價差。

22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) Interest rate swap contracts under cash flow hedges (Continued)

(b) Foreign exchange forward contracts

As at 31 December 2021, the change in fair value of the contracts recorded a gain of HK\$7,899,000 (2020: loss of HK\$282,000) and was recognised in profit or loss. The contracts were deliverable forward contracts entered into for the purpose of capturing the price differential between the spot and forward foreign currency exchange markets by entering into sales contracts that were denominated in USD.

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22. 衍生金融工具 (續)

(b) 外匯遠期合約 (續)

本集團於報告期末所承擔的未償還外匯遠期合約的名義金額如下：

名義金額 Notional amount	到期日 Maturity	匯率 Exchange rate
於二零二一年十二月三十一日 At 31 December 2021		
購買152,000,000美元 Buy USD152,000,000	二零二二年一月十一日至 二零二二年六月三十日 11.1.2022 to 30.6.2022	美元／人民幣6.38至6.52元 USD/RMB6.38 to 6.52
於二零二零年十二月三十一日 At 31 December 2020		
購買5,000,000美元 Buy USD5,000,000	二零二一年三月二十六日 26.3.2021	美元／人民幣6.5302元 USD/RMB6.5302

上述衍生工具按公允值計量。於二零二一年十二月三十一日及二零二零年十二月三十一日，上述衍生工具之計量分類為公允值級別中之第二級（詳情見附註33）。

22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(b) Foreign exchange forward contracts (Continued)

The notional amount of the outstanding foreign exchange forward contracts to which the Group are committed at the end of the reporting period is as follows:

The above derivative instruments are measured at fair value. The classification of the measurement of the above derivative instruments at 31 December 2021 and 31 December 2020 is Level 2 under the fair value hierarchy (see note 33 for details).

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23. 短期銀行存款、銀行結餘及現金

短期銀行存款以及銀行結餘及現金包括下列以有關集團公司功能貨幣以外之貨幣定值之款項：

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
美元	USD	127,793	110,879
港元	HK\$	2,026	2,478
人民幣	RMB	11,876	32,341
日圓	JPY	-	3,589

所有銀行存款及銀行結餘按介乎0.001%至2.65%（二零二零年：0.001%至2.65%）之市場年利率計息。

23. SHORT-TERM BANK DEPOSITS, BANK BALANCES AND CASH

Included in short-term bank deposits and bank balances and cash are the following amounts denominated in currencies other than the functional currencies of the group entities to which they relate:

All bank deposits and bank balances were carrying interest at market rates ranging from 0.001% to 2.65% (2020: 0.001% to 2.65%) per annum.

24. 應付賬款及應計費用

貿易應付賬款	Trade creditors	2,709,552	1,888,204
其他應付賬款及應計費用	Other creditors and accrued charges	505,944	437,770
		3,215,496	2,325,974

其他應付賬款及應計費用主要包括應付收購物業、廠房及設備款項70,541,000港元（二零二零年：30,248,000港元）、應付員工薪金及福利（包括銷售佣金）161,082,000港元（二零二零年：149,963,000港元）及應付倉儲及運費97,638,000港元（二零二零年：87,080,000港元）。

24. CREDITORS AND ACCRUED CHARGES

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
貿易應付賬款	Trade creditors	2,709,552	1,888,204
其他應付賬款及應計費用	Other creditors and accrued charges	505,944	437,770
		3,215,496	2,325,974

Other creditors and accrued charges mainly consist of payables of acquisition of property, plant and equipment of HK\$70,541,000 (2020: HK\$30,248,000), payables of staff salaries and benefits (including sales commission) of HK\$161,082,000 (2020: HK\$149,963,000) and payable of storage and transportation of HK\$97,638,000 (2020: HK\$87,080,000).

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24. 應付賬款及應計費用 (續)

於報告期末，貿易應付賬款基於發票日期之賬齡分析如下：

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
零至三個月	0 – 3 months	2,005,456	1,331,888
四至六個月	4 – 6 months	688,463	515,257
六個月以上	Over 6 months	15,633	41,059
		2,709,552	1,888,204

應付賬款包括下列以有關集團公司功能貨幣以外之貨幣定值之款項：

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
美元	USD	27,055	126,061
人民幣	RMB	33,963	–

24. CREDITORS AND ACCRUED CHARGES (Continued)

An aged analysis of trade creditors at the end of the reporting period based on the invoice date is as follows:

Included in creditors are the following amounts denominated in currency other than the functional currency of the group entities to which they relate:

25. 合約負債

銷售溶劑、塗料、油墨及潤滑油之合約負債

於二零二零年一月一日，合約負債為34,423,000港元。

25. CONTRACT LIABILITIES

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
銷售溶劑、塗料、油墨及潤滑油之合約負債	Contract liabilities on sales of solvents, coatings, inks and lubricants	58,504	44,028

As at 1 January 2020, contract liabilities amounted to HK\$34,423,000.

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25. 合約負債 (續)

當本集團於開始生產活動前收到按金，於合約開始時即會產生合約負債。預期合約負債將於本集團之正常營運週期內結清，並歸類為流動負債。於年內，已確認營業額44,028,000港元(二零二零年：34,423,000港元)已計入年初的合約負債內。

25. CONTRACT LIABILITIES (Continued)

When the Group receives a deposit before the commencement of the production activity, this will give rise to contract liabilities at the start of a contract. Contract liabilities are expected to be settled within the Group's normal operating cycle, are classified as current liabilities. During the year, revenue recognised amounting to HK\$44,028,000 (2020: HK\$34,423,000) was included in the contract liabilities at the beginning of the year.

26. 租賃負債

26. LEASE LIABILITIES

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
應付租賃負債：	Lease liabilities payable:		
一年內	Within one year	30,122	27,879
超過一年但未超過兩年 之期間內	Within a period of more than one year but not more than two years	21,164	21,834
超過兩年但未超過五年 之期間內	Within a period of more than two years but not more than five years	35,789	27,452
超過五年之期間內	Within a period of more than five years	47,493	15,118
		134,568	92,283
減：於12個月內到期結清 並歸納為流動負債之 金額	Less: Amount due for settlement with 12 months shown under current liabilities	(30,122)	(27,879)
於12個月後到期結清並 歸納為非流動負債之 金額	Amount due for settlement after 12 months shown under non-current liabilities	104,446	64,404

應用於租賃負債的加權平均遞增借貸利率介乎於2.38%至4.90% (二零二零年：2.38%至4.75%) 之範圍。

The weighted average incremental borrowing rates applied to lease liabilities range from 2.38% to 4.90% (2020: 2.38% to 4.75%).

於二零二一年十二月三十一日，根據一份租賃協議向業主發出約1,254,000港元(二零二零年：1,254,000港元)之銀行擔保。

As at 31 December 2021, a bank guarantee was granted to the landlords for a tenancy agreement amounting to approximately HK\$1,254,000 (2020: HK\$1,254,000).

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27. 借貸

27. BORROWINGS

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
借貸包括銀行貸款：	Borrowings included bank loans:		
銀行貸款 – 無抵押	Bank loans – unsecured	2,098,183	1,624,487
具有全面追索權之 貼現票據	Discount bills with full recourse	51,692	–
		2,149,875	1,624,487
銀行貸款需於以下年期 償還*：	The bank loans are repayable as follows*:		
一年內	Within one year	1,247,042	706,887
一年後至兩年內	More than one year but not exceeding two years	486,167	560,767
兩年後至五年內	More than two years but not more than five years	416,666	356,833
		2,149,875	1,624,487
減：一年內到期並歸納為 流動負債之借貸	Less: Borrowings due within one year shown under current liabilities	(1,247,042)	(706,887)
歸納為非流動負債之 借貸	Borrowings shown under non-current liabilities	902,833	917,600

* 到期金額按借貸協議中載列之計劃償還日期計算。

* The amounts due are based on scheduled repayment dates set out in the borrowing agreements.

本集團銀行貸款之年利率介乎香港銀行同業拆息加0.6厘至香港銀行同業拆息加1.4厘(二零二零年：香港銀行同業拆息加0.6厘至香港銀行同業拆息加1.5厘)及按中國最優惠貸款利率加上或減去固定息差(二零二零年：中國最優惠貸款利率加上或減去固定息差)。利率於一個月至一年期間重定。

The Group's bank loans carry annual interests at the range of HIBOR plus 0.6% to HIBOR plus 1.4% (2020: HIBOR plus 0.6% to HIBOR plus 1.5%) and at the China loan prime rate plus or less a fixed margin (2020: China loan prime rate plus or less a fixed margin). Interest is repriced in the period from one month up to one year.

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27. 借貸 (續)

27. BORROWINGS (Continued)

		二零二一年 2021	二零二零年 2020
實際利率	Effective interest rates		
定息借貸	Fixed-rate borrowings	0.79厘至3.92厘 0.79% to 3.92%	0.78厘至4.35厘 0.78% to 4.35%
浮息借貸	Variable-rate borrowings	1.11厘至1.61厘 1.11% to 1.61%	1.23厘至1.68厘 1.23% to 1.68%

借貸包括849,275,000港元(二零二零年: 204,787,000港元)定息借貸, 合約到期日為一年內。

Included in borrowings are HK\$849,275,000 (2020: HK\$204,787,000) at fixed-rate borrowings with the contractual maturity dates within 1 year.

借貸包括下列以有關集團公司功能貨幣以外之貨幣定值之款項:

Included in borrowings are the following amounts denominated in currency other than the functional currency of the group entities to which they relate:

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
港元	HK\$	187,600	316,700

28. 遞延稅項資產 / 負債

28. DEFERRED TAX ASSETS / LIABILITIES

就綜合財務狀況表之呈列而言, 若干遞延稅項資產及負債已被抵銷。以下為遞延稅項結餘(抵銷後)就財務報告目的之分析:

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
遞延稅項資產	Deferred tax assets	7,441	7,697
遞延稅項負債	Deferred tax liabilities	(30,804)	(30,104)
		(23,363)	(22,407)

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28. 遞延稅項資產／負債 (續)

以下為本集團已確認之主要遞延稅項負債(資產)及其於本年度及過往年度內之變動：

28. DEFERRED TAX ASSETS/ LIABILITIES (Continued)

The followings are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior years:

		加速稅項折舊	稅項虧損	未分派 溢利之預扣稅	物業重估	預期信貸 損失撥備	其他	合計
		Accelerated tax depreciation	Tax losses	Withholding tax on undistributed profits	Revaluation of properties	ECL provision	Others	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零二零年一月一日	At 1 January 2020	3,381	(12)	7,553	1,028	-	3,904	15,854
於分派時撥回預扣稅	Reversal of withholding tax upon distribution	-	-	(8,885)	-	-	-	(8,885)
(計入)扣自損益	(Credit) charge to profit or loss	(186)	(553)	18,612	-	(2,814)	1,167	16,226
收購附屬公司(附註30)	Acquisition of subsidiaries (note 30)	-	(4,297)	-	-	-	3,741	(556)
貨幣調整	Currency realignment	-	(301)	23	72	(286)	260	(232)
於二零二零年十二月三十一日	At 31 December 2020	3,195	(5,163)	17,303	1,100	(3,100)	9,072	22,407
於分派時撥回預扣稅	Reversal of withholding tax upon distribution	-	-	(12,300)	-	-	-	(12,300)
(計入)扣自損益	(Credit) charge to profit or loss	17	(546)	14,712	-	466	1,168	15,817
出售附屬公司(附註31)	Disposal of subsidiaries (note 31)	-	1,111	-	-	-	(3,582)	(2,471)
貨幣調整	Currency realignment	-	(125)	(21)	30	(85)	111	(90)
於二零二一年十二月三十一日	At 31 December 2021	3,212	(4,723)	19,694	1,130	(2,719)	6,769	23,363

附註：其他主要代表於收購附屬公司時被收購資產(即無形資產以及物業、廠房及設備)公允值調整產生之遞延稅項負債。

Note: Others mainly represent deferred tax liabilities arising from fair value adjustments on assets acquired (i.e. intangible assets and property, plant and equipment) on acquisition of subsidiaries.

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28. 遞延稅項資產／負債 (續)

於二零二一年十二月三十一日，本集團有未使用稅項虧損約1,578,527,000港元（二零二零年：1,420,055,000港元）可供抵銷未來溢利。於二零二一年十二月三十一日，已就稅項虧損18,891,000港元（二零二零年：21,824,000港元）確認遞延稅項資產。由於未能預計未來溢利流量，故未有為餘下1,559,636,000港元（二零二零年：1,398,231,000港元）確認遞延稅項資產。未確認稅項虧損中，1,259,500,000港元（二零二零年：1,172,156,000港元）可無限期轉結，餘額將於二零二六年（二零二零年：二零二五年）或之前的多個日期到期。

本集團已根據中國企業所得稅法實施條例規定，經計及將從中國若干附屬公司自二零零八年一月一日起賺取之溢利中分派之股息後，就附屬公司未分派溢利確認遞延稅項。中國企業所得稅法實施條例規定向股東分派有關溢利須按5%（二零二零年：5%）之稅率繳納預扣稅。由於董事認為本集團可控制撥回暫時差異之時間，而暫時差異可能於可預見將來不會撥回，故本集團並無就中國附屬公司自二零零八年一月一日起賺取之若干未分派保留溢利2,001,065,000港元（二零二零年：1,593,231,000港元）確認遞延稅項。

28. DEFERRED TAX ASSETS/ LIABILITIES (Continued)

At 31 December 2021, the Group had unused tax losses of approximately HK\$1,578,527,000 (2020: HK\$1,420,055,000) available to offset against future profits. As at 31 December 2021, a deferred tax asset has been recognised in respect of such losses amounted to HK\$18,891,000 (2020: HK\$21,824,000). No deferred tax asset has been recognised in respect of the remaining HK\$1,559,636,000 (2020: HK\$1,398,231,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses, HK\$1,259,500,000 (2020: HK\$1,172,156,000) may be carried forward indefinitely and the remaining balance will expire at various dates up to and including year 2026 (2020: 2025).

Deferred taxation on undistributed profits of subsidiaries has been recognised taking into accounts the dividends to be distributed from profits earned by certain subsidiaries in the PRC starting from 1 January 2008 under the Implementation Regulation of the EIT Law of the PRC that requires withholding tax with tax rate at 5% (2020: 5%) upon the distribution of such profits to the shareholders. Deferred taxation has not been recognised in respect of certain undistributed retained profits earned by the subsidiaries in the PRC starting from 1 January 2008 amounting to HK\$2,001,065,000 (2020: HK\$1,593,231,000) as the directors are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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29. 股本

29. SHARE CAPITAL

		法定 Authorised 二零二一年及 二零二零年 2021 & 2020 千港元 HK\$'000
每股面值0.10港元之股份	Shares of HK\$0.10 each	<u>80,000</u>

年內本公司之已發行股本有以下
變動：

Movements in the issued share capital of the Company
during the year are as follows:

		股份數目 Number of shares 千股 '000	金額 Amount 千港元 HK\$'000
已發行及繳足：	Issued and fully paid:		
於二零二零年一月一日	At 1 January 2020	564,029	56,403
已購回及註銷之股份	Share repurchased and cancelled	(7,370)	(737)
於二零二零年十二月 三十一日	At 31 December 2020	556,659	55,666
已購回及註銷之股份	Share repurchased and cancelled	(2,780)	(278)
以股代息	Scrip dividend	14,605	1,460
於二零二一年十二月 三十一日	At 31 December 2021	<u>568,484</u>	<u>56,848</u>

所有已發行股份均在所有方面與
當時之現有已發行股份享有同等
權益。

All shares issued rank pari passu with the then existing
shares in issue in all respects.

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29. 股本 (續)

本公司透過聯交所購回其本身普通股如下：

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購回月份 Month of repurchase	股份數目 Number of shares 千股 '000	每股價格 Price per share		已付總代價 Aggregated consideration 千港元 HK\$'000
		最高 Highest 港元 HK\$	最低 Lowest 港元 HK\$	
二零二一年三月 March 2021	2,178	3.72	3.64	8,038
二零二一年四月 April 2021	602	3.83	3.74	2,271
	2,780			10,309

29. SHARE CAPITAL (Continued)

The Company repurchased its own ordinary shares through the Stock Exchange as follows:

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For the year ended 31 December 2020

購回月份 Month of repurchase	股份數目 Number of shares 千股 '000	每股價格 Price per share		已付總代價 Aggregated consideration 千港元 HK\$'000
		最高 Highest 港元 HK\$	最低 Lowest 港元 HK\$	
二零二零年八月 August 2020	1,606	2.50	2.28	3,927
二零二零年九月 September 2020	3,000	2.70	2.45	7,649
二零二零年十月 October 2020	1,312	2.64	2.55	3,436
二零二零年十一月 November 2020	1,122	2.90	2.70	3,210
二零二零年十二月 December 2020	330	3.00	2.95	984
	7,370			19,206

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29. 股本 (續)

截至二零二一年十二月三十一日止年度，已購回之2,780,000股(二零二零年：7,370,000股)本公司股份被註銷，因此，本公司之已發行股本減少該等股份的面值。相當於已註銷股份面值之金額已從保留溢利轉撥至資本贖回儲備。購回該等股份之應付溢價從保留溢利中扣除。

截至二零二一年十二月三十一日止年度，有關二零二一年中期股息及特別股息，經股東選擇收取本公司股份(每股面值0.10港元)以代替現金為14,605,000股(二零二零年：無)，乃按價格每股4.95港元發行。

概無本公司附屬公司於年內購買、出售或贖回本公司之任何上市證券。

30. 收購附屬公司

於二零二零年一月二日，本集團訂立兩份協議，按人民幣12,130,000元(相等於約13,500,000港元)認購河北大麥之人民幣1,800,000元實繳資本及按代價人民幣10,000,000元(相等於約11,130,000港元)收購河北大麥之額外權益。於交易完成後，本集團所持河北大麥股權增加至61%，而河北大麥及其附屬公司成為本公司之間接非全資附屬公司。收購事項被視為本集團化工業務(特別是本集團潤滑油業務)的下游延伸，而收購事項為本集團提供了多元化業務經營及拓寬收入來源的機會。因收購事項而產生之商譽金額為33,298,000港元。

29. SHARE CAPITAL (Continued)

During the year ended 31 December 2021, 2,780,000 (2020: 7,370,000) shares of the Company repurchased were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. An amount equivalent to the nominal value of the shares cancelled was transferred from retained profits to the capital redemption reserve. The premium payable on repurchase of those shares was charged against the retained profits.

During the year ended 31 December 2021, 14,605,000 (2020: nil) shares of HK\$0.10 each were issued at a price of HK\$4.95 per share upon election by shareholders to receive shares of the Company in lieu of cash in relation to 2021 interim dividend and special dividend.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

30. ACQUISITION OF SUBSIDIARIES

On 2 January 2020, the Group entered into two agreements to subscribe for RMB1,800,000 paid-up capital of 河北大麥 at RMB12,130,000 (equivalent to approximately HK\$13,500,000) and to acquire additional interest in 河北大麥 at a consideration of RMB10,000,000 (equivalent to approximately HK\$11,130,000). Upon completion of the transactions, the Group's equity interest in 河北大麥 increased to 61%, and 河北大麥 and its subsidiaries became indirect non-wholly owned subsidiaries of the Company. The acquisition is considered to be a downstream extension of the Group's chemical business particularly for the lubricants business of the Group and the acquisition provided an opportunity for the Group to diversify its business and widen its source of income. The amount of goodwill arising as a result of acquisition was HK\$33,298,000.

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

30. 收購附屬公司 (續)

於收購日期收購之資產及確認之負債如下：

物業、廠房及設備
無形資產
遞延稅項資產
存貨
貿易應收款項
應收本集團款項
其他應收款項
可收回稅款
銀行結餘及現金
貿易應付款項
其他應付款項
應付本集團款項
租賃負債
遞延稅項負債

於收購日期，貿易應收款項公允值為245,000港元。於收購日期，所收購該等貿易應收款項之總合約金額為245,000港元。預期無法收回之合約現金流於收購日期之最佳估計為零。

30. ACQUISITION OF SUBSIDIARIES

(Continued)

Assets acquired and liabilities recognised at the date of acquisition were as follows:

	於收購日期 At date of acquisition 千港元 HK\$'000
Property, plant and equipment	50,082
Intangible assets	14,964
Deferred tax assets	4,297
Inventories	8,067
Trade receivables	245
Amount due from the Group	6,750
Other receivables	5,059
Tax recoverable	274
Bank balances and cash	4,116
Trade payables	(154)
Other payables	(9,565)
Amount due to the Group	(21,370)
Lease liabilities	(33,713)
Deferred tax liabilities	(3,741)
	25,311

The fair value of trade receivables at the date of acquisition amounted to HK\$245,000. The gross contractual amounts of those trade receivables acquired amounted to HK\$245,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected is nil.

綜合財務報告附註
Notes to the Consolidated Financial Statements

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

30. 收購附屬公司 (續)

已轉讓代價：

		千港元 HK\$'000
現金	Cash	24,630

因收購而產生之商譽：

		千港元 HK\$'000
已轉讓代價	Consideration transferred	24,630
加：於聯營公司之權益	Plus: interests in associates	24,108
加：非控股權益	Plus: non-controlling interests	9,871
減：已收購淨資產	Less: net assets acquired	(25,311)
因收購而產生之商譽	Goodwill arising on acquisition	33,298

本集團先前所持河北大麥股本權益重新計量至公允值，於收購日期之公允值為24,108,000港元，屬於非現金交易。

因河北大麥增資，本集團聯營公司當時之現有權益曾由38.58%一度被攤薄至30.78%，加上新認購的實繳資本及收購河北大麥之額外權益後，本集團所持河北大麥股權增加至61%。

於收購日期確認之河北大麥非控股權益(39%)乃按非控股權益攤佔河北大麥可識別資產淨值已確認金額之比例計算。

30. ACQUISITION OF SUBSIDIARIES

(Continued)

Consideration transferred:

		千港元 HK\$'000
Cash	Cash	24,630

Goodwill arising on acquisition:

		千港元 HK\$'000
Consideration transferred	Consideration transferred	24,630
Plus: interests in associates	Plus: interests in associates	24,108
Plus: non-controlling interests	Plus: non-controlling interests	9,871
Less: net assets acquired	Less: net assets acquired	(25,311)
Goodwill arising on acquisition	Goodwill arising on acquisition	33,298

The Group's previously held equity interest in 河北大麥 is remeasured to fair value amounting to HK\$24,108,000 at the acquisition date which is a non-cash transaction.

The Group's then existing interests in associates had once been diluted from 38.58% to 30.78%, as a result of increase in paid-up capital of 河北大麥, and together with the newly subscribed paid-up capital and acquisition of additional interest of 河北大麥, the equity interest in 河北大麥 held by the Group increased to 61%.

The non-controlling interests (39%) in 河北大麥 recognised at acquisition date was measured at the non-controlling interests' proportionate share of the recognised amounts of the identifiable net assets of 河北大麥.

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30. 收購附屬公司 (續)

於收購日期就於聯營公司之權益之公允值重新計量並無大幅收益或虧損。此外，就合併支付之代價實際上包括與河北大麥預期協同效應、營業額增長、未來市場發展及集合之人員有關之裨益金額。由於該等裨益不符合可識別無形資產之確認條件，因此並無與商譽分開確認。是項收購產生之商譽預期不可扣稅。

收購產生之淨現金流出：

以現金支付之代價
減：所收購銀行結餘及現金

30. ACQUISITION OF SUBSIDIARIES

(Continued)

There is no significant gain or loss on remeasurement of fair value of interests in associates on date of acquisition. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of 河北大麥. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill arising from this acquisition is not expected to be deductible for tax purposes.

Net cash outflows arising on acquisition:

	千港元 HK\$'000
Consideration paid in cash	24,630
Less: bank balances and cash acquired	(4,116)
	20,514

收購對本集團業績之影響

截至二零二零年十二月三十一日止年度純利包括河北大麥之業務營運應佔虧損25,444,000港元。截至二零二零年十二月三十一日止年度之營業額包括河北大麥產生之48,275,000港元。

假設收購於二零二零年一月一日完成，本集團截至二零二零年十二月三十一日止年度之營業額將為10,779,686,000港元，而本集團截至二零二零年十二月三十一日止年度之純利將為402,178,000港元。備考資料僅供說明之用，並非表示若收購於二零二零年一月一日完成而將會實際錄得之本集團營業額及營運業績之指標，亦非未來業績之預測。

Impacts of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2020, loss amounting of HK\$25,444,000 was attributable to the business operation from 河北大麥. Revenue for the year ended 31 December 2020 included HK\$48,275,000 which was generated from 河北大麥.

Had the acquisition been completed on 1 January 2020, revenue for the year ended 31 December 2020 of the Group would have been HK\$10,779,686,000, and profit for the year ended 31 December 2020 of the Group would have been HK\$402,178,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2020, nor is it intended to be a projection of future results.

綜合財務報告附註
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截至二零二一年十二月三十一日止年度 For the year ended 31 December 2021

31. 出售附屬公司

截至二零二一年十二月三十一日止年度

- (a) 於二零二一年七月十六日，葉氏恒昌(集團)有限公司(本公司之間接全資附屬公司)與一名獨立第三方(「買方」)訂立買賣協議出售大勇投資有限公司(「大勇」)之全部股本及轉讓股東貸款，總代價為約282,682,000港元(代價可予調整)。大勇之主要資產為位於香港被稱為「葉氏化工大廈」的投資物業。大勇之股份已於二零二一年七月十六日轉讓予買方。

大勇於出售日期之淨資產如下：

		千港元 HK\$'000
投資物業	Investment property	278,000
貿易及其他應收款項	Trade and other receivables	190
貿易及其他應付款項	Trade and other payables	(38)
遞延稅項負債	Deferred tax liabilities	(2,471)
已出售淨資產	Net assets disposed of	<u>275,681</u>

出售附屬公司之收益：

		千港元 HK\$'000
已收代價	Consideration received	282,682
減：已出售淨資產	Less: Net assets disposed of	(275,681)
交易成本	Transaction costs	(3,733)
出售收益	Gain on disposal	<u>3,268</u>

31. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2021

- (a) On 16 July 2021, the Yip's H.C. (Holding) Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party ("Purchaser") to dispose of the entire share capital of Big Youth Investments Limited ("Big Youth") and assignment of shareholder loan for an aggregate consideration of approximately HK\$282,682,000, subject to consideration adjustment. The major asset of Big Youth is an investment property known as Yip's Chemical Building located in Hong Kong. The shares of Big Youth have been transferred to the Purchaser on 16 July 2021.

The net assets of Big Youth at the date of disposal were as follows:

	千港元 HK\$'000
Investment property	278,000
Trade and other receivables	190
Trade and other payables	(38)
Deferred tax liabilities	(2,471)
Net assets disposed of	<u>275,681</u>

Gain on disposal of subsidiaries:

	千港元 HK\$'000
Consideration received	282,682
Less: Net assets disposed of	(275,681)
Transaction costs	(3,733)
Gain on disposal	<u>3,268</u>

綜合財務報告附註
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截至二零二一年十二月三十一日止年度 For the year ended 31 December 2021

31. 出售附屬公司 (續)

截至二零二一年十二月三十一日止年度 (續)

- (b) 於二零二一年六月二十八日，本集團訂立協議向一名非控股股東出售於德慶華彩合成樹脂有限公司（「德慶華彩」）之60%股權，總現金代價為人民幣34,000,000元（相當於約40,824,000港元）。是項交易已於二零二一年七月完成。

德慶華彩於出售日期之淨資產如下：

31. DISPOSAL OF SUBSIDIARIES

(Continued)

For the year ended 31 December 2021 (Continued)

- (b) On 28 June 2021, the Group entered into an agreement to dispose of the 60% equity interest in 德慶華彩合成樹脂有限公司（“德慶華彩”），to a non-controlling shareholder at a total cash consideration of RMB34,000,000 (equivalent to approximately HK\$40,824,000). The transaction was completed on July 2021.

The net assets of 德慶華彩 at the date of disposal were as follows:

		千港元 HK\$'000
物業、廠房及設備	Property, plant and equipment	21,080
存貨	Inventories	13,646
貿易及其他應收款項	Trade and other receivables	40,391
銀行結餘及現金	Bank balances and cash	29,543
應收同系附屬公司款項	Amounts due from fellow subsidiaries	16,517
應付一間同系附屬公司款項	Amount due to a fellow subsidiary	(39,484)
貿易及其他應付款項	Trade and other payables	(11,573)
應付稅款	Tax payables	(767)
已出售淨資產	Net assets disposed of	<u>69,353</u>

綜合財務報告附註
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截至二零二一年十二月三十一日止年度 For the year ended 31 December 2021

31. 出售附屬公司 (續)

截至二零二一年十二月
三十一日止年度 (續)

(b) (續)

	千港元 HK\$'000
出售附屬公司之虧損：	Loss on disposal of subsidiaries:
已收及應收代價	Consideration received and receivable 40,824
加：非控股權益	Add: Non-controlling interest 27,597
減：已出售淨資產	Less: Net assets disposed of (69,353)
出售虧損	Loss on disposal (932)
出售產生之淨現金流入：	Net cash inflow arising on disposal:
已收現金代價	Cash consideration received 36,021
已出售銀行結餘及現金	Bank balances and cash disposed of (29,543)
	6,478

截至二零二零年十二月
三十一日止年度

(c) 於二零二零年十月十五日，本集團訂立買賣協議向一名獨立第三方出售其於間接全資附屬公司Hang Cheung Petrochemical (International) Limited之全部股權。於截至二零二零年十二月三十一日止年度，本集團收取總現金代價約為1,500,000港元。

Hang Cheung Petrochemical (International) Limited於出售日期之淨資產為零。於截至二零二零年十二月三十一日止年度，已確認收益1,500,000港元。

31. DISPOSAL OF SUBSIDIARIES

(Continued)

For the year ended 31 December
2021 (Continued)

(b) (Continued)

	千港元 HK\$'000
出售附屬公司之虧損：	Loss on disposal of subsidiaries:
已收及應收代價	Consideration received and receivable 40,824
加：非控股權益	Add: Non-controlling interest 27,597
減：已出售淨資產	Less: Net assets disposed of (69,353)
出售虧損	Loss on disposal (932)
出售產生之淨現金流入：	Net cash inflow arising on disposal:
已收現金代價	Cash consideration received 36,021
已出售銀行結餘及現金	Bank balances and cash disposed of (29,543)
	6,478

For the year ended 31 December
2020

(c) On 15 October 2020, the Group entered into sales and purchase agreement to dispose of the entire equity interest of its indirectly wholly-owned subsidiary, Hang Cheung Petrochemical (International) Limited, to an independent third party. The Group received the total cash consideration of approximately HK\$1,500,000 during the year ended 31 December 2020.

The net assets of Hang Cheung Petrochemical (International) Limited at the date of disposal was nil. A gain amounting to HK\$1,500,000 was recognised during the year ended 31 December 2020.

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

32. 資本風險管理

本集團管理其資本以確保通過優化債務與權益平衡，使本集團旗下公司能夠持續經營，並為股東爭取最高回報。本集團整體策略與過往年度相同。

本集團之資本結構包括債務，主要為於附註27披露之借貸及本公司股東應佔權益(含已發行股本及儲備(包括保留溢利))。

本公司董事定期審閱資本結構。作為審閱一部分，董事考慮資本成本及與資本有關之風險。按董事建議，本集團通過派付股息、發行新股及發行新債或者贖回現有債項，以平衡本集團整體資本結構。

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which mainly include the borrowings disclosed in note 27, and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts or the redemption of existing debts.

綜合財務報告附註
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33. 金融工具

金融工具類別

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
金融資產	Financial assets		
按攤銷成本計量	At amortised cost	5,444,927	4,107,770
按公允值計入損益	At FVTPL	137,459	–
按公允值計入其他全面 收益	At FVTOCI		
– 指定為按公允值計入 其他全面收益之權益 工具	– equity instrument designated at FVTOCI	15,035	19,083
– 按公允值計入其他全 面收益之債務工具	– debt instrument at FVTOCI	18,351	62,369
衍生金融工具	Derivative financial instruments		
– 指定為對沖工具	– designated as hedging instruments	524	–
– 非對沖工具	– non-hedging instruments	8,197	–
金融負債	Financial liabilities		
按攤銷成本計量之 金融負債	Financial liabilities at amortised cost	5,006,871	3,637,494
衍生金融工具	Derivative financial instruments		
– 指定為對沖工具	– designated as hedging instruments	2,730	9,232
– 非對沖工具	– non-hedging instruments	–	284

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

33. 金融工具 (續)

財務風險管理目標與政策

本集團金融工具包括貿易應收款項、其他應收賬款、衍生金融工具、短期銀行存款、銀行結餘及現金、按公允值計入其他全面收益之金融資產、按公允值計入損益之金融資產、按公允值計入其他全面收益之債務工具、應付賬款及其他應付款項、租賃負債以及借貸。該等金融工具詳情於各附註披露。與該等金融工具相關之風險包括市場風險(外匯風險、利率風險及其他價格風險)、信貸風險及流動資金風險。降低該等風險之政策載列如下。管理層管理及監控該等風險，以確保及時有效地採取適當措施。本集團所面對之市場風險或其管理及計量該風險之方式概無重大變動。

市場風險

外匯風險

本公司若干附屬公司以外幣進行銷售及採購、有外幣銀行結餘及銀行借貸，令本集團面對外匯風險。本集團約40% (二零二零年：20%)之銷售以進行銷售之相關集團公司之功能貨幣以外之貨幣定值，而差不多92% (二零二零年：85%)之採購以相關集團公司之功能貨幣定值。

本集團以外幣定值之貨幣資產及負債包括貿易應收款項及其他應收款項、銀行結餘、貿易應付賬款及銀行借貸。於報告期末之賬面金額於附註21、23、24及27披露。

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other debtors, derivative financial instruments, short-term bank deposits, bank balances and cash, financial asset at FVTOCI, financial assets at FVTPL, debt instrument at FVTOCI, creditors and other payables, lease liabilities and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no significant change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

Market risk

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, bank balances and bank borrowings which expose the Group to foreign currency risk. Approximately 40% (2020: 20%) of the Group's sales are denominated in currencies other than the functional currency of the relevant group entities making the sale, whilst almost 92% (2020: 85%) of purchases are denominated in the relevant group entities' functional currency.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities including trade receivables and other debtors, bank balances, trade creditors and bank borrowings at the end of the reporting period are disclosed in notes 21, 23, 24 and 27.

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

市場風險 (續)

外匯風險 (續)

敏感度分析

本集團主要面對美元、人民幣及港元之外匯風險。下表詳述各集團公司之功能貨幣兌相關外幣升跌5% (二零二零年：5%) 之本集團敏感度。5% (二零二零年：5%) 為管理層對外匯匯率可能出現之合理變動評估所採用之敏感度比率。敏感度分析僅包括尚未結算以外幣定值之貨幣項目，並於期末按外匯匯率5% (二零二零年：5%) 變動調整其換算。敏感度分析包括貿易應收款項、銀行結餘、應付賬款及借貸。下列正數指功能貨幣兌相關外幣轉強5% (二零二零年：5%) 時，除稅後溢利就淨負債而有所增加，反之亦然。當功能貨幣兌相關外幣轉弱5% (二零二零年：5%) 時，將對除稅後溢利有同等相反影響。

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to currency risk of USD, RMB and HK\$. The following table details the Group's sensitivity to a 5% (2020: 5%) increase and decrease in functional currency of respective group entities against the relevant foreign currencies. 5% (2020: 5%) is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2020: 5%) change in foreign currency rates. The sensitivity analysis includes trade receivables, bank balances, creditors as well as borrowings. A positive number below indicates an increase in profit after taxation where functional currency strengthens 5% (2020: 5%) against the relevant foreign currency for net liability position and vice versa. For a 5% (2020: 5%) weakening of functional currency against the relevant foreign currency, there would be an equal and opposite impact on the profit after taxation.

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
美元	USD	(10,100)	(9,492)
人民幣	RMB	(6,428)	(1,350)
港元	HK\$	7,749	12,977
日圓	JPY	-	(193)

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

市場風險 (續)

外匯風險 (續)

敏感度分析 (續)

本集團亦面對關於應收／應付集團公司款項之外匯風險，該等款項以相關集團公司功能貨幣以外之貨幣定值。當有關集團實體功能貨幣兌相關外幣轉強5% (二零二零年：5%) 時，本集團除稅後溢利將減少19,033,000港元 (二零二零年：23,018,000港元)，且匯兌儲備將增加7,846,000港元 (二零二零年：8,128,000港元)，反之亦然。

管理層認為，由於年末風險並不反映年內風險，故敏感度分析並不代表內在外匯風險。

利率風險

本集團面對與定息銀行存款、銀行借貸 (該等借貸詳情見附註27) 及租賃負債 (詳情見附註26) 有關之公允值利率風險。然而，因銀行存款及大部分定息銀行貸款將於一年內到期，故管理層認為此項風險對本集團而言並不重大。

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

The Group is also exposed to currency risk in respect of amounts due from/to group entities, which are denominated in currencies other than the functional currency of the relevant group entities. When the functional currency of relevant group entities strengthens 5% (2020: 5%) against the relevant foreign currency, profit after taxation of the Group will decrease by HK\$19,033,000 (2020: HK\$23,018,000) and the translation reserve will increase by HK\$7,846,000 (2020: HK\$8,128,000) and vice versa.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits, bank borrowings (see note 27 for details of these borrowings) and lease liabilities (see note 26 for details). However, since the bank deposits and the majority of the fixed-rate bank loans will mature within one year, the management considers the risk is insignificant to the Group.

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

33. 金融工具 (續)**財務風險管理目標與政策** (續)**市場風險** (續)**利率風險** (續)

本集團亦面對與按現行市場存款利率計息之銀行存款及浮息銀行貸款(詳情見附註23及27)有關之現金流量利率風險。衍生金融工具的使用受本集團董事會所批准之政策所規管，該等政策提供有關利率風險及衍生金融工具之使用之書面準則。本集團為初始到期期限為兩年或以上之銀行貸款通過維持固定及浮動利率的適當組合以管理有關風險。本集團按照本集團的風險管理政策就浮動利率計息的若干銀行貸款運用利率掉期合約以對沖利率風險實現合適之組合。本集團定期評估對沖活動以符合利率的展望及既定風險胃納，確保採用最為成本有效的對沖策略。

33. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies** (Continued)**Market risk** (Continued)**Interest rate risk** (Continued)

The Group is also exposed to cash flow interest rate risk in relation to bank deposits carried interest at prevailing market deposit rate and floating-rate bank loans (see notes 23 and 27 for details). The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on interest rate risk and the use of financial derivatives. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate for bank loans with initial maturity period of two years or more. The Group uses interest rate swap contracts to hedge interest rate risk for certain bank loans carrying interest rate at floating rate in order to achieve the appropriate mix in accordance with the Group's risk management policy. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

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

33. 金融工具 (續)

財務風險管理目標與政策 (續)

市場風險 (續)

利率風險 (續)

利率掉期合約乃指定為有效之對沖工具，並已使用對沖會計法（詳情見附註22）。根據利率掉期合約，本集團同意交換固定與浮動利率款項（按協定名義本金額計算）的差額。該等合約可令本集團減少利率變動風險及現金流量風險。由於利率掉期合約的主要條款與其相應的被對沖項目相同，因此本集團對有效性進行定性評估，並預期利率掉期合約價值及相應被對沖項目的價值將因相關利率變動而系統性地反向變動。該等對沖關係中對沖無效的主要來源為交易對方及本集團自身之信貸風險對利率掉期合約公允值之影響，而該影響並未反映於受利率變動影響之被對沖項目公允值。該等對沖關係概無浮現其他無效對沖來源。

以浮息款項交換定息款項的利率掉期合約，一律列為現金流對沖，以減少本集團因銀行貸款的可變利率而面臨的現金流量風險。利率掉期及貸款的利息付款同時發生，權益內所累計的金額，在債務浮息付款影響損益的期間重新分類至損益。

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Interest rate swap contracts are designated as effective hedging instruments and hedge accounting is used (see note 22 for details). Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates and the cash flows exposures. As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on bank loans. The interest rate swap and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

市場風險 (續)

利率風險 (續)

本集團之現金流量利率風險主要集中在銀行結餘之利率及與本集團之港元定值借貸有關之香港銀行同業拆息波動。

正在全球範圍內對主要利率基準進行根本性改革，包括以其他近似無風險利率取代若干銀行同業拆息（「銀行同業拆息」）。本集團擬就其於香港的銀行借貸及利率掉期合約繼續使用香港銀行同業拆息。

由於銀行結餘之現行市場利率波動，故本集團之銀行結餘面對現金流量利率風險。本公司董事認為，由於計息銀行結餘於短期內到期，故本集團原到期日為三個月以內之短期銀行存款及銀行結餘所面對之利率風險並不重大，故不包括於敏感度分析內。

敏感度分析

下列敏感度分析乃基於報告期末為非衍生工具面對之利率風險釐定。就銀行借貸而言，分析之編製假設乃於報告期末未結算之負債款項於全期均未結算。所採用之100個基點（二零二零年：100個基點）升跌乃管理層對利率合理可能變動之評估。

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and HIBOR arising from the Group's HK\$ denominated borrowings.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates. The Group intends to continue using HIBOR for its bank borrowings and interest rate swap contracts in Hong Kong.

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors of the Company consider the Group's exposure of the short-term bank deposits with original maturity of less than three months and bank balances to interest rate risk is not significant as interest bearing bank balances are within short maturity period and thus it is not included in sensitivity analysis.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For bank borrowings, the analysis is prepared assuming the amount of liabilities outstanding at the end of the reporting period were outstanding for the whole period. A 100 basis points (2020: 100 basis points) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

市場風險 (續)

利率風險 (續)

敏感度分析 (續)

倘計息借貸(不包括現金流對沖下之銀行貸款336,250,000港元(二零二零年: 517,500,000港元))利率上升/下跌100個基點(二零二零年: 100個基點), 而所有其他變數不變, 則截至二零二一年十二月三十一日止年度之除稅後溢利將減少/增加約12,555,000港元(二零二零年: 減少/增加約6,615,000港元)。此主要歸因於本集團承受浮息借貸之利率風險, 於報告期末並無對沖所承受之現金流量利率風險。

其他價格風險

本集團因於權益工具、非上市投資基金及債務工具之投資而面對價格風險。本集團基於長期策略目的而投資已指定為按公允值計入其他全面收益之無報價權益投資。本集團設有專責團隊監控價格風險, 並將於有需要時考慮對沖所面對之風險。

敏感度分析

敏感度分析乃基於報告日期所面對之債務或權益價格風險釐定。

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Sensitivity analysis (Continued)

If interest rates on interest bearing borrowings (excluding bank loans under cash flow hedges of HK\$336,250,000 (2020: HK\$517,500,000)) had been 100 basis points (2020: 100 basis points) higher/lower and all of other variables were held constant, the profit after taxation for the year ended 31 December 2021 would decrease/increase by approximately HK\$12,555,000 (2020: decrease/increase by approximately HK\$6,615,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings which are not hedged against their exposures to cash flow interest rate risk at the end of the reporting period.

Other price risk

The Group is exposed to price risk through its investments in equity instruments, unlisted investment funds and debt instrument. The Group invested in unquoted equity investments for long term strategic purposes which had been designated as FVTOCI. The Group has a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to debt or equity price risk at the reporting date.

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

33. 金融工具 (續)**財務風險管理目標與政策 (續)****市場風險 (續)****利率風險 (續)****敏感度分析 (續)**

於二零二一年十二月三十一日，倘按公允值計入其他全面收益之債務工具的價格上升／下跌5%，則本集團於二零二一年十二月三十一日之投資重估儲備將增加／減少918,000港元（二零二零年：3,118,000港元）。倘按公允值計入損益之金融資產的價格上升／下跌5%，則本集團於截至二零二一年十二月三十一日止年度之稅前溢利將增加／減少6,873,000港元（二零二零年：無）。倘非上市權益工具的市銷率上升／下跌10%（二零二零年：10%），則本集團於二零二一年十二月三十一日之投資重估儲備將增加／減少1,503,000港元（二零二零年：1,908,000港元）。

信貸風險及減值評估

信貸風險指因本集團之交易方違反彼等之合約責任而導致本集團蒙受財務損失之風險。本集團面對之信貸風險主要來自貿易應收款項、其他應收賬款、短期銀行存款、銀行結餘及按公允值計入其他全面收益之債務工具（二零二零年：貿易應收款項、其他應收賬款、短期銀行存款、銀行結餘及按公允值計入其他全面收益之債務工具）。除若干貿易應收款項結算獲聲譽良好之金融機構所發行之票據支持外，本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關信貸風險提供保障。

本集團對金融資產進行減值評估。有關本集團之信貸風險管理、所面對之最高信貸風險及相關減值評估（如適用）的資料概述如下：

33. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies (Continued)****Market risk (Continued)****Interest rate risk (Continued)****Sensitivity analysis (Continued)**

As at 31 December 2021, if the price of the debt instrument at FVTOCI had been 5% higher/lower, the Group's investment revaluation reserve as at 31 December 2021 would increase/decrease by HK\$918,000 (2020: HK\$3,118,000). If the price of the financial assets at FVTPL had been 5% higher/lower, the Group's pre-tax profit for the year ended 31 December 2021 would increase/decrease by HK\$6,873,000 (2020: Nil). If the price to sales ratio of the unlisted equity instruments had been 10% (2020: 10%) higher/lower, the Group's investment revaluation reserve as at 31 December 2021 would increase/decrease by HK\$1,503,000 (2020: HK\$1,908,000).

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other debtors, short-term bank deposits, bank balances and debt instrument at FVTOCI (2020: trade receivables, other debtors, short-term bank deposits, bank balances and debt instrument at FVTOCI). The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that settlement of certain trade receivables are backed by bills issued by reputable financial institutions.

The Group performed impairment assessment for financial assets. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險及減值評估 (續)

本集團之內部信貸風險評級包括以下類別：

內部信貸評級	說明	貿易應收款項	貿易應收款項 以外之金融資產 Financial assets other than trade receivables
Internal credit rating	Description	Trade receivables	
低風險	交易方之違約風險低且債務人有時於到期日後償付但通常悉數結算。	全期預期信貸損失 – 並無出現信貸減值	12個月預期信貸損失
Low risk	The counterparty has a low risk of default and the debtors sometimes repay after due dates but usually settle in full.	Lifetime ECL – not credit-impaired	12m ECL
監察名單	債務人經常逾期償付，但有合理且具理據支持之資料。	全期預期信貸損失 – 並無出現信貸減值	12個月預期信貸損失
Watch list	Debtors frequently repay after due dates but with reasonable and supportable information.	Lifetime ECL – not credit-impaired	12m ECL
存疑	逾期還款，並無任何合理且具理據支持之資料。自以內部或外部資源所得資料進行初始確認以來，信貸風險已顯著增加。	全期預期信貸損失 – 並無出現信貸減值	全期預期信貸損失 – 並無出現信貸減值
Doubtful	Overdue without any reasonable and supportable information. There have been significant increases in credit risk since initial recognition through information developed internally or externally resources.	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
損失	有證據顯示資產出現信貸減值。	全期預期信貸損失 – 已出現信貸減值	全期預期信貸損失 – 已出現信貸減值
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
註銷	有證據顯示債務人陷入嚴重財困，本集團並無收回款項之實際願景。	款項已被註銷	款項已被註銷
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

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

33. 金融工具 (續)**財務風險管理目標與政策 (續)****信貸風險及減值評估 (續)****客戶合約所產生之貿易應收款項**

貿易應收款項包括分佈於不同行業及地區之大量客戶。為盡量減低信貸風險，本集團管理層任命專責人員制定信貸額度、信貸審批及其他監控程序，以確保作出跟進行動收回逾期債務。

本集團僅接納由信譽良好之中國銀行發行或擔保之票據。於二零二一年十二月三十一日，從貿易客戶收取的票據約為2,384,600,000港元(二零二零年：1,650,402,000港元)。本公司董事認為該等貿易應收款項的預期信貸損失並不重大，原因是相關銀行乃由中國信貸評級機構所出具較高信貸評級之信譽良好之銀行。就此而言，本公司董事認為本集團之信貸風險已顯著降低。

此外，本集團根據預期信貸損失模型就並不受票據支持的貿易應收款項個別或按集體基準進行減值評估。除出現信貸減值之貿易應收款項獲個別評估預期信貸損失外，本集團對其餘下客戶應用內部信貸評級。債務人根據本集團內部信貸評級及參考還款歷史及到期狀態按共同信貸風險特性進行分組。年內已確認減值淨額54,741,000港元(二零二零年：13,406,000港元)。

33. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)****Trade receivables arising from contracts with customers**

Trade receivables consist of a large number of customers, which spread across diverse industries and geographical areas. In order to minimise the credit risk, the management of the Group has delegated the responsible personnel for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The Group only accepts bills issued or guaranteed by reputable PRC banks. Bills received from trade customers amounted to approximately HK\$2,384,600,000 (2020: HK\$1,650,402,000) as at 31 December 2021. The directors of the Company consider the ECL for those trade receivables is insignificant because the relevant banks are reputable banks with high credit rating issued by credit rating agencies in the PRC. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In addition, the Group performs impairment assessment under ECL model on trade receivables not backed by bills individually or on collective basis. Except for trade receivables that are credit-impaired are assessed for ECL individually, the Group applies internal credit rating for its remaining customers. Debtors are grouped based on shared credit risk characteristics based on the Group's internal credit ratings, and by reference to repayment history and past due status. Net impairment of HK\$54,741,000 (2020: HK\$13,406,000) is recognised during the year.

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險及減值評估 (續)

客戶合約所產生之貿易應收款項 (續)

下表載列有關按集體基準評估於全期預期信貸損失(並無出現信貸減值)內貿易應收款項之信貸風險之資料。於二零二一年十二月三十一日總賬面金額為91,124,000港元(二零二零年:50,991,000港元)並已出現信貸減值之應收賬款獲個別評估。

於二零二一年十二月三十一日

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on collective basis within lifetime ECL (not credit-impaired). Debtors which are credit-impaired with gross carrying amounts of HK\$91,124,000 (2020: HK\$50,991,000) as at 31 December 2021 were assessed individually.

At 31 December 2021

		總賬面金額 Gross carrying amount 千港元 HK\$'000	平均損失率 Average loss rate	淨損失撥備 Net loss allowance 千港元 HK\$'000	賬面金額 Carrying amount 千港元 HK\$'000
內部信貸評級	Internal credit rating				
低風險	Low risk	2,194,819	0.09%	(2,060)	2,192,759
監察名單	Watch list	891	19.98%	(178)	713
存疑	Doubtful	12,547	48.53%	(6,089)	6,458
		2,208,257		(8,327)	2,199,930

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險及減值評估 (續)

客戶合約所產生之貿易應收款項 (續)

於二零二零年十二月三十一日

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

At 31 December 2020

		總賬面金額 Gross carrying amount 千港元 HK\$'000	平均損失率 Average loss rate	淨損失撥備 Net loss allowance 千港元 HK\$'000	賬面金額 Carrying amount 千港元 HK\$'000
內部信貸評級	Internal credit rating				
低風險	Low risk	1,817,679	0.13%	(2,382)	1,815,297
監察名單	Watch list	2,008	18.58%	(373)	1,635
存疑	Doubtful	12,659	45.05%	(5,703)	6,956
		<u>1,832,346</u>		<u>(8,458)</u>	<u>1,823,888</u>

估計損失率乃基於應收賬款預期年期內之歷史觀察違約率並就無需付出不必要成本或努力即可獲得之前瞻性資料估算。該等參考市場及行業數據的前瞻性資料由本集團管理層用於評估於報告日期之即期市況及預測市況指向。分組由本集團管理層定期審閱，以確保特定債務人之相關資料獲得更新。

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information that is available without undue cost or effort. Such forward-looking information with reference to market and industry data is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

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33. 金融工具 (續)

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信貸風險及減值評估 (續)

客戶合約所產生之貿易應收款項 (續)

下表顯示根據簡化方法已就貿易應收款項確認之全期預期信貸損失之變動。

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

		全期預期 信貸損失 (並無出現 信貸減值) Lifetime ECL (not credit- impaired) 千港元 HK\$'000	全期預期 信貸損失 (已出現信 貸減值) Lifetime ECL (credit- impaired) 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零二零年一月一日	As at 1 January 2020	14,860	40,070	54,930
轉入已出現信貸減值類別	Transfer to credit-impaired	(11,246)	11,246	-
確認減值淨虧損	Net impairment losses recognised	4,159	9,247	13,406
註銷為不可收回金額	Amounts written off as uncollectible	-	(13,078)	(13,078)
貨幣調整	Currency realignment	685	3,257	3,942
於二零二零年十二月三十一日	As at 31 December 2020	8,458	50,742	59,200
轉入已出現信貸減值類別	Transfer to credit-impaired	(2,113)	2,113	-
已確認減值淨虧損	Net impairment losses recognised	4,081	50,660	54,741
註銷為不可收回金額	Amounts written off as uncollectible	-	(19,300)	(19,300)
貨幣調整	Currency realignment	(99)	1,495	1,396
出售一間附屬公司	Disposal of a subsidiary	(2,000)	-	(2,000)
於二零二一年十二月三十一日	As at 31 December 2021	8,327	85,710	94,037

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險及減值評估 (續)

客戶合約所產生之貿易應收款項 (續)

當有資料顯示債務人陷入嚴重財困且並無收回款項之實際願景(例如債務人已在清盤或已進行破產程序,以較早發生者為準),則本集團註銷貿易應收款項。

下表詳列本集團其他金融資產之信貸風險,有關風險須接受預期信貸損失評估:

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings whichever occur earlier.

The table below details the credit risk exposures of the Group's other financial assets, which are subject to ECL assessment:

		外部信貸評級	內部信貸評級	12個月或	於二零二一年	於二零二零年
				全期預期	十二月三十一日	十二月三十一日
				信貸損失	之總賬面金額	之總賬面金額
					Gross carrying amount	Gross carrying amount
					as at	as at
		External credit rating	Internal credit rating	12m or lifetime ECL	31 December 2021	31 December 2020
					千港元	千港元
					HK\$'000	HK\$'000
按攤銷成本計量的金融資產	Financial assets at amortised cost					
短期銀行存款及銀行結餘	Short-term bank deposits and bank balances	A級或以上 A or above	不適用 N/A	12個月預期 信貸損失 12m ECL	758,317	565,302
其他應收款項	Other receivables	不適用 N/A	低風險 Low risk	12個月預期 信貸損失 12m ECL	96,666	67,929
按公允值計入其他全面收益之金融資產	Financial asset at FVTOCI					
按公允值計入其他全面收益之債務工具	Debt instrument at FVTOCI	不適用 N/A	不適用 N/A	12個月預期 信貸損失 12m ECL	18,351	62,369

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險及減值評估 (續)

短期銀行存款及銀行結餘

由於交易方為信譽良好且獲國際信貸評級機構給予高信貸評級之銀行，故短期銀行存款及銀行結餘之信貸風險有限。本集團藉參考外部信貸評級機構所發佈各信貸評級違約概率及違約損失之資料，評估短期銀行存款及銀行結餘之12個月預期信貸損失。本集團管理層認為，短期銀行存款及銀行結餘屬短期性質，基於其平均損失率，短期銀行存款及銀行結餘之12個月預期信貸損失被視為並不重大。

其他應收款項

就其他應收款項及按金而言，本公司董事依據歷史結算記錄、過往經驗以及合理且具理據支持之定量及定性前瞻性資料，定期對其他應收款項及按金之可收回性進行個別評估。本公司董事相信，該等款項之信貸風險自初始確認以來並無顯著增加且本集團根據12個月預期信貸損失計提減值撥備。截至二零二一年十二月三十一日止年度，已確認減值虧損6,118,000港元。截至二零二零年十二月三十一日止年度，本集團評估其他應收款項及按金之預期信貸損失並不重大，因此並無確認損失撥備。

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Short-term bank deposits and bank balances

Credit risk on short-term bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for short-term bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. The management of the Group considers the short-term bank deposits and bank balances are short-term in nature and based on the average loss rates, the 12m ECL on short-term bank deposits and bank balances is considered to be insignificant.

Other receivables

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2021, impairment loss amount of HK\$6,118,000 was recognised. For the year ended 31 December 2020, the Group assessed the ECL for other receivables and deposits were insignificant and thus no loss allowance was recognised.

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33. 金融工具 (續)**財務風險管理目標與政策 (續)****信貸風險及減值評估 (續)****按公允值計入其他全面收益之債務工具**

本集團於債務工具之投資包括一間其股票於深圳交易所上市的公司發行的本金金額為人民幣50,000,000元(相當於59,545,000港元)的上市債券，合約利率為6.95%。截至二零二一年十二月三十一日止年度，根據合理且具理據支持的前瞻性資料，按公允值計入其他全面收益之債務工具確認預期信貸損失撥備42,826,000港元(二零二零年：無)。

流動資金風險

為管理流動資金風險，本集團監控現金及現金等額之水平，將其維持於管理層認為合適之水平，為本集團業務融資，並減低現金流量波動之影響。管理層監控銀行借貸之使用情況及確保符合貸款契諾。

本集團依賴銀行貸款作為流動資金之主要來源。於二零二一年十二月三十一日，本集團未動用之可動用銀行信貸額度約為3,852,089,000港元(二零二零年：4,371,543,000港元)。

下表詳述本集團金融負債之餘下合約到期情況。就非衍生金融負債而言，該列表乃根據本集團須支付金融負債最早之日之非貼現現金流量編製。列表包括利息及本金現金流量。倘利息流量屬浮息，則非貼現金額按報告期之利率計算。按淨額基準結算之衍生工具呈報其非貼現現金流出淨額情況。

33. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)****Debt instrument at FVTOCI**

The Group's investments in debt instrument comprise listed bond with principal amount of RMB50,000,000 (equivalent to HK\$59,545,000) with contractual interest rate at 6.95% issued by a company with its shares listed on the Shenzhen Stock Exchange. For the year ended 31 December 2021, the ECL loss allowance for debt instrument at FVTOCI of HK\$42,826,000 (2020: Nil) was recognised based on the reasonable and supportive forward-looking information.

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensure compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As at 31 December 2021, the Group had available unutilised bank facilities of approximately HK\$3,852,089,000 (2020: HK\$4,371,543,000).

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. For derivative instruments settled on a net basis, undiscounted net cash outflows are presented.

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33. 金融工具 (續)

財務風險管理目標與政策 (續)

流動資金風險 (續)

流動資金及利率風險表

33. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables

	加權平均利率	少於 一個月	一個月 至一年	一年以上	兩年以上	合約 非貼現現金 流量總額	賬面金額	
				但不超過 兩年	但不超過 五年			
	Weighted average interest rate	Less than 1 month	1 month to 1 year	1 year but less than 2 years	2 years but less than 5 years	Over 5 years	Total contractual undiscounted cash flows	Carrying amount
	厘 %	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零二一年十二月三十一日 At 31.12.2021								
非衍生金融負債及 租賃負債 and lease liabilities								
應付賬款及其他應付款項	不適用 N/A	744,956	2,112,040	-	-	-	2,856,996	2,856,996
借貸								
- 浮息	1.25	25,652	374,932	385,306	306,806	-	1,092,696	1,072,600
- 定息	2.56	251,534	605,417	112,335	128,462	-	1,097,748	1,077,275
租賃負債	4.51	3,327	33,608	26,000	45,619	54,279	162,833	134,568
		1,025,469	3,125,997	523,641	480,887	54,279	5,210,273	5,141,439
衍生工具 - 淨結算 Derivatives - net settlement								
利率掉期合約		321	2,080	892	224	-	3,517	2,730
於二零二零年十二月三十一日 At 31.12.2020								
非衍生金融負債及 租賃負債 and lease liabilities								
應付賬款及其他應付款項	不適用 N/A	643,960	1,369,047	-	-	-	2,013,007	2,013,007
借貸								
- 浮息	1.40	53,187	452,038	506,717	322,780	-	1,334,722	1,309,700
- 定息	1.96	115,187	91,040	65,970	48,484	-	320,681	314,787
租賃負債	4.51	2,965	28,868	24,731	30,885	18,850	106,299	92,283
		815,299	1,940,993	597,418	402,149	18,850	3,774,709	3,729,777
衍生工具 - 淨結算 Derivatives - net settlement								
利率掉期合約		588	4,956	2,618	1,283	-	9,445	9,232
外匯遠期合約		-	284	-	-	-	284	284
		588	5,240	2,618	1,283	-	9,729	9,516

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33. 金融工具 (續)

金融工具之公允值計量

本集團部分金融資產及金融負債於各報告期末按公允值計量。本公司董事釐定公允值計量之適當估值技術及輸入數據。在估計公允值時，本公司董事盡可能使用現有可觀察市場數據。

下表提供有關如何釐定該等金融資產及金融負債之公允值(尤其是所使用之估值技術及輸入數據)，以及公允值計量基於公允值計量輸入數據之可觀察程度分類之公允值級別(第一至三級)之資料。

33. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The directors of the Company determine the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value, the directors of the Company use market-observable data to the extent it is available.

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

金融資產/金融負債 Financial assets/ financial liabilities	於下列日期之公允值 Fair value as at		級別 Hierarchy	公允值估值技術及主要輸入數據 Fair value valuation techniques and key input(s)	重大無法觀察輸入數據 Significant unobservable inputs
	二零二一年十二月三十一日 31.12.2021	二零二零年十二月三十一日 31.12.2020			
按公允值計入其他全面收益之債務工具 Debt instrument at FVTOCI	18,351,000港元 HK\$18,351,000	62,369,000港元 HK\$62,369,000	第一級 Level 1	一個活躍市場之報價。 Quoted price in an active market.	不適用 N/A
分類為衍生金融工具之利率掉期合約 Interest rate swap contracts classified as derivative financial instruments	資產(根據對沖會計法) - 524,000港元 負債(根據對沖會計法) - 2,730,000港元 Assets (under hedge accounting) - HK\$524,000 Liabilities (under hedge accounting) - HK\$2,730,000	資產(根據對沖會計法) - 無 負債(根據對沖會計法) - 9,232,000港元 Assets (under hedge accounting) - Nil Liabilities (under hedge accounting) - HK\$9,232,000	第二級 Level 2	貼現現金流。未來現金流乃基於遠期利率 (從報告期末之可觀察收益率曲線得出) 及已訂約利率估計，按反映交易方及本 集團(倘適用)信貸風險之貼現率貼現。 Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate reflects the credit risk of the counter-parties and of the Group as appropriate.	不適用 N/A

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33. 金融工具 (續)

金融工具之公允值計量

(續)

金融資產/金融負債 Financial assets/ financial liabilities	於下列日期之公允值		級別 Hierarchy	公允值估值技術及主要輸入數據 Fair value valuation techniques and key input(s)	重大無法觀察輸入數據 Significant unobservable inputs
	二零二一年十二月三十一日 31.12.2021	二零二零年十二月三十一日 31.12.2020			
外匯遠期合約	資產(並非根據對沖會計法) - 8,197,000港元	負債(並非根據對沖會計法) - 284,000港元	第二級	貼現現金流。未來現金流乃基於遠期貨幣匯率及市場利率(從報告期末之可觀察收益率曲線得出)及已訂約外匯匯率及市場利率(按適用貼現率貼現,已計及交易方及本集團(倘適用)之信貸風險)估計。	不適用
Foreign exchange forward contracts	Assets (not under hedge accounting) - HK\$8,197,000	Liabilities (not under hedge accounting) - HK\$284,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward currency exchange rate and market interest rate (from observable yield curves at the end of the reporting period) and contracted foreign currency exchange rate and market interest rate, discounted at an applicable discount rate taking into account the credit risk of the counter-parties and of the Group as appropriate.	N/A
按公允值計入損益之金融資產 - 非上市投資基金 Financial assets at FVTPL - unlisted investment funds	27,931,000港元 HK\$27,931,000	無 Nil	第二級 Level 2	來自近期投資交易市場價值之公允值。 Fair value derived from market value of recent investment transactions.	不適用 N/A
按公允值計入損益之金融資產 - 上市股本證券	6,678,000港元 HK\$6,678,000	無 Nil	第三級 Level 3	一個活躍市場之報價,就缺乏市場流通性而予以調整。 Quoted price in an active market adjusted for consideration of lack of marketability.	缺乏市場流通性折扣。缺乏市場流通性折扣愈低,公允值愈高,反之亦然。 Discount on lack of marketability. The lower the discount on lack of marketability the higher the fair value and vice versa.

33. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

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33. 金融工具 (續)

金融工具之公允值計量

(續)

金融資產/金融負債 Financial assets/ financial liabilities	於下列日期之公允值		級別 Hierarchy	公允值估值技術及主要輸入數據 Fair value valuation techniques and key input(s)	重大無法觀察輸入數據 Significant unobservable inputs
	Fair value as at				
	二零二一年十二月三十一日 31.12.2021	二零二零年十二月三十一日 31.12.2020			
按公允值計入其他全面收益之金融資產 – 非上市股本投資 Financial asset at FVTOCI – unlisted equity investment	15,035,000港元 HK\$15,035,000	19,083,000港元 HK\$19,083,000	第三級 Level 3	管理層經參考行業市銷率估算得出之公允值。 Fair value derived by the management estimation with reference to the price to sales ratio of the industry.	市銷率。市銷率愈高，公允值愈高，反之亦然。 Price to sales ratio. The higher the price to sales ratio, the higher the fair value and vice versa
按公允值計入損益之金融資產 – 非上市投資基金 Financial asset at FVTPL – unlisted investment funds	102,850,000港元 HK\$102,850,000	無 Nil	第三級 Level 3	對每股或每單位的資產淨值應用市場流通性折扣。 Applying marketability discount to the net asset values per share or unit.	缺乏市場流通性折扣。缺乏市場流通性折扣愈低，公允值愈高，反之亦然。 Discount on lack of marketability. The lower the discount on lack of marketability the higher the fair value And vice versa.

年內第一、二及三級之間並無任何轉移。

There were no transfers between Level 1, 2 and 3 for both years.

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33. 金融工具 (續)

金融工具之公允值計量

(續)

第三級公允值計量之對賬

		按公允值計入 其他全面收益 之金融資產 Financial asset at FVTOCI 千港元 HK\$'000	按公允值 計入損益之 金融資產 Financial assets at FVTPL 千港元 HK\$'000
於二零二零年一月一日	At 1 January 2020	21,680	–
於其他全面收益確認之 公允值變動	Fair value change recognised in other comprehensive income	(2,597)	–
於二零二零年十二月 三十一日	At 31 December 2020	19,083	–
收購金融資產	Acquisition of financial assets	–	110,839
於其他全面收益確認之 公允值變動	Fair value change recognised in other comprehensive income	(4,048)	–
於損益確認之公允值 變動	Fair value change recognised in profit or loss	–	(1,722)
貨幣調整	Currency realignment	–	411
於二零二一年十二月 三十一日	At 31 December 2021	15,035	109,528

期內於其他全面收益確認之總公允值變動中，於報告期末持有之按公允值計入其他全面收益之金融資產之有關虧損為4,048,000港元(二零二零年：2,597,000港元)。

其他金融資產及金融負債之公允值乃按照基於貼現現金流分析之公認定價模型釐定。本公司董事認為，此等按攤銷成本記賬之金融資產及金融負債之賬面金額與公允值相若。

33. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements

		按公允值計入 其他全面收益 之金融資產 Financial asset at FVTOCI 千港元 HK\$'000	按公允值 計入損益之 金融資產 Financial assets at FVTPL 千港元 HK\$'000
於二零二零年一月一日	At 1 January 2020	21,680	–
於其他全面收益確認之 公允值變動	Fair value change recognised in other comprehensive income	(2,597)	–
於二零二零年十二月 三十一日	At 31 December 2020	19,083	–
收購金融資產	Acquisition of financial assets	–	110,839
於其他全面收益確認之 公允值變動	Fair value change recognised in other comprehensive income	(4,048)	–
於損益確認之公允值 變動	Fair value change recognised in profit or loss	–	(1,722)
貨幣調整	Currency realignment	–	411
於二零二一年十二月 三十一日	At 31 December 2021	15,035	109,528

Of the total fair value change for the period recognised in other comprehensive income, HK\$4,048,000 (2020: HK\$2,597,000) loss was related to financial asset at FVTOCI held at the end of the reporting period.

The fair values of other financial assets and financial liabilities are determined in accordance with general accepted pricing models based on discounted cash flow analysis. The directors of the Company consider that the carrying amounts of these financial assets and financial liabilities recorded at amortised cost approximate their fair values.

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33. 金融工具 (續)

涉及抵銷、可強制執行總互相抵銷安排及類似協議之金融資產及金融負債

本集團已進行利率掉期，並就有關交易與各家銀行簽訂國際掉期及衍生工具主協議（「ISDA協議」）。由於ISDA協議只會於違約、無力償債或破產時有權進行對銷，故本集團目前並無合法強制執行權對銷已確認之賬目，故該等衍生工具並無於綜合財務狀況表對銷。由於主淨額結算安排中涉及的金額並不重大，因此未提供進一步之披露。於二零二一年十二月三十一日之未償遠期外匯合約不受ISDA協議覆蓋。

33. FINANCIAL INSTRUMENTS (Continued)

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

The Group has entered interest rate swaps that are covered by the International Swaps and Derivatives Association Master Agreements (“ISDA Agreements”) signed with various banks. These derivative instruments are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts. No further disclosure is provided as the amounts involved in master netting arrangements are not significant. Outstanding forward exchange contract as at 31 December 2021 is not covered by ISDA Agreements.

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34. 融資業務所產生之 負債對賬

下表載列有關本集團融資業務所產生之負債變動詳情，包括現金及非現金變動。融資業務所產生之負債乃現金流曾於或未來將於本集團之綜合現金流量表內分類為「融資業務所產生之現金流」之負債。

34. 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.

		對沖衍生 金融投資 Hedge derivative financial investments	借貸 Borrowings	租賃負債 Lease liabilities	應付利息 Interest payable	應付股息 Dividend payable	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零二零年一月一日	At 1 January 2020	(3,285)	1,979,400	61,250	-	-	2,037,365
融資現金流	Financing cash flow	(3,184)	(354,913)	(38,209)	(44,325)	(131,478)	(572,109)
利息支出	Interest expense	3,184	-	-	45,047	-	48,231
已宣派股息	Dividends declared	-	-	-	-	131,478	131,478
對沖工具產生之淨調整	Net adjustment arising from hedging instruments	12,517	-	-	-	-	12,517
新增租賃負債	Addition on lease liabilities	-	-	29,792	-	-	29,792
收購附屬公司(附註30)	Acquisition of subsidiaries (note 30)	-	-	33,713	-	-	33,713
外匯匯率變動所產生之影響	Effect of foreign exchange rate changes	-	-	5,737	-	-	5,737
於二零二零年十二月三十一日	At 31 December 2020	9,232	1,624,487	92,283	722	-	1,726,724
融資現金流	Financing cash flow	(5,547)	525,388	(36,220)	(43,368)	(138,180)	302,073
利息支出	Interest expense	5,547	-	-	44,508	-	50,055
已宣派股息	Dividends declared	-	-	-	-	210,474	210,474
對沖工具產生之淨調整	Net adjustment arising from hedging instruments	(7,026)	-	-	-	-	(7,026)
新增租賃負債	Addition on lease liabilities	-	-	76,372	-	-	76,372
以股代息	Scrip dividend	-	-	-	-	(72,294)	(72,294)
外匯匯率變動所產生之影響	Effect of foreign exchange rate changes	-	-	2,133	-	-	2,133
於二零二一年十二月三十一日	At 31 December 2021	2,206	2,149,875	134,568	1,862	-	2,288,511

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35. 購股權計劃

於二零一二年五月二十五日，本公司股東在股東週年大會上批准採納新購股權計劃（「新購股權計劃」），同時終止本公司於二零零二年九月三日已採納之舊購股權計劃（「舊購股權計劃」）。在舊購股權計劃終止前根據舊購股權計劃授出之購股權將繼續有效並可根據舊購股權計劃之規則行使。新購股權計劃將於二零二二年五月二十四日到期以符合上市規則第十七章之條款。新購股權計劃之目的為表揚及激勵參與人士作出貢獻，並提供動力及直接經濟利益以達致本公司之長期業務目標。新購股權計劃之主要條款與舊購股權計劃相似，董事會可授出購股權予本集團任何合資格僱員，包括本公司或其附屬公司之董事、本集團之法律、財務、管理及技術顧問及諮詢人、主要客戶以及原料及機械供應商，以認購本公司之股份。授出之購股權之行使期自授出日期起計不得超過十年，且董事會於購股權可行使期內可對行使購股權實施限制。接納獲授之購股權時應支付1港元之象徵式代價。購股權股份之認購價須不少於以下三者之較高者：(i) 股份於授出日期之收市價；(ii) 股份於緊接授出日期前五個交易日之平均收市價；及(iii) 股份之面值。可授出之購股權所涉及之股份數目上限，不得超過於批准新購股權計劃當日本公司之已發行股本10%之面值金額。然而，因行使所有尚未行使購股權而可能發行之股份數目上限總數不得超過不時已發行股本之30%。在未獲得本公司股東事先批准之情況下，在任何一年內授予任何個人之購股權所涉及之股份數目，不得超過本公司不時已發行股份之1%。

35. SHARE OPTION SCHEME

On 25 May 2012, the shareholders of the Company at the annual general meeting approved the adoption of a new share option scheme (the "New Share Option Scheme") and the termination of the old share option scheme (the "Old Share Option Scheme") which was adopted by the Company on 3 September 2002. Options granted under the Old Share Option Scheme prior to such termination will continue to be valid and exercisable in accordance with the rules of the Old Share Option Scheme. The New Share Option Scheme will expire on 24 May 2022 in order to comply with the terms of Chapter 17 of the Listing Rules. The purpose of the New Share Option Scheme is to recognise and motivate the participants and to provide incentives and a direct economic interest in attaining the long term business objectives of the Company. The principal terms of the New Share Option Scheme are similar to those of the Old Share Option Scheme, the Board may grant options to any eligible employees of the Group, including directors of the Company or its subsidiaries, legal, financial, management and technical advisers and consultants, major customers and raw material and machinery suppliers of the Group, to subscribe for shares of the Company. The exercise period of options granted shall not be more than ten years from the date of grant and the Board may impose restrictions on the exercise of options during the period options may be exercised. A nominal consideration of HK\$1 is payable on acceptance of the grant of options. The subscription price of the option share is not less than the higher of (i) the closing price of the shares on the date of grant; (ii) the average closing prices of the shares on the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares. The maximum number of shares in respect of which options may be granted may not exceed in nominal amount of 10% of the issued share capital of the Company at the date of approval of the New Share Option Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding shares options must not exceed 30% of the issued share capital from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders.

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35. 購股權計劃 (續)

過往根據舊購股權計劃授出之購股權即時歸屬並將繼續有效，可根據舊購股權計劃之規則行使。

本公司購股權計劃下之尚未行使購股權於各報告期內之變動及其相關加權平均行使價概列如下：

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	授出日期
	Date of grant
新購股權計劃	二零一三年一月十一日
New Share Option Scheme	11.1.2013
可於年末行使	
Exercisable at the end of the year	
每股加權平均行使價	
Weighted average exercise price per share	

35. SHARE OPTION SCHEME (Continued)

The share options granted before under the Old Share Option Scheme vest immediately and will continue to be valid and exercisable in accordance with the rules of the Old Share Option Scheme.

A summary of the movements of the outstanding options and their related weighted average exercise prices during each of the reporting periods under the Company's share option scheme is as follows:

For the year ended 31 December 2021

		購股權數目		
		Number of share options		
		於二零二一年 一月一日 尚未行使 Outstanding at 1.1.2021	於二零二一年 十二月 三十一日 年內失效 Lapsed during the year	於二零二一年 十二月 三十一日 尚未行使 Outstanding at 31.12.2021
		港元 HK\$	港元 HK\$	港元 HK\$
行使價	5.942	3,600,000	-	3,600,000
可於年末行使				3,600,000
每股加權平均行使價		5.942	5.942	5.942

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35. 購股權計劃 (續)

截至二零二零年十二月三十一日止年度

35. SHARE OPTION SCHEME (Continued)

For the year ended 31 December 2020

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options		
			於二零二零年 一月一日 尚未行使 Outstanding at 1.1.2020	於二零二零年 十二月 三十一日 年內失效 Lapsed during the year	於二零二零年 十二月 三十一日 尚未行使 Outstanding at 31.12.2020
新購股權計劃 New Share Option Scheme	二零一三年一月十一日 11.1.2013	5.942	3,960,000	(360,000)	3,600,000
可於年末行使 Exercisable at the end of the year					3,600,000
			港元 HK\$	港元 HK\$	港元 HK\$
每股加權平均行使價 Weighted average exercise price per share		5.942	5.942	5.942	5.942

已包括於上表內董事所持購股權之詳情如下：

Details of the options held by the directors included in the above table are as follows:

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For the year ended 31 December 2021

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options		
			於二零二一年 一月一日 尚未行使 Outstanding at 1.1.2021	於二零二一年 十二月 三十一日 年內失效 Lapsed during the year	於二零二一年 十二月 三十一日 尚未行使 Outstanding at 31.12.2021
新購股權計劃 New Share Option Scheme	二零一三年一月十一日 11.1.2013	5.942	400,000	-	400,000

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35. 購股權計劃 (續)
截至二零二零年十二月
三十一日止年度

35. SHARE OPTION SCHEME (Continued)
For the year ended 31 December
2020

	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options		
			於二零二零年 一月一日 尚未行使 Outstanding at 1.1.2020	年內失效 Lapsed during the year	於二零二零年 十二月 三十一日 尚未行使 Outstanding at 31.12.2020
新購股權計劃 New Share Option Scheme	二零一三年一月十一日 11.1.2013	5.942	400,000	-	400,000

兩個年度內均無行使購股權。於年末尚未行使購股權之加權平均剩餘合約年期為1.03年(二零二零年：2.03年)。

No share options were exercised for both years. The options outstanding at the end of the year have a weighted average remaining contract life of 1.03 years (2020: 2.03 years).

兩個年度內均無授出購股權。

No share options were granted for both years.

根據舊購股權計劃授出之所有購股權於授出當日即時歸屬，行使期自授出日期起計為期十年。根據新購股權計劃授出之購股權於授出日期起計兩年後歸屬，自二零一五年一月十一日起至二零二三年一月十日止可予行使。

All share options granted under the Old Share Option Scheme vested immediately at the dates of grant with the exercisable period of ten years from the dates of grant. The share options granted under the New Share Option Scheme were vested over two years from the dates of grant and they are exercisable commencing from 11 January 2015 to 10 January 2023.

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36. 資本承擔

36. CAPITAL COMMITMENTS

	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
有關收購物業、廠房及設備及土地使用權之資本開支，已訂約但未於綜合財務報告撥備	Capital expenditure in respect of the acquisition of property, plant and equipment and land use right contracted for but not provided in the consolidated financial statements	
	45,088	101,996

37. 經營租賃承擔

37. OPERATING LEASE COMMITMENTS

本集團作為出租人

所有持作賺取租金之物業於介乎未來一年至四年已有約定之承租人。

租賃之未貼現應收租賃付款如下：

The Group as lessor

All of the properties held for rental purposes have committed lessees for the next ranged from 1 year to 4 years.

Undiscounted lease payments receivable on leases are as follows:

	二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
一年內	Within one year	
於第二年	In the second year	
於第三年	In the third year	
於第四年	In the fourth year	
	7,989	9,428
	6,946	6,229
	1,082	6,778
	531	1,251
	16,548	23,686

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38. 關聯方交易

除綜合財務報告其他部分所披露者外，年內之關聯方交易呈列如下：

- (a) 年內，本集團支付960,000港元(二零二零年：960,000港元)之租金予港德投資有限公司(「港德」)，本公司之最終控股股東及董事葉志成先生持有港德的控股權益。租期為12個月的租賃安排被視為短期租賃。
- (b) 年內，本集團收到葉志成慈善基金有限公司之租金及使用費用384,000港元(二零二零年：420,000港元)及服務費用收入53,000港元(二零二零年：53,000港元)，本公司董事葉志成先生於該公司擁有控股權益。
- (c) 年內，本集團向本集團之聯營公司出售為數1,358,000港元(二零二一年：49,000港元)之貨品。於截至二零二零年十二月三十一日止年度，本集團從一間聯營公司收取利息87,000港元(二零二一年：無)。
- (d) 於截至二零二零年十二月三十一日止年度，本集團與多名買方訂立協議，以出售於一間全資附屬公司洋紫荊油墨合共8.24%之股本權益。有關出售包括向若干本公司董事及本集團高級管理層以人民幣6,951,000元(相當於約7,512,000港元)出售於洋紫荊油墨之0.87%股權。
- (e) 主要管理人員為本公司董事及本公司行政管理人員。付予彼等之薪酬詳情載於附註6。
- (f) 截至二零二一年十二月三十一日止年度，本集團向一名非控股股東出售於德慶華彩之60%股權，總現金代價為人民幣34,000,000元(相當於約40,824,000港元)。詳情披露於附註31(b)。

38. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in the consolidated financial statements, the related party transactions for the year are presented below:

- (a) During the year, the Group paid rent of HK\$960,000 (2020: HK\$960,000) to Goldex Investments Limited ("Goldex") in which Mr. Ip Chi Shing, the ultimate controlling shareholder and a director of the Company, has controlling interests over Goldex. The lease arrangement with lease term of 12 months is considered as a short-term lease.
- (b) During the year, the Group received rent and license fee of HK\$384,000 (2020: HK\$420,000) and service fee income of HK\$53,000 (2020: HK\$53,000) from Ip Chi Shing Charitable Foundation Limited in which Mr. Ip Chi Shing, a director of the Company, has controlling interest.
- (c) During the year, the Group sold goods to associates of the Group amounting to HK\$ 1,358,000 (2021: HK\$49,000). During the year ended 31 December 2020, the Group received interest of HK\$87,000 (2021: Nil) from an associate.
- (d) The Group entered into agreements with several buyers to dispose of an aggregate of 8.24% equity interest in a wholly owned subsidiary, Bauhinia Ink during the year ended 31 December 2020. Such disposal included a sale of 0.87% equity interest in Bauhinia Ink to certain directors of the Company and senior management of the Group at RMB6,951,000 (equivalent to approximately HK\$7,512,000).
- (e) The key management personnel are the directors of the Company and the management executives of the Company. The details of the remuneration paid to them are set out in note 6.
- (f) During the year ended 31 December 2021, the Group disposed 60% equity interest in 德慶華彩, to a non-controlling shareholder at a total cash consideration of RMB34,000,000 (equivalent to approximately HK\$40,824,000). Details are disclosed in note 31(b).

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39. 退休福利計劃

本集團參與根據職業退休計劃條例登記之定額供款計劃（「職業退休計劃」）及根據強制性公積金計劃條例於二零零零年十二月成立之強制性公積金計劃（「強積金計劃」）。該等計劃之資產與本集團之資產分開，由受託人管理之信託基金持有。在強積金計劃成立之前，原為職業退休計劃成員之僱員可選擇繼續參與職業退休計劃或轉至強積金計劃，而所有於二零零零年十二月一日或以後新入職本集團之僱員則須參與強積金計劃。

本集團於中國之附屬公司僱員乃由中國政府運作之國家監管退休福利計劃之成員。此等附屬公司之供款為僱員薪金成本之特定百分比，作為該退休福利計劃福利之資金。本集團就該退休福利計劃承擔之唯一責任為提供特定供款。

於損益扣除之成本為52,432,000港元（二零二零年：11,399,000港元），代表本集團按計劃規則訂明之比率於本會計期間向該等計劃支付或應付之供款。於截至二零二零年十二月三十一日止年度，向中國當地政府運作之國家管理退休福利計劃的供款因新冠肺炎爆發而有所減少。

39. RETIREMENT BENEFIT PLAN

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance (the “ORSO Scheme”) and a Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The costs charged to profit or loss of HK\$52,432,000 (2020: HK\$11,399,000) represent contributions paid or payable to these plans by the Group at rates specified in the rules of the plans in respect of the current accounting period. During the year ended 31 December 2020, contributions to the state-managed retirement benefit plan operated by the local government of the PRC were reduced due to outbreak of Covid-19.

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40. 主要附屬公司

本公司主要附屬公司之詳情如下：

40. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries are as follows:

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零二一年 2021	二零二零年 2020	
紫荊花新材料集團有限公司 Bauhinia Advanced Materials Group Limited	香港 Hong Kong	普通股 – 149,665港元 遞延股 – 335港元 Ordinary – HK\$149,665 Deferred – HK\$335	100% (附註a) 100% (Note a)	100% (附註a) 100% (Note a)	投資控股 Investment holding
紫荊花化工(上海)有限公司 Bauhinia Chemical (Shanghai) Company Limited	中國 – 獨資外資企業 PRC – wholly owned foreign enterprise	資本貢獻 – 人民幣2,000,000元 Capital contribution – RMB2,000,000	100%	100%	買賣塗料 Trading in coatings
紫荊花塗料(上海)有限公司 Bauhinia Coatings Manufacturing (Shanghai) Co., Limited	中國 – 獨資外資企業 PRC – wholly owned foreign enterprise	資本貢獻 – 40,800,000美元 Capital contribution – USD40,800,000	100%	100%	製造及買賣塗料 Manufacture of and trading in coatings
紫荊花塗料(海外)有限公司 Bauhinia Coatings (Overseas) Limited	香港 Hong Kong	普通股 – 1港元 Ordinary – HK\$1	100% 100%	100% 100%	投資控股 Investment holding
洋紫荊油墨股份有限公司 Bauhinia Ink Company Limited	中國 – 股份有限公司 PRC – join-stock limited company	資本貢獻 – 人民幣299,900,000元 Capital contribution – RMB299,900,000	91.76%	91.76%	製造及買賣油墨 Manufacture of and trading in inks
Bauhinia Paints Limited	英屬處女群島 British Virgin Islands	普通股 – 1,000港元 Ordinary – HK\$1,000	100% 100%	100% 100%	投資控股 Investment holding
紫荊花製漆(成都)有限公司 Bauhinia Paints Manufacturing (Chengdu) Company Limited	中國 – 獨資外資企業 PRC – wholly owned foreign enterprise	資本貢獻 – 人民幣28,000,000元 Capital contribution – RMB28,000,000	100%	100%	製造及買賣塗料 Manufacture of and trading in coatings
大中漆廠有限公司 Bauhinia Paints Manufacturing Limited	香港 Hong Kong	普通股 – 20港元 遞延股 – 600,000港元 Ordinary – HK\$20 Deferred – HK\$600,000	100% (附註a) 100% (Note a)	100% (附註a) 100% (Note a)	投資控股 Investment holding
洋紫荊油墨(河北)有限公司 Bauhinia Variiegata Ink & Chemicals (Hebei) Limited	中國 – 獨資外資企業 PRC – wholly owned foreign enterprise	資本貢獻 – 人民幣88,000,000元 Capital contribution – RMB88,000,000	100%	100%	物業投資 Property investment

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40. 主要附屬公司 (續)

40. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零二一年 2021	二零二零年 2020	
洋紫荆油墨(中山)有限公司	中國 – 獨資外資企業	資本貢獻 – 180,000,000港元	91.76%	91.76%	製造及買賣油墨
Bauhinia Variegata Ink & Chemicals (Zhongshan) Limited	PRC – wholly owned foreign enterprise	Capital contribution – HK\$180,000,000	91.76%	91.76%	Manufacture of and trading in inks
凌志潤滑油有限公司 Best Lubricant Blending Limited	香港 Hong Kong	普通股 – 2港元 Ordinary – HK\$2	100% 100%	100% 100%	投資控股 Investment holding
百興投資(香港)有限公司 Best Prospect Investments (Hong Kong) Limited	香港 Hong Kong	普通股 – 1港元 Ordinary – HK\$1	100% 100%	100% 100%	投資控股 Investment holding
大勇投資有限公司	香港	普通股 – 10,000港元	0% (附註b)	100%	物業投資
Big Youth Investments Limited	Hong Kong	Ordinary – HK\$10,000	0% (Note b)	100%	Property investment
Brandway Limited	英屬處女群島 British Virgin Islands	普通股 – 1美元 Ordinary – USD1	100% 100%	100% 100%	投資控股 Investment holding
協和化工倉儲有限公司 Concord Chemical Storing Limited	香港 Hong Kong	普通股 – 160,000港元 Ordinary – HK\$160,000	75% 75%	75% 75%	投資控股及買賣溶劑 Investment holding and trading in solvents
大昌樹脂(惠州)有限公司	中國 – 獨資外資企業	資本貢獻 – 24,500,000港元	100%	100%	買賣樹脂
Da Chang Polymers (Huizhou) Limited	PRC – wholly owned foreign enterprise	Capital contribution – HK\$24,500,000	100%	100%	Trading in resins
東莞太平洋博高潤滑油有限公司	中國 – 獨資外資企業	資本貢獻 – 50,000,000港元	100%	100%	製造及買賣潤滑油
Dongguan Pacoil Lubricant Company Limited	PRC – wholly owned foreign enterprise	Capital contribution – HK\$50,000,000	100%	100%	Manufacture of and trading in lubricants
葉士消毒科技有限公司	香港	普通股 – 1港元	100%	100%	買賣消毒產品及提供 服務
EUCA Sanitizing Technology Company Limited	Hong Kong	Ordinary – HK\$1	100%	100%	Trading in sanitising products and provision of services

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40. 主要附屬公司 (續)

40. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零二一年 2021	二零二零年 2020	
盈駿香港發展有限公司 Focus Hong Kong Development Limited	香港 Hong Kong	普通股 – 7,950,768.48港元 Ordinary – HK\$7,950,768.48	91.76% 91.76%	91.76% 91.76%	投資控股及買賣油墨 Investment holding and trading in inks
萬潤有限公司 Great Success Limited	薩摩亞 Samoa	普通股 – 1美元 Ordinary – USD1	100% 100%	100% 100%	投資控股 Investment holding
謙信化工發展有限公司 Handsome Chemical Development Limited	香港 Hong Kong	普通股 – 600,000港元 Ordinary – HK\$600,000	100% 100%	100% 100%	投資控股及買賣溶劑 Investment holding and trading in solvents
謙信化工集團有限公司 Handsome Chemical Group Limited	中國 – 合資合營企業 PRC – equity joint venture	資本貢獻 – 289,000,000港元 Capital contribution – HK\$289,000,000	75% 75%	75% 75%	製造及買賣溶劑 Manufacture of and trading in solvents
謙信化工服務有限公司 Handsome Chemical Services Limited	香港 Hong Kong	普通股 – 60,000港元 Ordinary – HK\$60,000	100% 100%	100% 100%	提供司庫服務 Provision of treasury services
恒昌塗料(惠陽)有限公司 Hang Cheung Coatings (Hui Yang) Limited	中國 – 獨資外資企業 PRC – wholly owned foreign enterprise	資本貢獻 – 20,000,000美元 Capital contribution – USD20,000,000	100% 100%	100% 100%	製造及買賣塗料 Manufacture of and trading in coatings
Hang Cheung Coatings (Viet Nam) Company Limited	越南 – 獨資外資企業 Viet Nam – wholly owned foreign enterprise	資本貢獻 – 100,000美元 Capital contribution – USD100,000	100% 100%	100% 100%	買賣塗料 Trading in coatings
恒昌石油化工有限公司 Hang Cheung Petrochemical Limited	香港 Hong Kong	普通股 – 800,000港元 Ordinary – HK\$800,000	100% 100%	100% 100%	投資控股 Investment holding
Hang Cheung (W.S.) Limited	薩摩亞 Samoa	普通股 – 1美元 Ordinary – USD1	100% 100%	100% 100%	投資控股 Investment holding
惠州盛達化工有限公司 Huizhou Shengda Chemical Company Limited	中國 – 獨資企業 PRC – wholly owned enterprise	資本貢獻 – 人民幣15,000,000元 Capital contribution – RMB15,000,000	75% 75%	75% 75%	製造及買賣溶劑 Manufacture of and trading in solvents

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40. 主要附屬公司 (續)

40. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零二一年 2021	二零二零年 2020	
江門天誠溶劑製品有限公司 Jiangmen Thansome Solvents Production Limited	中國 – 獨資外資企業 PRC – wholly owned foreign enterprise	資本貢獻 – 53,000,000港元 Capital contribution – HK\$53,000,000	75% 75%	75% 75%	發電及售電 Generation and sale of electricity
駿達香港投資有限公司 Joint Rich Hong Kong Investment Limited	香港 Hong Kong	普通股 – 1港元 Ordinary – HK\$1	100% 100%	100% 100%	投資控股 Investment holding
Prophet Investments Limited	英屬處女群島 British Virgin Islands	普通股 – 1美元 Ordinary – USD1	100% 100%	100% 100%	投資控股 Investment holding
Radiant New Limited	英屬處女群島 British Virgin Islands	普通股 – 1美元 Ordinary – USD1	100% 100%	100% 100%	物業投資 Property investment
泰興金江化學工業有限公司 Taixing Jinjiang Chemical Industry Company Limited	中國 – 獨資企業 PRC – wholly owned enterprise	資本貢獻 – 723,980,000港元 Capital contribution – HK\$723,980,000	75% 75%	75% 75%	製造及買賣溶劑 Manufacture of and trading in solvents
天誠化工貿易有限公司 Thansome Chemical Trading Limited	香港 Hong Kong	普通股 – 160,000港元 Ordinary – HK\$160,000	75% 75%	75% 75%	買賣溶劑 Trading in solvents
騰邁集團(香港)有限公司 TM Holding (Hong Kong) Limited	香港 Hong Kong	普通股 – 2港元 Ordinary – HK\$2	100% 100%	100% 100%	持有商標 Holding of trade mark
TM Holding Limited	英屬處女群島 British Virgin Islands	普通股 – 1港元 Ordinary – HK\$1	100% 100%	100% 100%	持有商標 Holding of trade mark
葉氏駱駝(香港)有限公司 Yip's Camel (Hong Kong) Limited	香港 Hong Kong	普通股 – 1港元 Ordinary – HK\$1	100% 100%	100% 100%	買賣塗料 Trading in coatings
Yip's Chemical (BVI) Limited	英屬處女群島 British Virgin Islands	普通股 – 500港元 Ordinary – HK\$500	100% 100%	100% 100%	投資控股 Investment holding
葉氏化工研發(上海)有限公司 Yip's Chemical Research & Development (Shanghai) Company Limited	中國 – 獨資外資企業 PRC – wholly owned foreign enterprise	資本貢獻 – 17,000,000美元 Capital contribution – USD17,000,000	100% 100%	100% 100%	物業投資 Property investment

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40. 主要附屬公司 (續)

40. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零二一年 2021	二零二零年 2020	
葉氏恒昌(集團)有限公司 Yip's H.C. (Holding) Limited	香港 Hong Kong	普通股 – 999,500港元 遞延股 – 500港元 Ordinary – HK\$999,500 Deferred – HK\$500	100% (附註a) 100% (Note a)	100% (附註a) 100% (Note a)	投資控股及提供服務 Investment holding and provision of services
葉氏工業控股有限公司 Yip's Industrial Holdings Limited	香港 Hong Kong	普通股 – 10,000港元 Ordinary – HK\$10,000	75% 75%	75% 75%	投資控股及買賣溶劑 Investment holding and trading in solvents
葉氏油墨(集團)有限公司 Yip's Ink & Chemicals (Group) Limited	香港 Hong Kong	普通股 – 2港元 Ordinary – HK\$2	100% 100%	100% 100%	投資控股 Investment holding
葉氏潤滑油(集團)有限公司 Yip's Lubricant Limited	香港 Hong Kong	普通股 – 290,000港元 Ordinary – HK\$290,000	100% 100%	100% 100%	投資控股及買賣潤滑油 Investment holding and trading in lubricants
Yip's Pacific Limited	英屬處女群島 British Virgin Islands	普通股 – 36,251,000港元 Ordinary – HK\$36,251,000	100% 100%	100% 100%	投資控股 Investment holding
德慶華彩合成樹脂有限公司	中國 – 合資合營企業 PRC – equity joint venture	普通股 – 9,300,000美元 Ordinary – USD9,300,000	0% (附註c) 0% (Note c)	60% 60%	製造及買賣樹脂 Manufacture of and trading in resins
葉氏信息科技(深圳)有限公司	中國 – 獨資外資企業 PRC – wholly owned foreign enterprise	資本貢獻 – 人民幣1,000,000元 Capital contribution – RMB1,000,000	100% 100%	100% 100%	提供服務 Provision of services
河北大麥汽車維修服務有限公司	中國 – 合資合營企業 PRC – equity joint venture	資本貢獻 – 人民幣8,903,062元 Capital contribution – RMB8,903,062	61% 61%	61% 61%	投資控股及提供汽車 保養服務 Investment holding and provision of car maintenance services
山東大麥汽車維修服務 有限公司	中國 – 獨資企業 PRC – wholly owned enterprise	資本貢獻 – 人民幣3,000,000元 Capital contribution – RMB3,000,000	61% 61%	61% 61%	提供汽車保養服務 Provision of car maintenance services

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40. 主要附屬公司 (續)

40. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零二一年 2021	二零二零年 2020	
東莞市大嘜趣車汽車服務 有限公司	中國 – 獨資企業	資本貢獻 – 人民幣1,000,000元	61%	61%	提供汽車保養服務
	PRC – wholly owned enterprise	Capital contribution – RMB1,000,000	61%	61%	Provision of car maintenance services
中山市大嘜趣車汽車服務 有限公司	中國 – 獨資企業	資本貢獻 – 人民幣500,000元	0% (附註d)	61%	提供汽車保養服務
	PRC – wholly owned enterprise	Capital contribution – RMB500,000	0% (Note d)	61%	Provision of car maintenance services
佛山市大嘜趣車汽車服務 有限公司	中國 – 獨資企業	資本貢獻 – 人民幣500,000元	61%	61%	提供汽車保養服務
	PRC – wholly owned enterprise	Capital contribution – RMB500,000	61%	61%	Provision of car maintenance services
長沙市大嘜趣車汽車服務 有限公司	中國 – 獨資企業	資本貢獻 – 人民幣500,000元	61%	61%	提供汽車保養服務
	PRC – wholly owned enterprise	Capital contribution – RMB500,000	61%	61%	Provision of car maintenance services
南京大嘜汽車維修服務 有限公司	中國 – 獨資企業	資本貢獻 – 人民幣1,000,000元	61%	61%	提供汽車保養服務
	PRC – wholly owned enterprise	Capital contribution – RMB1,000,000	61%	61%	Provision of car maintenance services
江門市大嘜趣車汽車維修服務 有限公司	中國 – 獨資企業	資本貢獻 – 人民幣500,000元	61%	61%	提供汽車保養服務
	PRC – wholly owned enterprise	Capital contribution – RMB500,000	61%	61%	Provision of car maintenance services
紫荊花新材料服務(深圳) 有限公司	中國 – 獨資外資企業	資本貢獻 – 人民幣5,000,000元	100%	100%	投資控股
	PRC – wholly owned foreign enterprise	Capital contribution – RMB5,000,000	100%	100%	Investment holding

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40. 主要附屬公司 (續)

40. PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 註冊地點 Place of incorporation/ registration	已發行股本之面值/ 註冊資本 Nominal value of issued share capital/ registered capital	本集團持有 已發行股本面值/ 註冊資本之比例 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零二一年 2021	二零二零年 2020	
葉士消毒科技(深圳)有限公司	中國 – 獨資外資企業	資本貢獻 – 人民幣1,000,000元	100%	100%	買賣消毒產品及提供 服務 Trading in sanitising products and provision of services
	PRC – wholly owned foreign enterprise	Capital contribution – RMB1,000,000	100%	100%	
珠海謙信新材料有限公司	中國 – 獨資企業	資本貢獻 – 人民幣300,000,000元	75%	75%	製造及買賣溶劑 Manufacture of and trading in solvents
	PRC – wholly owned enterprise	Capital contribution – RMB300,000,000	75%	75%	
新亞太檢測技術服務(中山) 有限公司	中國 – 獨資企業	資本貢獻 – 人民幣12,000,000元	91.76%	91.76%	油墨及其他產品 質量檢查 Inks and other product quality inspection
	PRC – wholly owned enterprise	Capital contribution – RMB12,000,000	91.76%	91.76%	
明苜管理(深圳)有限公司	中國 – 獨資外資企業	資本貢獻 – 人民幣15,000,000元	100% (附註e)	–	投資控股 Investment holding
	PRC – wholly owned foreign enterprise	Capital contribution – RMB15,000,000	100% (Note e)	–	

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40. 主要附屬公司 (續)

附註：

- (a) 非由本集團持有之遞延股份無權收取股息或任何該公司股東大會之通告或出席任何該公司股東大會或在會上投票。在清盤時，倘普通股持有人（即本集團）已獲全數退還就該等股份支付之資本及總額合共100,000,000,000港元，則遞延股份持有人方有權從該公司剩餘資產中獲退還就無投票權遞延股份支付之資本。
- (b) 該附屬公司已於二零二一年七月十六日出售。詳情請參閱附註31(a)。
- (c) 該附屬公司已於二零二一年七月六日出售。詳情請參閱附註31(b)。
- (d) 該附屬公司已於二零二一年四月二十五日註銷。
- (e) 該附屬公司於截至二零二一年十二月三十一日止年度註冊成立。

除Yip's Chemical (BVI) Limited由本公司直接持有外，所有其他附屬公司均為間接持有。除無具體營業地點之投資控股公司外，所有上述附屬公司均主要於其各自註冊成立／註冊之地點經營。

上表所列本集團之附屬公司乃董事認為會影響本集團業績或資產或負債之主要附屬公司。董事認為列載其他附屬公司之詳情將過於冗長累贅。

各附屬公司於二零二一年十二月三十一日或年內任何時間概無任何債務證券。

40. PRINCIPAL SUBSIDIARIES (Continued)

Notes:

- (a) The deferred shares, which are not held by the Group, carry no right to dividend or to receive notice of or to attend or vote at any general meeting of the company. On a winding-up, the holders of the deferred shares are entitled out of the surplus assets of the company to a return of capital paid up on the non-voting deferred shares but only when holders of ordinary shares, namely, the Group, have received in full the return of capital paid on them and, in aggregate, a total sum of HK\$100,000,000,000.
- (b) The subsidiary was disposed on 16 July 2021. Please refer to note 31(a) for details.
- (c) The subsidiary was disposed on 6 July 2021. Please refer to note 31(b) for details.
- (d) The subsidiary was deregistered on 25 April 2021.
- (e) The subsidiary was incorporated during the year ended 31 December 2021.

Except for Yip's Chemical (BVI) Limited which is held directly by the Company, all other subsidiaries are indirectly held. Except for the investment holding companies which have no specific place of operation, all the above subsidiaries operate principally in their respective place of incorporation/registration.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities subsisting at 31 December 2021 or at any time during the year.

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40. 主要附屬公司 (續)

下表顯示含重大非控股權益之本集團非全資附屬公司之詳情：

附屬公司名稱 Name of subsidiary	註冊成立地點及 主要營業地點 Place of incorporation and principal place of business	非控股權益持有之 所有權權益及投票權比例 Proportion of ownership interests and voting rights held by non-controlling interests		分配予非控股權益之 溢利(虧損) Profits (loss) allocated to non-controlling interests		累計非控股權益 Accumulated non-controlling interests	
		二零二一年	二零二零年	二零二一年	二零二零年	二零二一年	二零二零年
		2021	2020	2021	2020	2021	2020
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
謙信化工集團有限公司 (「謙信化工集團」) Handsome Chemical Group Limited (“Handsome Chemical Group”)	中國 The PRC	25%	25%	178,607	103,775	651,372	508,593
協和化工倉儲有限公司(「協和」) Concord Chemical Storing Limited (“Concord”)	香港 Hong Kong	25%	25%	(379)	(1,226)	206,188	205,679

有關含重大非控股權益之本集團附屬公司之財務資料(根據香港財務報告準則編製)概要載列如下。以下財務資料概要為抵銷集團間交易前之數額。

40. PRINCIPAL SUBSIDIARIES (Continued)

The table below shown details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Summarised financial information, which is prepared in accordance with HKFRSs, in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before elimination of intragroup transactions.

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40. 主要附屬公司 (續)

40. PRINCIPAL SUBSIDIARIES (Continued)

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
謙信化工集團及其附屬公司	Handsome Chemical Group and its subsidiaries		
營業額	Revenue	13,992,039	7,844,252
支出	Expenses	(13,277,612)	(7,429,153)
本年純利	Profit for the year	714,427	415,099
本年全面收益總額	Total comprehensive income for the year	798,529	583,004
非流動資產	Non-current assets	1,248,352	826,999
流動資產	Current assets	4,620,364	3,318,767
流動負債	Current liabilities	(3,191,935)	(2,096,792)
非流動負債	Non-current liability	(71,294)	(14,601)
總權益	Total equity	2,605,487	2,034,373
經營業務所產生之現金流入淨額	Net cash inflow from operating activities	397,399	41,009
投資業務所產生之現金流出淨額	Net cash outflow from investing activities	(291,122)	(114,991)
融資業務所產生之現金流入(流出)淨額	Net cash inflow (outflow) from financing activities	84,945	(109,711)
現金流入(流出)淨額	Net cash inflow (outflow)	191,222	(183,693)
已付非控股權益股息	Dividends paid to non-controlling interests	(56,854)	(24,448)

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40. 主要附屬公司 (續)

40. PRINCIPAL SUBSIDIARIES (Continued)

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
協和及其附屬公司	Concord and its subsidiaries		
營業額	Revenue	177,393	149,117
支出	Expenses	(178,908)	(154,022)
本年虧損	Loss for the year	(1,515)	(4,905)
本年全面收益總額	Total comprehensive income for the year	2,036	3,711
非流動資產	Non-current assets	15,426	26,574
流動資產	Current assets	924,599	895,205
流動負債	Current liabilities	(114,063)	(93,405)
非流動負債	Non-current liabilities	(1,208)	(5,656)
總權益	Total equity	824,754	822,718
經營業務所產生之現金 流入淨額	Net cash inflow from operating activities	67,069	11,285
投資業務所產生之現金 流出淨額	Net cash outflow from investing activities	(17)	(3,487)
融資業務所產生之現金 流出淨額	Net cash outflow from financing activities	(66,792)	(5,497)
現金流入淨額	Net cash inflow	260	2,301

41. 主要非現金交易

於截至二零二一年十二月三十一日止年度，本集團就使用租賃物業及廠房及機器訂立新的租賃合同。於截至二零二一年十二月三十一日止年度，本集團於租賃開始時確認使用權資產83,017,000港元（二零二零年：55,514,000港元）及租賃負債83,017,000港元（二零二零年：55,514,000港元）。

41. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2021, the Group entered into new lease contracts for the use of leased properties and plant and machinery. On the lease commencement, the Group recognised right-of-use assets of HK\$83,017,000 (2020: HK\$55,514,000) and lease liabilities of HK\$83,017,000 (2020: HK\$55,514,000) during the year ended 31 December 2021.

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42. 本公司財務狀況表

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		二零二一年 2021 千港元 HK\$'000	二零二零年 2020 千港元 HK\$'000
非流動資產	Non-current assets		
於附屬公司之投資	Investments in subsidiaries	1,387,907	1,352,469
應收一間附屬公司款項	Amount due from a subsidiary	132,106	–
		1,520,013	1,352,469
流動資產	Current assets		
其他應收款項及 預付款項	Other receivables and prepayments	151	145
銀行結餘及現金	Bank balances and cash	764	474
		915	619
流動負債	Current liabilities		
其他應付賬款及 應計費用	Other creditors and accrued charges	799	995
應付一間附屬公司款項	Amount due to a subsidiary	–	92,483
財務擔保負債	Financial guarantee liability	1,838	3,204
		2,637	96,682
流動負債淨額	Net current liabilities	(1,722)	(96,063)
資產淨值	Net assets	1,518,291	1,256,406
股本及儲備	Capital and reserves		
股本	Share capital	56,848	55,666
儲備	Reserves	1,461,443	1,200,740
總權益	Total equity	1,518,291	1,256,406

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

42. 本公司財務狀況表 (續)

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

儲備變動

Movement of reserves

		股份溢價 Share premium 千港元 HK\$'000	購股權儲備 Share option reserve 千港元 HK\$'000	其他儲備 Other reserve 千港元 HK\$'000 (附註) (Note)	匯兌儲備 Translation reserve 千港元 HK\$'000	資本贖回儲備 Capital redemption reserve 千港元 HK\$'000	保留溢利 Retained profits 千港元 HK\$'000	合計 Total 千港元 HK\$'000
於二零二零年一月一日	At 1 January 2020	505,188	4,103	77,700	95,044	5,416	462,637	1,150,088
本年純利	Profit for the year	-	-	-	-	-	98,618	98,618
因折算至呈列貨幣而產生之 匯兌差額	Exchange difference arising on translation to presentation currency	-	-	-	77,533	-	-	77,533
本年全面收益總額	Total comprehensive income for the year	-	-	-	77,533	-	98,618	176,151
取消購股權及轉入保留溢利	Share options cancelled and transfer to retained profits	-	(365)	-	-	-	365	-
以溢價購回之股份	Shares repurchase at premium	-	-	-	-	737	(19,206)	(18,469)
已付股息	Dividends paid	-	-	-	-	-	(107,030)	(107,030)
於二零二零年十二月三十一日	At 31 December 2020	505,188	3,738	77,700	172,577	6,153	435,384	1,200,740
本年純利	Profit for the year	-	-	-	-	-	374,546	374,546
因折算至呈列貨幣而產生之 匯兌差額	Exchange difference arising on translation to presentation currency	-	-	-	35,828	-	-	35,828
本年全面收益總額	Total comprehensive income for the year	-	-	-	35,828	-	374,546	410,374
以溢價購回之股份	Shares repurchase at premium	-	-	-	-	278	(10,309)	(10,031)
已付股息	Dividends paid	-	-	-	-	-	(138,180)	(138,180)
已付以股代息	Scrip dividend paid	70,834	-	-	-	-	(72,294)	(1,460)
於二零二一年十二月三十一日	At 31 December 2021	576,022	3,738	77,700	208,405	6,431	589,147	1,461,443

附註：其他儲備指因一九九一年集團重組而產生之儲備。

Note: Other reserve represents the reserve arising from group reorganisation in 1991.

